



Costco Wholesale Corporation Revises Earnings Outlook for the Remainder of Its Fiscal Year 2001

April 23, 2001

ISSAQUAH, Wash.--(BUSINESS WIRE)--April 23, 2001--Costco Wholesale Corporation ("Costco" or the "Company") (Nasdaq:COST) announced today that its earnings outlook for the third and fourth quarters ending May 13, 2001 and September 2, 2001, respectively, is below the outlook stated during the Company's second quarter earnings conference call.

On March 8th, the Company stated that its expectations of earnings per share were in the range of \$.25-.27 for the third quarter ending May 13th; in the range of \$.43-.45 for the fourth quarter ending September 2nd; and in the range of \$1.33-1.37 for the entire fiscal year.

Currently, earnings per share for the third quarter are expected to be in the \$.22-.24 range; for the fourth quarter in the \$.39-.41 range; and for the fiscal year ending September 2nd, in the \$1.26-1.30 range. These revised estimates represent a reduction of ten percent from prior guidance for the combined third and fourth quarters and a five percent reduction for the 2001 fiscal year. During fiscal year 2000, the Company reported earnings per share of \$.26 in the third quarter, \$.43 in the fourth quarter, and \$1.35 for the fiscal year.

Actual results for the third quarter ending May 13, 2001 will be reported on May 31, 2001.

According to Richard Galanti, Chief Financial Officer of Costco, "the major factors affecting our change in expectations for the remainder of the fiscal year are: (i) lower-than-anticipated sales trends; (ii) significant increases in energy costs and expectations of further increases in the near-term; and (iii) increasing costs of gasoline, not reflected in higher selling prices. While our short-term results will continue to be affected by these factors, as well as the current economic environment and rising energy costs overall, our long-term outlook remains positive. Our merchandising innovation remains strong; our facilities are well-run; our commitment to "great quality merchandise at the lowest possible price" continues; and the loyalty of our more than 34 million Costco cardholders continues, as our membership renewal rates remain at the highest level in our Company's history. As well, the overall response to our expansion into several new U.S. markets continues to be well received."

Costco will hold a conference call at 9:00 AM PDT (12:00 PM EDT) tomorrow morning, April 24th, with Jim Sinegal, President and CEO, and Richard Galanti to discuss additional details regarding the Company's revised expectations and other forward-looking information. The phone number to participate on the call is (973) 872-3100 or can be accessed via a webcast on www.costco.com (go to Customer Service, Investor Relations, Financial Releases and click on the "Live Webcast" icon).

Costco currently operates 354 warehouses, including 254 in the United States, 60 in Canada, 11 in the United Kingdom, five in Korea, three in Taiwan, two in Japan and 19 in Mexico. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com. The Company plans to open an additional 10 to 12 warehouses prior to the end of its 2001 fiscal year on September 2, 2001.

Statements in this release that address activities, events, conditions or developments that the Company expects, or anticipates may occur in the future constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. These risks and uncertainties include, but are not limited to, domestic and international economic conditions including exchange rates, the effects of competition and regulation, conditions affecting the acquisition, development, ownership or use of real estate, actions of vendors, and other risks identified from time to time in the Company's public statements and reports filed with the SEC.

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