



Costco Wholesale Corporation Announces Discontinuation of Doll Collection

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ISSAQUAH, WA, Aug 27, 2009 (MARKETWIRE via COMTEX) -- Costco Wholesale Corporation ("Costco") (NASDAQ: COST) announced that in late July and early August of this year, it pulled from its shelves and discontinued a toy collection that some of its members found objectionable. The item is a doll set collection called "Cuddle with Me, Doll with Plush Monkey." In connection with this decision, Costco explained that the discontinued items were part of a set that included six distinct iterations. One collection depicted a plush panda, and the other a plush monkey. Each of those was offered in a choice of three ethnic doll representations, Caucasian, African American, and Hispanic.

Shortly after the toys were offered for sale in Costco's locations on the East Coast, Costco received a complaint from a member in North Carolina, concerning the version of the doll showing an African American baby in conjunction with plush monkeys. Based upon that complaint, Costco immediately made the decision to pull from its shelves and discontinue all three of the versions of the collection that included the plush monkey. The discontinued items were carried only in the company's Northeast and Southeast operating regions of the United States, and through Costco's website.

It was Costco's intention in deciding to carry these items to offer doll sets that reflected ethnic diversity. Obviously, it would not further that intent to purposely carry an item that demonstrated racial or ethnic insensitivity. Once the company received complaints about the combination of an African American doll in juxtaposition with the plush monkeys, the company apologized for any discomfort that the item had caused, and discontinued the item. The three versions of the item sold with the plush panda are still carried by the company, and can be viewed or purchased on www.costco.com.

Jim Sinegal, Costco CEO, stated: "We are sensitive to any complaint that a product we carry would cause discomfort to any segment of our membership. As soon as it became clear to us that this toy item was offensive to some of our members, we decided to remove it from our warehouses. We don't believe there is room for argument in matters of this type, even though it was an honest mistake, made while we were attempting to do the right thing."

Costco offers its sincere apology to anyone who may have been offended by the doll collection that has been discontinued. Costco values diversity, both in its own workforce and in the communities where it does business. The company has a long record of support for efforts to promote diversity, especially in education, including Costco's Diversity Scholarship Program, now celebrating its tenth anniversary, as well as a long record of support for many similar programs in every region of the country, including the United Negro College Fund, the Thurgood Marshall Foundation, and others.

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