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Costco To Open In Discovery Springs

Middleton based developer, Livesey Company, announced the addition of Costco to its Discovery Springs development.

Costco will open a 152,000 square foot warehouse on Middleton's northeast side. Costco operates membership warehouses which offer members very low prices on a limited selection of nationally branded and selected private label products, in a wide range of merchandise categories. Costco's merchandise selection is designed to appeal to both the business and consumer, often in case, carton or multiple-pack quantities, at attractively low prices.

"Costco members love the treasure-hunt atmosphere created, where they can come in for a roll of paper towels and leave with a cart full of high-value goods, everything from fine diamonds to fine wines to the latest high-tech toys," said John Livesey, Developer of Discovery Springs. By providing more cost-effective means of distributing goods, Costco meets the needs of business customers who otherwise would pay a premium for small purchases and for the distribution services of traditional wholesalers, and who cannot otherwise obtain the full range of their product requirements from any single source. In addition, these business members will often combine personal shopping with their business purchases. The cost savings on brand name and selected private label merchandise are the primary motivation for individuals shopping for their personal needs.

Costco is led by one of the most stable and skilled management teams in the retail industry. Employee loyalty is strong at all levels of the company, and the turnover rate of the 115,000 employees is the lowest in big retail. Costco's average pay is \$17 an hour, 42 percent higher than its fiercest rival, Sam's Club. Costco's health plan is unmatched by many other retailers. "This is not altruistic," Jim Sinegal, the chief executive of [Costco Wholesale](#), the nation's fifth-largest retailer, said. "This is good business." Good wages and benefits are why Costco has extremely low rates of turnover and theft by employees, he said. Costco's customers, who are more affluent than other warehouse store shoppers, stay loyal because they like that low prices do not come at the workers' expense.

Costco's membership format is designed to reinforce customer loyalty. Costco has two primary types of members: Business and Gold Star (individual) members. The Company also offers an Executive Membership program to both Business and Gold Star

members. The Executive Membership program offers members additional savings and benefits on various business and consumer services offered by Costco, such as merchant credit card processing, small business loans, auto and home insurance, long-distance telephone service, check printing, and real estate and mortgage services. As of August 28, 2005, Costco had approximately 5.0 million primary Business memberships and approximately 16.2 million Gold Star memberships. Included within this membership base are approximately 4.2 million members that have upgraded to the Executive Membership program. Members can utilize their memberships at any Costco warehouse location.

Costco currently operates 487 warehouses, including 358 in the United States and Puerto Rico, 68 in Canada, 18 in the United Kingdom, five in Korea, four in Taiwan, five in Japan and 29 in Mexico. The Company also operates Costco Online, an electronic commerce web site, at www.costco.com and at www.costco.ca in Canada. The Company plans to open an additional 20 to 21 new warehouses in the first four months of fiscal 2007, prior to the end of calendar year 2006. Costco has now completed 22 years in business, and sales exceeded \$50 billion (\$51.9 billion in fiscal 2005), and their net profit topped the \$1 billion mark (\$1.063 billion), both historical records for Costco.

Discovery Springs, located in the northwest corner of Highway 12 and Highway 14, is quickly expanding. The Life Enhancement Center at Discovery Springs is nearly 100% leased. Lasting SkinSolutions and CORE Athletic have joined ANiU, Center for Cosmetic Dentistry, and Park Bank. Country Inn and Suites along with Quaker Steak and Lube, PF Chang's, and Abuelos are also open in the development and have been experiencing early success. The Courtyard by Marriot, UW Health Transformations, and Meicher & Associates are currently under construction. John Livesey, Director of Development for Livesey Company, hopes to soon announce more restaurants coming to Discovery Springs along with a new office building.

In Business Magazine, the last two years, has ranked Livesey Company as the largest commercial developer in Dane County. Livesey Company developed and manages Famous Footwear world headquarters, Dean Health Care business office, along with several shopping centers in Madison, Fitchburg, Middleton, Wausau, Appleton and Oshkosh. Livesey Company also developed South Towne Mall and Pier 37 shopping center. Livesey Company is currently developing shopping centers and office buildings in Middleton, DeForest, Verona, Windsor and Sun Prairie.

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