

Tri-City Development Council

News Release

Contacts:

Deanna Smith, Tri-City Development Council (TRIDEC), (509) 735-1000

Allison Sobczak, FedEx Ground, (412) 859-5498

Jerry Schneider, Fluor Hanford, (509) 376-4496

Geoff Tyree, Fluor Hanford, (509) 372-1145

FOR IMMEDIATE RELEASE

FedEx Ground expanding operations in the Tri-Cities

Tri-Cities, WA - (TRIDEC) –June 8, 2006 — FedEx Ground, the small-package ground delivery unit of FedEx Corp. (NYSE: FDX), has signed a lease agreement with Fluor Hanford to use a portion of Fluor’s “shell” building in expanding its service operations in the Tri-Cities. FedEx Ground will occupy about a third of the 103,500 square-foot building in Pasco. FedEx Ground expects to begin operations in September and will have a workforce of approximately 35 people at the site.

“The opening of our new Pasco facility is part of our ongoing efforts to increase the size, speed and efficiency of our network,” said John Hiltz, division vice president for FedEx Ground. “At nearly 10 times the size of our current building, we will be able to better serve customers in the Tri-Cities.”

"We welcome this expansion of FedEx Ground operations in the Tri-Cities," said Carl Adrian, president of the Tri-Cities Industrial Development Council. "This investment proves that we have all the right ingredients for companies looking for a superior warehouse and distribution center location. We appreciate the generous investment Fluor made in the community by building this quality facility in Pasco. I am confident that Fluor's new building improvements will attract more companies and jobs to the area."

FedEx Ground will be establishing its operations in a facility that Fluor built six years ago to enhance the local economy, following a suggestion by TRIDEC to build a nearly finished facility—or “shell” building—to attract out-of-town companies. The building, located in the Pasco Processing Center, has highway access, and rail service, and is near the Tri-Cities airport. The shell building was built at a cost of \$4.3 million.

“Fluor is pleased that the shell building will now have a tenant and become a direct contributor to the Tri-Cities economy,” said Norm Powell, General Manager of Fluor Government Group’s Richland office. “The building has helped the local economy by attracting businesses to the Tri-Cities for a first look. They may not have settled in the shell building, but they came here to see it and found that they liked the Tri-Cities.”

-more-

Fluor Hanford estimates that more than 140 prospective buyers or tenants have toured the building over six years. Ferguson Enterprises, which built a 380,000-square-foot plumbing-supply warehouse in Richland's Horn Rapids Industrial Park, and Duke Energy, which operated for several years north of the Pasco Processing Center, were among the companies that eventually relocated to the Tri-Cities after first visiting the area to tour Fluor's shell building.

Richland-based Fluor Government Group is managing the project to prepare the building for FedEx Ground and has awarded a contract to George Grant Construction to finish the building. The 30,000 square-foot leased portion of the building will be finished according to FedEx Ground specifications. George Grant Construction will also lay concrete flooring and extend utilities to the remainder of the building. FedEx Ground will be operating between existing corporate neighbors J.R. Simplot and AmeriCold Logistics to the north and Twin City Foods to the south.

Fluor Hanford is continuing to offer the "shell" building for sale, which would include the FedEx lease, or will seek tenants for the remaining 70,000 square feet of the main building and a 3,750-square-foot office area on the 16-acre site. The building has been a prominent listing as an "available" industrial building on the TRIDEC Web site (www.tridec.org).

About Tri-City Development Council (TRIDEC)

The Tri-City Development Council (TRIDEC) is the lead economic development organization for Benton and Franklin Counties representing a population of over 218,000. TRIDEC works to create and sustain a region that is globally competitive, fueled by a diversified, technology-driven economy, and positioned to achieve sustained economic prosperity and opportunity for its business and residential communities. TRIDEC assists companies locating or expanding while also focusing on issues of regional competitiveness, through a CEO-driven issue agenda supporting growth and expansion of high-wage, high-growth industries in the region. We work with economic development professionals, board members and other investors building a strong region-wide support mechanism for economic development. TRIDEC works collaboratively with its counterparts in the Tri-Cities and surrounding areas in setting regional goals and seeking regional opportunities for economic growth.

About FedEx

FedEx Corp. (NYSE: FDX) provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of \$32 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brand. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 260,000 employees and contractors to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities. For more information, visit www.fedex.com.

For free B-roll/video content about FedEx please log onto www.thenewsmarket.com/fedex to preview and request video. You can receive broadcast-standard video digitally or by tape from this site. Registration and video is free to the media.

About Fluor Hanford

A prime contractor to the Department of Energy since 1996, Fluor Hanford has approximately 3,500 employees and manages several major activities at the Hanford Site, including dismantling former nuclear processing facilities, cleaning up the site's contaminated groundwater, retrieving and processing transuranic waste for off-site shipment, maintaining the site's infrastructure, and operating the Volpentest HAMMER Training & Education Center.

###