

INDIANA

ECONOMIC DEVELOPMENT CORPORATION

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Sysco Selects Indiana Site to Construct Midwest Redistribution Center, 500 New Jobs for Starke County

HAMLET, Ind. (February 27, 2006)—SYSCO Corporation (NYSE: SYY), North America’s largest foodservice marketer and distributor, today announced that it has signed a memorandum of understanding to purchase a 320-acre site in Hamlet, Indiana, where the company will construct its third redistribution center (RDC) and create approximately 500 new jobs in the process.

The company extensively reviewed sites in Illinois, Indiana and Michigan, but made the final decision to select a site for its new facility near the intersection of US 35 and US 30 in Starke County, Indiana. The state of Indiana, through the Indiana Economic Development Corporation (IEDC), Starke County Development Foundation, and the town of Hamlet worked together to provide an incentive package that helped attract Sysco’s Midwest redistribution center.

“Investments like the one Sysco is making reflect an encouraging confidence in Indiana as a place of economic promise,” said Indiana Governor Mitch Daniels.

The approximately 700,000-square-foot operation will include freezer, refrigeration, dry storage, office space and a truck maintenance facility. The operation is expected to be completed within 18 months after construction begins. Once the RDC is operational, it will begin supplying products to 14 SYSCO broadline facilities in Illinois, Indiana, Iowa, Kentucky, Michigan, Missouri, Ohio, Pennsylvania, and Wisconsin.

Kenneth J. Spitler, executive vice president of SYSCO and president of North American foodservice operations, said, “The Hamlet, Indiana location will be instrumental in establishing a more efficient supply chain for our existing operating companies in the Midwest Region. The site is strategically located for redistribution activities, is a product of sound public planning and utility infrastructure, and provides ready access to three Interstate highways and railroad systems.”

The economic development incentives offered by the IEDC include:

- Up to \$200,000 in training grants from the Skills Enhancement Fund (SEF) to train Indiana resident employees;
- Up to \$50,000 in training grants for technology professionals through the Technology Enhancement Certifications for Hoosiers (TECH) fund;
- Up to \$725,000 in assistance with off-site infrastructure improvements needed to serve the site through the industrial development grant fund (IDGF);
- Up to \$3,600,000 over ten years in Economic Development for a Growing Economy tax credits (EDGE); and

- Approximately four percent of the company's qualified investment through the Hoosier Business Investment tax credit program;

Starke County will provide infrastructure including roadway improvements, rail-spur, water and sewer extensions, and land through a combination of state and federal grants and local funds. The Indiana Office of Rural Affairs is working with local officials to help secure additional federal infrastructure funding.

"Sysco's decision to locate its Redistribution Center in Hamlet not only demonstrates Starke County's strategic location, but confidence in the performance of Starke County and its labor force," said Starke County Development Foundation Executive Director Charles Weaver.

The redistribution center is the third site location of as many as nine planned facilities throughout the United States as part of SYSCO's Supply Chain Initiative project. The first redistribution center, which began shipping products in February, 2005, is located in Front Royal, Virginia and services 14 of SYSCO's broad line distribution companies in the Northeast Region.

"NIPSCO is pleased to have been a partner in the effort to bring SYSCO to Starke County. With the location of this new facility, a major development corridor will be created," said NIPSCO Director of Economic Development Don Babcock. "We believe this will serve as a catalyst for future economic growth in this area. The entire region will no doubt realize a huge benefit by having SYSCO locate in Starke County."

SYSCO is the global leader in selling, marketing and distributing food products to restaurants, healthcare and educational facilities, lodging establishments and other customers who prepare meals away from home. Its family of products also includes equipment and supplies for the foodservice and hospitality industries. For the fiscal year 2005 that ended July 2, 2005, the company generated \$30.3 billion in sales. For more information about SYSCO visit the company's Internet home page at www.sysco.com.

About the IEDC

As a result of legislation passed by the Indiana General Assembly in Feb. 2005, the Indiana Economic Development Corporation (IEDC) replaced the Department of Commerce as the premier entity charged with state economic development. The IEDC has a 12-member board chaired by Gov. Mitch Daniels. For more information about IEDC, please visit www.iedc.IN.gov.