



Historical Statistics

FedEx Corporation

Financial and Operating Statistics

FY 1998 – FY 2005

This report is a statistical supplement to FedEx's financial reports and should be used in conjunction with our quarterly statistical book for more recent information.

Additional copies are available for downloading and printing at www.fedex.com/us/investorrelations. For more information, write or call:

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FEDEX CORPORATION

OVERVIEW

FedEx Corporation provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of \$35 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively, under the respected FedEx brands. Consistently ranked among the world's most admired and trusted employers, FedEx inspires its more than 275,000 employees and contractors to remain "absolutely, positively" focused on safety, the highest ethical and professional standards and the needs of their customers and communities.

FedEx Express invented express distribution and remains the industry's global leader, providing rapid, reliable, time-definite delivery to more than 220 countries and territories, connecting markets that comprise more than 90 percent of the world's gross domestic product within one to three business days. Unmatched air route authorities and transportation infrastructure make FedEx Express the world's largest express transportation company, providing fast and reliable services for more than 3 million shipments each business day. The FedEx Express segment also includes FedEx Trade Networks, which provides international trade services, specializing in customs brokerage and global cargo distribution.

FedEx Ground is a leading provider of ground small-package delivery services, providing service to the U.S., Canada and Puerto Rico. FedEx Home Delivery, the industry's first ground service dedicated to residential delivery, is available from FedEx Ground and is backed by a money-back guarantee. FedEx Ground segment financial results include FedEx SmartPost, which specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages using the U.S. Postal Service for final delivery to residences.

FedEx Freight, together with FedEx National LTL, is a leading regional and long-haul less-than-truckload (LTL) carrier and the market leader in providing next-day and second-day regional LTL freight services. FedEx Freight segment financial results also include Caribbean Transportation Services and FedEx Custom Critical, North America's largest time-specific, critical shipment carrier.

FedEx Kinko's is a leading provider of document solutions and business services, including copying and printing services, signs and graphics, videoconferencing, high-speed wireless and wired Internet access and computer usage. FedEx Kinko's offers the full range of FedEx day-definite ground shipping and time-definite global express shipping services at all of its U.S. domestic locations.

FedEx Services comprises the consolidated sales, customer service, marketing and technology support organizations, primarily for FedEx Express and FedEx Ground, along with the FedEx Global Supply Chain Services organization.

FedEx Corp. Condensed Consolidated Balance Sheets

FY 1998 – FY 2005

May 31
In millions (except share data)

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004¹</u>	<u>FY 2005</u>
<u>ASSETS</u>								
Current Assets:								
Cash and cash equivalents	\$ 229	\$ 325	\$ 68	\$ 121	\$ 331	\$ 538	\$ 1,046	\$ 1,039
Other current assets:								
Receivables, less allowances	1,943	2,153	2,547	2,506	2,491	2,627	3,027	3,297
Spare parts, supplies and fuel, less allowances	365	292	255	269	251	228	249	250
Deferred income taxes	233	291	318	488	469	416	489	510
Prepaid expenses and other	110	80	97	117	123	132	159	173
Total other current assets	<u>2,651</u>	<u>2,816</u>	<u>3,217</u>	<u>3,380</u>	<u>3,334</u>	<u>3,403</u>	<u>3,924</u>	<u>4,230</u>
Total current assets	<u>2,880</u>	<u>3,141</u>	<u>3,285</u>	<u>3,501</u>	<u>3,665</u>	<u>3,941</u>	<u>4,970</u>	<u>5,269</u>
Property and Equipment, at Cost:								
Aircraft and related equipment	4,057	4,557	4,960	5,313	5,843	6,624	7,001	7,610
Package handling and GSE and vehicles	3,425	3,859	4,204	4,621	4,866	5,013	5,296	5,360
Computer and electronic equipment	2,163	2,363	2,417	2,637	2,816	3,180	3,537	3,893
Other	<u>2,819</u>	<u>2,941</u>	<u>3,161</u>	<u>3,841</u>	<u>4,051</u>	<u>4,200</u>	<u>4,477</u>	<u>5,154</u>
	12,464	13,720	14,742	16,412	17,576	19,017	20,311	22,017
Less accumulated depreciation and amort.	<u>6,529</u>	<u>7,161</u>	<u>7,659</u>	<u>8,312</u>	<u>9,274</u>	<u>10,317</u>	<u>11,274</u>	<u>12,374</u>
Net property and equipment	<u>5,935</u>	<u>6,559</u>	<u>7,083</u>	<u>8,100</u>	<u>8,302</u>	<u>8,700</u>	<u>9,037</u>	<u>9,643</u>
Other Long-Term Assets:								
Goodwill	356	344	501	1,052	1,063	1,063	2,802	2,835
Other assets	<u>515</u>	<u>604</u>	<u>658</u>	<u>739</u>	<u>782</u>	<u>1,681</u>	<u>2,325</u>	<u>2,657</u>
Total other long-term assets	<u>871</u>	<u>948</u>	<u>1,159</u>	<u>1,791</u>	<u>1,845</u>	<u>2,744</u>	<u>5,127</u>	<u>5,492</u>
	<u>\$9,686</u>	<u>\$10,648</u>	<u>\$11,527</u>	<u>\$13,392</u>	<u>\$13,812</u>	<u>\$15,385</u>	<u>\$19,134</u>	<u>\$20,404</u>
<u>LIABILITIES AND STOCKHOLDERS' INVESTMENT</u>								
Current Liabilities:								
Current portion of long-term debt	\$ 258	\$ 15	\$ 7	\$ 221	\$ 6	\$ 308	\$ 750	\$ 369
Other current liabilities:								
Accrued salaries and employee benefits	612	741	755	700	739	724	1,062	1,275
Accounts payable	1,145	1,134	1,121	1,256	1,133	1,168	1,615	1,739
Accrued expenses	789	895	1,008	1,073	975	1,135	1,380	1,351
Total other current liabilities	<u>2,546</u>	<u>2,770</u>	<u>2,884</u>	<u>3,029</u>	<u>2,847</u>	<u>3,027</u>	<u>4,057</u>	<u>4,365</u>
Total current liabilities	<u>2,804</u>	<u>2,785</u>	<u>2,891</u>	<u>3,250</u>	<u>2,853</u>	<u>3,335</u>	<u>4,807</u>	<u>4,734</u>
Long-Term Debt, Less Current Portion	<u>1,385</u>	<u>1,360</u>	<u>1,776</u>	<u>1,900</u>	<u>1,800</u>	<u>1,709</u>	<u>2,837</u>	<u>2,427</u>
Deferred Income Taxes	<u>274</u>	<u>293</u>	<u>345</u>	<u>508</u>	<u>599</u>	<u>882</u>	<u>1,106</u>	<u>1,206</u>
Other Long-Term Liabilities	<u>1,262</u>	<u>1,547</u>	<u>1,730</u>	<u>1,834</u>	<u>2,015</u>	<u>2,171</u>	<u>2,348</u>	<u>2,449</u>
COMMON STOCKHOLDERS' INVESTMENT:								
Common stock \$0.10 par value;								
800 million shares authorized	15	30	30	30	30	30	30	30
Additional paid-in capital	993	1,061	1,079	1,120	1,144	1,088	1,079	1,213
Retained earnings	2,999	3,616	4,295	4,880	5,465	6,250	7,001	8,363
Accumulated other comprehensive loss	<u>(27)</u>	<u>(25)</u>	<u>(36)</u>	<u>(56)</u>	<u>(53)</u>	<u>(30)</u>	<u>(46)</u>	<u>(17)</u>
	3,980	4,682	5,368	5,974	6,586	7,338	8,064	9,589
Less treasury stock, at cost, and deferred comp.	<u>19</u>	<u>19</u>	<u>583</u>	<u>74</u>	<u>41</u>	<u>50</u>	<u>28</u>	<u>1</u>
Total common stockholders' investment	<u>3,961</u>	<u>4,663</u>	<u>4,785</u>	<u>5,900</u>	<u>6,545</u>	<u>7,288</u>	<u>8,036</u>	<u>9,588</u>
	<u>\$9,686</u>	<u>\$10,648</u>	<u>\$11,527</u>	<u>\$13,392</u>	<u>\$13,812</u>	<u>\$15,385</u>	<u>\$19,134</u>	<u>\$20,404</u>

1 - Financial information for FedEx Kinko's has been included from February 12, 2004.

Differences may result due to rounding.

FedEx Corp. Condensed Consolidated Statements of Cash Flows

FY 1998 – FY 2005

Years ended May 31
In millions

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004²</u>	<u>FY 2005</u>
Operating Activities:								
Income from continuing operations	\$ 498	\$ 631	\$ 688	\$ 584	\$ 710	\$ 830	\$ 838	\$1,449
Noncash charges:								
Depreciation and amortization	964	1,035	1,155	1,276	1,364	1,351	1,375	1,462
Other, net	95	19	48	216	209	454	141	200
Changes in operating assets and liabilities, net	<u>48</u>	<u>87</u>	<u>(266)</u>	<u>(32)</u>	<u>(55)</u>	<u>(764)</u>	<u>666</u>	<u>6</u>
Net cash provided by operating activities	1,605	1,772	1,625	2,044	2,228	1,871	3,020	3,117
Investing Activities:								
Capital expenditures ¹	(1,880)	(1,770)	(1,627)	(1,893)	(1,615)	(1,511)	(1,271)	(2,236)
Proceeds from:								
Sale-leaseback transactions	323	81	–	237	–	–	–	–
Reimbursements of A300 and MD11 deposits	107	67	24	–	–	–	–	–
Asset dispositions	162	196	165	37	27	22	18	12
Business acquisitions, net of cash acquired	–	–	(257)	(477)	(35)	–	(2,410)	(122)
Other, net	<u>–</u>	<u>(23)</u>	<u>(13)</u>	<u>(17)</u>	<u>11</u>	<u>(1)</u>	<u>1</u>	<u>(2)</u>
Net cash used in investing activities	(1,288)	(1,449)	(1,708)	(2,113)	(1,612)	(1,490)	(3,662)	(2,348)
Financing Activities:								
Principal payments on debt	(534)	(269)	(115)	(650)	(320)	(10)	(319)	(791)
Proceeds from debt issuances	267	–	518	744	–	–	1,599	–
Proceeds from stock issuances	34	50	16	29	88	81	115	99
Dividends paid	(8)	–	–	–	–	(60)	(66)	(84)
Purchases of treasury stock	(7)	(8)	(607)	–	(177)	(186)	(179)	–
Other, net	<u>1</u>	<u>(1)</u>	<u>14</u>	<u>(1)</u>	<u>3</u>	<u>1</u>	<u>–</u>	<u>–</u>
Net cash (used in) provided by financing activities	(247)	(228)	(174)	122	(406)	(174)	1,150	(776)
Cash provided by (used in) continuing operations	70	96	(257)	53	210	207	508	(7)
Cash used in discontinued operations	(2)	–	–	–	–	–	–	–
Cash and cash equivalents at beginning of period	<u>161</u>	<u>229</u>	<u>325</u>	<u>68</u>	<u>121</u>	<u>331</u>	<u>538</u>	<u>1,046</u>
Cash and cash equivalents at end of period	<u>\$ 229</u>	<u>\$ 325</u>	<u>\$ 68</u>	<u>\$ 121</u>	<u>\$ 331</u>	<u>\$ 538</u>	<u>\$1,046</u>	<u>\$1,039</u>

1 - Excludes equivalent capital of \$459 million, \$561 million and \$365 million in 1998, 1999 and 2000, respectively.

2 - Financial information for FedEx Kinko's has been included from February 12, 2004.

Differences may result due to rounding.

FedEx Corp. Annual Consolidated Statements of Income

FY 1998 – FY 2005

Years ended May 31
In millions, except EPS and FTEs

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001²</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004⁴</u>	<u>FY 2005⁷</u>
Revenue:								
FedEx Express segment	\$13,255	\$13,979	\$15,096	\$15,645	\$15,438	\$16,467	\$17,497	\$19,485
FedEx Ground segment	2,000	2,162	2,345	2,565	2,918	3,581	3,910	4,680
FedEx Freight segment ¹	—	—	—	993	2,253	2,443	2,689	3,217
FedEx Kinko's segment ⁵	—	—	—	—	—	—	521	2,066
Other & eliminations ⁵	<u>618</u>	<u>632</u>	<u>816</u>	<u>426</u>	<u>(2)</u>	<u>(4)</u>	<u>93</u>	<u>(85)</u>
Total Revenue	15,873	16,773	18,257	19,629	20,607	22,487	24,710	29,363
Operating Expenses:								
Salaries and employee benefits	6,647	7,088	7,598	8,263	9,099	9,778	10,728	11,963
Purchased transportation	1,482	1,538	1,675	1,713	1,825	2,155	2,407	2,935
Rentals and landing fees ⁶	1,304	1,396	1,539	1,650	1,780	1,803	1,918	2,299
Depreciation and amortization	964	1,035	1,155	1,276	1,364	1,351	1,375	1,462
Fuel ⁶	727	605	919	1,163	1,146	1,396	1,531	2,317
Maintenance and repairs ⁶	874	959	1,101	1,170	1,240	1,398	1,523	1,695
Airline stabilization	—	—	—	—	(119)	—	—	48
Business realignment costs	—	—	—	—	—	—	435	—
Other ⁶	<u>2,864</u>	<u>2,989</u>	<u>3,049</u>	<u>3,323</u>	<u>2,951</u>	<u>3,135</u>	<u>3,353</u>	<u>4,173</u>
Total Operating Expenses	14,862	15,610	17,036	18,558	19,286	21,016	23,270	26,892
Operating Income (Loss):								
FedEx Express segment	837	871	899	836	801	783	629	1,414
FedEx Ground segment	176	213	203	113	337	494	522	604
FedEx Freight segment ¹	—	—	—	61	185	193	244	354
FedEx Kinko's segment ⁵	—	—	—	—	—	—	39	100
Other & eliminations ⁵	<u>(2)</u>	<u>79</u>	<u>119</u>	<u>61</u>	<u>(2)</u>	<u>1</u>	<u>6</u>	<u>(1)</u>
Total Operating Income	1,011	1,163	1,221	1,071	1,321	1,471	1,440	2,471
Other Income (Expense):								
Interest, net	(124)	(98)	(106)	(144)	(139)	(118)	(116)	(139)
Other, net	<u>13</u>	<u>(4)</u>	<u>23</u>	<u>—</u>	<u>(22)</u>	<u>(15)</u>	<u>(5)</u>	<u>(19)</u>
Total Other Income (Expense)	(111)	(102)	(83)	(144)	(161)	(133)	(121)	(158)
Income Before Income Taxes	900	1,061	1,138	927	1,160	1,338	1,319	2,313
Provision for Income Taxes	<u>402</u>	<u>430</u>	<u>450</u>	<u>343</u>	<u>435</u>	<u>508</u>	<u>481</u>	<u>864</u>
Income from Continuing Operations	498	631	688	584	725	830	838	1,449
Income from Discontinued Operations, Net of Income Taxes	5	—	—	—	—	—	—	—
Cumulative Effect of Change in Accounting	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(15)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net Income	<u>\$ 503</u>	<u>\$ 631</u>	<u>\$ 688</u>	<u>\$ 584</u>	<u>\$ 710</u>	<u>\$ 830</u>	<u>\$ 838</u>	<u>\$1,449</u>
Diluted Earnings Per Share:								
Continuing operations	\$1.67	\$2.10	\$2.32	\$1.99	\$2.39	\$2.74	\$2.76	\$4.72
Discontinued operations	0.02	—	—	—	—	—	—	—
Cumulative Effect of Accounting Change	—	—	—	—	(0.05)	—	—	—
Net Diluted Earnings Per Share	<u>\$1.69</u>	<u>\$2.10</u>	<u>\$2.32</u>	<u>\$1.99</u>	<u>\$2.34</u>	<u>\$2.74</u>	<u>\$2.76</u>	<u>\$4.72</u>
Avg Common and Common Equivalent Shares	298	301	296	293	303	303	304	307

SELECTED STATISTICS

Operating Margin	6.4%	6.9%	6.7%	5.5%	6.4%	6.5%	5.8%	8.4%
Pretax Margin	5.7%	6.3%	6.2%	4.7%	5.6%	5.9%	5.3%	7.9%
Return on Assets ³	5.4%	6.2%	6.2%	4.7%	5.2%	5.7%	4.9%	7.3%
Return on Equity ³	13.5%	14.6%	14.6%	10.9%	11.4%	12.0%	10.9%	16.4%
FedEx Corp. Average FTEs	150,823	156,386	163,324	176,960	184,953	190,918	195,838	215,838

1 - The FedEx Freight segment includes the operations of FedEx Freight West from December 1, 2000 and FedEx Freight East from January 1, 2001. Prior to December 1, 2000, FedEx Freight West results are included in Other.

2 - FY01 includes a \$124 million charge associated with curtailing certain aircraft modification and development programs and reorganizing operations at FedEx Supply Chain Services. Of the total, \$102 million was incurred at FedEx Express and \$22 million was incurred at FedEx Supply Chain Services.

3 - Return on Assets and Return on Equity for the current year-to-date are calculated on a rolling four quarter basis.

4 - FY04 includes \$435 million (\$270 million, net of tax, or \$0.89 per diluted share) of business realignment costs. FY04 also includes a \$37 million, net of tax, or \$0.12 per diluted share benefit related to a favorable ruling on a tax case and the reduction of the company's effective tax rate.

5 - The FedEx Kinko's segment was formed in the fourth quarter of fiscal 2004. Results from the February 12, 2004 date of acquisition through February 29, 2004 are included in 'Other & eliminations' (approximately \$100 million of revenue and \$6 million of operating income).

6 - Certain prior period amounts have been reclassified to conform to the current period's presentation.

7 - Results for fiscal 2005 include a \$12 million or \$0.04 per diluted share benefit from an income tax adjustment.

Differences may result due to rounding.

FedEx Corp. Quarterly Consolidated Statements of Income

FY 1998 – FY 1999

Years ended May 31
In millions, except EPS and FTEs

	FY 1998				FY 1999			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenue:								
FedEx Express segment	\$3,297	\$3,299	\$3,233	\$3,426	\$3,417	\$3,482	\$3,431	\$3,649
FedEx Ground segment ³	419	487	583	511	509	555	525	573
Other & eliminations	150	156	171	141	157	172	142	161
Total Revenue	<u>3,866</u>	<u>3,942</u>	<u>3,987</u>	<u>4,078</u>	<u>4,083</u>	<u>4,209</u>	<u>4,098</u>	<u>4,383</u>
Operating Expenses:								
Salaries and employee benefits	1,637	1,615	1,688	1,707	1,748	1,757	1,762	1,821
Purchased transportation	329	368	415	370	371	397	376	394
Rentals and landing fees	292	336	347	329	331	348	364	353
Depreciation and amortization	230	237	250	247	250	252	264	269
Fuel	179	186	191	171	149	154	146	156
Maintenance and repairs	213	210	217	234	248	236	238	237
Other ^{1,4}	<u>683</u>	<u>701</u>	<u>783</u>	<u>697</u>	<u>700</u>	<u>728</u>	<u>797</u>	<u>764</u>
Total Operating Expenses	<u>3,563</u>	<u>3,653</u>	<u>3,891</u>	<u>3,755</u>	<u>3,797</u>	<u>3,872</u>	<u>3,947</u>	<u>3,994</u>
Operating Income (Loss):								
FedEx Express segment	264	214	98	261	219	251	95	306
FedEx Ground segment	35	57	37	47	43	62	43	65
Other & eliminations ¹	<u>4</u>	<u>18</u>	<u>(39)</u>	<u>15</u>	<u>22</u>	<u>24</u>	<u>14</u>	<u>19</u>
Total Operating Income	<u>303</u>	<u>289</u>	<u>96</u>	<u>323</u>	<u>284</u>	<u>337</u>	<u>152</u>	<u>390</u>
Other Income (Expense):								
Interest, net	(29)	(32)	(34)	(29)	(25)	(25)	(25)	(23)
Other, net ⁴	<u>10</u>	<u>=</u>	<u>2</u>	<u>1</u>	<u>(4)</u>	<u>1</u>	<u>(6)</u>	<u>5</u>
Total Other Income (Expense)	<u>(19)</u>	<u>(32)</u>	<u>(32)</u>	<u>(28)</u>	<u>(29)</u>	<u>(24)</u>	<u>(31)</u>	<u>(18)</u>
Income Before Income Taxes	284	257	64	295	255	313	121	372
Provision for Income Taxes ^{2,5}	<u>120</u>	<u>107</u>	<u>51</u>	<u>124</u>	<u>106</u>	<u>130</u>	<u>43</u>	<u>151</u>
Income from Continuing Operations	164	150	13	171	149	183	78	221
Income from Discontinued Operations, Net of Income Taxes	<u>=</u>	<u>=</u>	<u>5</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net Income	<u>\$ 164</u>	<u>\$ 150</u>	<u>\$ 18</u>	<u>\$ 171</u>	<u>\$ 149</u>	<u>\$ 183</u>	<u>\$ 78</u>	<u>\$ 221</u>
Basic Earnings Per Share:								
Continuing operations	\$0.56	\$0.51	\$0.04	\$0.58	\$0.51	\$0.62	\$0.26	\$0.74
Discontinued operations	<u>=</u>	<u>=</u>	<u>0.02</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net Basic Earnings Per Share	<u>\$0.56</u>	<u>\$0.51</u>	<u>\$0.06</u>	<u>\$0.58</u>	<u>\$0.51</u>	<u>\$0.62</u>	<u>\$0.26</u>	<u>\$0.74</u>
Weighted Avg. Common Shares	293	293	293	295	295	295	296	298
Diluted Earnings Per Share:								
Continuing operations	\$0.55	\$0.50	\$0.04	\$0.57	\$0.50	\$0.61	\$0.26	\$0.73
Discontinued operations	<u>=</u>	<u>=</u>	<u>0.02</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>
Net Diluted Earnings Per Share	<u>\$0.55</u>	<u>\$0.50</u>	<u>\$0.06</u>	<u>\$0.57</u>	<u>\$0.50</u>	<u>\$0.61</u>	<u>\$0.26</u>	<u>\$0.73</u>
Avg Common and Common Equiv. Shares	297	299	298	299	299	298	302	304
SELECTED STATISTICS								
Operating Margin	7.8%	7.3%	2.4%	7.9%	7.0%	8.0%	3.7%	8.9%
Pretax Margin	7.3%	6.5%	1.6%	7.2%	6.2%	7.4%	3.0%	8.5%
FedEx Corp. Average FTEs	147,745	150,888	152,239	152,580	153,369	156,701	158,155	157,406

1 - FedEx Freight West Q3 FY98 results include a one-time \$16 million gain on the sale of certain assets.

2 - FY98's rates of 79.8% and 45.9% for the third quarter and YTD periods reflect certain one-time Caliber transactions which were non-deductible for federal and state income tax purposes. Excluding the impact of those non-deductible costs, the effective tax rates were 39.0% and 41.3%.

3 - Included in Q3 FY99 FedEx Ground revenue was approximately \$7 million resulting from a one-time change in revenue recognition for in-transit shipments.

4 - FedEx Express incurred approximately \$81 million of operating expenses and \$10 million of bank fees and negative arbitrage on borrowings in Q3 FY99 as part of the contingency plans in connection with the FedEx pilot negotiations.

5 - FedEx Corp's Q3 FY99 quarterly and year-to-date effective tax rates are lower than the comparable periods, primarily due to the combination of stronger than expected YTD results from international operations and lower worldwide income taxes on foreign earnings. This change increased Q3 and Q4 FY99 earnings per share by \$0.02 and \$0.01, respectively, and Q3 and Q4 FY99 YTD by \$0.02 and \$0.04, respectively.

Unaudited. Differences may result due to rounding.

FedEx Corp. Quarterly Consolidated Statements of Income

FY 2000 – FY 2001

Years ended May 31
In millions, except EPS and FTEs

	FY 2000				FY 2001			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenue:								
FedEx Express segment	\$3,587	\$3,736	\$3,758	\$4,015	\$3,944	\$4,010	\$3,811	\$3,880
FedEx Ground segment	552	600	563	630	623	670	613	659
FedEx Freight segment ²	–	–	–	–	–	–	415	578
Other & eliminations ²	<u>181</u>	<u>234</u>	<u>197</u>	<u>204</u>	<u>212</u>	<u>215</u>	<u>–</u>	<u>(1)</u>
Total Revenue	4,320	4,570	4,518	4,849	4,779	4,895	4,839	5,116
Operating Expenses:								
Salaries and employee benefits	1,831	1,874	1,926	1,967	1,995	2,000	2,098	2,170
Purchased transportation	390	438	417	430	435	439	412	427
Rentals and landing fees	367	393	387	392	390	407	418	435
Depreciation and amortization	277	285	294	299	303	310	326	337
Fuel ⁴	185	225	257	252	250	313	310	290
Maintenance and repairs	255	278	271	297	310	278	270	312
Other ^{3,4}	<u>731</u>	<u>772</u>	<u>760</u>	<u>786</u>	<u>785</u>	<u>803</u>	<u>814</u>	<u>921</u>
Total Operating Expenses	4,036	4,265	4,312	4,423	4,468	4,550	4,648	4,892
Operating Income:								
FedEx Express segment ³	209	212	143	335	257	267	156	156
FedEx Ground segment ³	47	59	35	62	34	48	8	23
FedEx Freight segment ²	–	–	–	–	–	–	22	39
Other & eliminations ²	<u>28</u>	<u>34</u>	<u>28</u>	<u>29</u>	<u>20</u>	<u>30</u>	<u>5</u>	<u>6</u>
Total Operating Income	284	305	206	426	311	345	191	224
Other Income (Expense):								
Interest, net	(21)	(27)	(30)	(28)	(33)	(35)	(34)	(42)
Other, net ¹	<u>–</u>	<u>5</u>	<u>11</u>	<u>7</u>	<u>(4)</u>	<u>5</u>	<u>1</u>	<u>(2)</u>
Total Other Income (Expense)	(21)	(22)	(19)	(21)	(37)	(30)	(33)	(44)
Income Before Income Taxes	263	283	187	405	274	315	158	180
Provision for Income Taxes	<u>104</u>	<u>112</u>	<u>74</u>	<u>160</u>	<u>105</u>	<u>121</u>	<u>50</u>	<u>67</u>
Net Income	<u>\$ 159</u>	<u>\$ 171</u>	<u>\$ 113</u>	<u>\$ 245</u>	<u>\$ 169</u>	<u>\$ 194</u>	<u>\$ 108</u>	<u>\$ 113</u>
Basic Earnings Per Share	<u>\$0.53</u>	<u>\$0.58</u>	<u>\$0.39</u>	<u>\$0.86</u>	<u>\$0.59</u>	<u>\$0.68</u>	<u>\$0.38</u>	<u>\$0.38</u>
Weighted Avg. Common Shares	298	293	289	286	285	285	288	297
Diluted Earnings Per Share	<u>\$0.52</u>	<u>\$0.57</u>	<u>\$0.39</u>	<u>\$0.85</u>	<u>\$0.58</u>	<u>\$0.67</u>	<u>\$0.37</u>	<u>\$0.38</u>
Avg Common and Common Equiv. Shares	304	298	294	290	289	290	293	302
SELECTED STATISTICS								
Operating Margin	6.6%	6.7%	4.6%	8.8%	6.5%	7.0%	3.9%	4.4%
Pretax Margin	6.1%	6.2%	4.1%	8.4%	5.7%	6.4%	3.3%	3.5%
FedEx Corp. Average FTEs	157,781	162,738	164,902	166,504	168,589	171,924	182,263	185,132

1 - FedEx Express realized a gain on the sale of securities in Q3 FY00, increasing EPS by \$0.02, and a \$12 million gain in Q4 FY00 from the insurance settlement on an MD11 aircraft destroyed in an accident.

2 - The FedEx Freight segment includes the operations of FedEx Freight West from December 1, 2000 and FedEx Freight East from January 1, 2001. Prior to December 1, 2000, FedEx Freight West results are included in 'Other & eliminations'.

3 - Q4 FY01 includes a \$124 million charge associated with curtailing certain aircraft modification and development programs and reorganizing operations at FedEx Supply Chain Services. Of the total, \$102 million was incurred at FedEx Express and \$22 million was incurred at FedEx Supply Chain Services.

4 - Beginning Q2 FY05, certain FedEx Freight expenses have been reclassified from Other Expense to Fuel Expense. Reclassifications extend back to Q3 FY01, the inception of the FedEx Freight segment.

Unaudited. Differences may result due to rounding.

FedEx Corp. Quarterly Consolidated Statements of Income

FY 2002 – FY 2003

Years ended May 31
In millions, except EPS and FTEs

	FY 2002				FY 2003			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Revenue:								
FedEx Express segment	\$3,767	\$3,842	\$3,800	\$4,029	\$3,962	\$4,128	\$4,094	\$4,283
FedEx Ground segment	683	728	715	792	869	905	886	921
FedEx Freightsegment	588	565	505	595	615	634	568	626
Other & eliminations	(1)	—	(1)	—	(1)	—	(3)	—
Total Revenue	5,037	5,135	5,019	5,416	5,445	5,667	5,545	5,830
Operating Expenses:								
Salaries and employee benefits	2,236	2,231	2,246	2,386	2,426	2,403	2,464	2,485
Purchased transportation	445	464	442	474	518	549	535	553
Rentals and landing fees	432	472	444	432	444	465	452	442
Depreciation and amortization	336	342	341	345	339	338	334	340
Fuel ¹	302	294	255	295	306	348	363	379
Maintenance and repairs	312	292	306	330	371	354	344	329
Airline stabilization compensation	—	(116)	(3)	—	—	—	—	—
Other ¹	739	723	751	738	758	783	784	810
Total Operating Expenses	4,802	4,702	4,782	5,000	5,162	5,240	5,276	5,338
Operating Income (Loss):								
FedEx Express segment	120	306	138	237	128	230	130	295
FedEx Ground	59	81	69	128	101	135	109	149
FedEx Freightsegment	55	55	22	53	54	62	28	49
Other & eliminations	1	(9)	8	(2)	—	—	2	(1)
Total Operating Income	235	433	237	416	283	427	269	492
Other Income (Expense):								
Interest, net	(37)	(36)	(36)	(30)	(31)	(28)	(29)	(30)
Other, net	2	(2)	(7)	(15)	3	(4)	(3)	(11)
Total Other Income (Expense)	(35)	(38)	(43)	(45)	(28)	(32)	(32)	(41)
Income Before Income Taxes	200	395	194	371	255	395	237	451
Provision for Income Taxes	76	150	74	135	97	150	90	171
Income Before Accounting Change	124	245	120	236	158	245	147	280
Cumulative Effect of Change in Accounting	(15)	—	—	—	—	—	—	—
Net Income	<u>\$ 109</u>	<u>\$ 245</u>	<u>\$ 120</u>	<u>\$ 236</u>	<u>\$ 158</u>	<u>\$ 245</u>	<u>\$ 147</u>	<u>\$ 280</u>
Diluted Earnings Per Share:								
Income Before Accounting Change	\$0.41	\$0.81	\$0.39	\$0.78	\$0.52	\$0.81	\$0.49	\$0.92
Cumulative Effect of Accounting Change	(0.05)	—	—	—	—	—	—	—
Diluted Earnings Per Share	<u>\$0.36</u>	<u>\$0.81</u>	<u>\$0.39</u>	<u>\$0.78</u>	<u>\$0.52</u>	<u>\$0.81</u>	<u>\$0.49</u>	<u>\$0.92</u>
Avg Common and Common Equiv. Shares	302	302	304	304	302	303	303	303

SELECTED STATISTICS

Operating Margin	4.7%	8.4%	4.7%	7.7%	5.2%	7.5%	4.8%	8.4%
Pretax Margin	4.0%	7.7%	3.9%	6.9%	4.7%	7.0%	4.3%	7.7%
FedEx Corp. Average FTEs	183,586	185,490	184,338	186,414	190,616	192,445	191,495	189,098
Dividends Paid Per Common Share					\$0.05	\$0.05	\$0.05	\$0.05

1 - Beginning Q2 FY05, certain FedEx Freight expenses have been reclassified from Other Expense to Fuel Expense. Reclassifications extend back to Q3 FY01, the inception of the FedEx Freight segment.

Unaudited. Differences may result due to rounding.

FedEx Corp. Quarterly Consolidated Statements of Income

FY 2004 – FY 2005

Years ended May 31
In millions, except EPS and FTEs

	FY 2004				FY 2005			
	FIRST QUARTER ¹	SECOND QUARTER ²	THIRD QUARTER ³	FOURTH QUARTER ⁵	FIRST QUARTER	SECOND QUARTER ⁸	THIRD QUARTER	FOURTH QUARTER
Revenue:								
FedEx Express segment	\$4,137	\$4,279	\$4,374	\$4,707	\$4,616	\$4,834	\$4,915	\$5,120
FedEx Ground segment	914	978	960	1,058	1,073	1,174	1,200	1,233
FedEx Freight segment	637	664	630	758	807	820	747	843
FedEx Kinko's segment ⁴	–	–	–	521	490	524	499	553
Other & eliminations ⁶	(1)	(1)	98	(3)	(11)	(18)	(22)	(34)
Total Revenue	5,687	5,920	6,062	7,041	6,975	7,334	7,339	7,715
Operating Expenses:								
Salaries and employee benefits	2,570	2,559	2,649	2,950	2,920	2,930	3,026	3,087
Purchased transportation	555	598	602	652	681	747	748	759
Rentals and landing fees ⁷	429	447	474	568	551	577	585	586
Depreciation and amortization	334	336	340	365	360	363	368	371
Fuel ⁷	334	352	402	443	483	592	570	672
Maintenance and repairs ⁷	364	370	380	409	428	422	413	432
Airline stabilization	–	–	–	–	–	48	–	–
Business realignment costs	132	283	14	6	–	–	–	–
Other ⁷	769	792	829	963	973	1,055	1,077	1,068
Total Operating Expenses	5,487	5,737	5,690	6,356	6,396	6,734	6,787	6,975
Operating Income (Loss):								
FedEx Express segment	23	(19)	218	407	310	333	340	431
FedEx Ground segment	116	135	112	159	147	135	149	173
FedEx Freight segment	61	66	37	80	103	102	54	95
FedEx Kinko's segment ⁴	–	–	–	39	19	29	11	41
Other & eliminations ⁶	–	1	5	–	–	1	(2)	–
Total Operating Income	200	183	372	685	579	600	552	740
Other Income (Expense):								
Interest, net	(5)	(35)	(36)	(40)	(39)	(38)	(34)	(28)
Other, net	1	(2)	(2)	(2)	(6)	(8)	(4)	(1)
Total Other Income (Expense)	(4)	(37)	(38)	(42)	(45)	(46)	(38)	(29)
Income Before Income Taxes	196	146	334	643	534	554	514	711
Provision for Income Taxes	68	55	127	231	204	200	197	263
Net Income	<u>\$ 128</u>	<u>\$ 91</u>	<u>\$ 207</u>	<u>\$ 412</u>	<u>\$ 330</u>	<u>\$ 354</u>	<u>\$ 317</u>	<u>\$ 448</u>
Basic Earnings Per Share	<u>\$0.43</u>	<u>\$0.31</u>	<u>\$0.69</u>	<u>\$1.38</u>	<u>\$1.10</u>	<u>\$1.18</u>	<u>\$1.05</u>	<u>\$1.48</u>
Weighted Avg. Common Shares	298	298	299	299	300	301	302	302
Diluted Earnings Per Share	<u>\$0.42</u>	<u>\$0.30</u>	<u>\$0.68</u>	<u>\$1.36</u>	<u>\$1.08</u>	<u>\$1.15</u>	<u>\$1.03</u>	<u>\$1.46</u>
Avg Common and Common Equiv. Shares	303	304	303	304	305	307	308	308

SELECTED STATISTICS

Operating Margin	3.5%	3.1%	6.1%	9.7%	8.3%	8.2%	7.5%	9.6%
Pretax Margin	3.4%	2.5%	5.5%	9.1%	7.7%	7.6%	7.0%	9.2%
FedEx Corp. Average FTEs	189,912	191,061	195,692	207,023	210,692	215,805	218,898	217,214
Dividends Paid Per Common Share	\$0.05	\$0.05	\$0.06	\$0.06	\$0.07	\$0.07	\$0.07	\$0.07

1 - Q1 FY04 includes \$132 million (\$82 million, net of tax, or \$0.27 per diluted share) of business realignment costs. The quarter also includes a \$26 million, net of tax, or \$0.08 per diluted share benefit related to a favorable ruling on a tax case.

2 - Q2 FY04 includes \$283 million (\$175 million, net of tax, or \$0.57 per diluted share) of business realignment costs.

3 - Q3 FY04 includes \$14 million (\$9 million, net of tax, or \$0.03 per diluted share) of business realignment costs.

4 - The FedEx Kinko's segment was formed in the fourth quarter of 2004.

5 - Q4 FY04 includes \$6 million (\$4 million, net of tax, or \$0.01 per diluted share) of business realignment costs.

6 - The FedEx Kinko's segment was formed in the fourth quarter of fiscal 2004. Results from the February 12, 2004 date of acquisition through February 29, 2004 are included in 'Other & eliminations' (approximately \$100 million of revenue and \$6 million of operating income).

7 - Certain prior period amounts have been reclassified to conform to the current period's presentation.

8 - Results for Q2 FY05 include an \$11 million or \$0.04 per diluted share benefit from an income tax adjustment.

Unaudited. Differences may result due to rounding.

FedEx Corp. Capital Spending

FY 1998 – FY 2005

Years ended May 31
In millions

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>By Asset Type</u>								
Aircraft and Related Equipment		\$ 606	\$ 469	\$ 756	\$ 730	\$ 762	\$ 372	\$ 990
Facilities and Sort Equipment		466	437	353	292	254	332	496
Information Technology Investments		366	378	406	288	273	249	331
Vehicles ¹		—	—	—	—	116	212	261
Other Equipment ¹		<u>332</u>	<u>343</u>	<u>378</u>	<u>305</u>	<u>106</u>	<u>106</u>	<u>158</u>
Total On-Balance Sheet Capital	\$1,880	\$1,770	\$1,627	\$1,893	\$1,615	\$1,511	\$1,271	\$2,236
Equivalent Capital, Principally								
Aircraft-Related	<u>459</u>	<u>561</u>	<u>365</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total On- and Off-Balance Sheet Capital	<u>\$2,339</u>	<u>\$2,331</u>	<u>\$1,992</u>	<u>\$1,893</u>	<u>\$1,615</u>	<u>\$1,511</u>	<u>\$1,271</u>	<u>\$2,236</u>
<u>By Segment</u>								
FedEx Express segment						\$ 917	\$ 592	\$1,195
FedEx Ground segment						252	314	456
FedEx Freight segment						139	130	217
FedEx Kinko's segment ²						—	36	152
Other ³						<u>203</u>	<u>199</u>	<u>216</u>
Total On-Balance Sheet Capital	\$1,880	\$1,770	\$1,627	\$1,893	\$1,615	\$1,511	\$1,271	\$2,236
Equivalent Capital, Principally								
Aircraft-Related	<u>459</u>	<u>561</u>	<u>365</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total On- and Off-Balance Sheet Capital	<u>\$2,339</u>	<u>\$2,331</u>	<u>\$1,992</u>	<u>\$1,893</u>	<u>\$1,615</u>	<u>\$1,511</u>	<u>\$1,271</u>	<u>\$2,236</u>

1 - Vehicles were included in the Other Equipment classification prior to FY03.

2 - The FedEx Kinko's segment was formed in Q4 FY04.

3 - Other is principally FedEx Services.

Unaudited. Differences may result due to rounding.

FedEx Express Segment Annual Consolidated Statements of Income

FY 1998 – FY 2005

Years ended May 31
In millions, except FTEs

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Package Revenue:								
U.S. Overnight Box		\$5,409	\$5,684	\$5,830	\$5,338	\$5,432	\$5,558	\$5,969
U.S. Overnight Envelope		<u>1,776</u>	<u>1,854</u>	<u>1,871</u>	<u>1,755</u>	<u>1,715</u>	<u>1,700</u>	<u>1,798</u>
Total U.S. Overnight	\$6,811	7,185	7,538	7,701	7,093	7,147	7,258	7,767
U.S. Deferred	<u>2,179</u>	<u>2,271</u>	<u>2,428</u>	<u>2,492</u>	<u>2,383</u>	<u>2,510</u>	<u>2,592</u>	<u>2,799</u>
Total U.S. Package Revenue	8,990	9,456	9,966	10,193	9,476	9,657	9,850	10,566
International Priority ⁴	<u>2,627</u>	<u>2,868</u>	<u>3,302</u>	<u>3,607</u>	<u>3,475</u>	<u>3,941</u>	<u>4,609</u>	<u>5,464</u>
Total Package Revenue	11,617	12,324	13,268	13,800	12,951	13,598	14,459	16,030
Freight Revenue:								
U.S.	337	440	566	651	1,273	1,564	1,609	1,854
International Priority ⁴	104	151	250	333	358	426	522	670
International Airfreight ⁴	<u>598</u>	<u>531</u>	<u>492</u>	<u>424</u>	<u>384</u>	<u>400</u>	<u>393</u>	<u>381</u>
Total Freight Revenue	1,039	1,122	1,308	1,408	2,015	2,390	2,524	2,905
Other Revenue	<u>599</u>	<u>533</u>	<u>520</u>	<u>437</u>	<u>471</u>	<u>479</u>	<u>514</u>	<u>550</u>
Total Revenue	\$13,255	\$13,979	\$15,096	\$15,645	\$15,438	\$16,467	\$17,497	\$19,485
Operating Expenses:								
Salaries and employee benefits	5,832	6,225	6,654	6,382	6,565	7,001	7,403	7,704
Purchased transportation ¹	–	–	–	584	564	609	694	843
Rentals and landing fees	1,221	1,318	1,431	1,424	1,531	1,557	1,531	1,608
Depreciation and amortization	845	912	1,001	809	819	818	810	798
Fuel	709	594	888	1,063	1,009	1,231	1,343	2,012
Maintenance and repairs	808	888	1,027	971	983	1,087	1,193	1,276
Airline stabilization	–	–	–	–	(119)	–	–	48
Business realignment costs	–	–	–	–	–	–	428	–
Intercompany charges	–	–	–	1,317	1,331	1,328	1,442	1,509
Other ^{1,2}	2,989	3,171	3,196	2,259	1,954	2,053	2,024	2,273
Merger expenses	<u>14</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	12,418	13,108	14,197	14,809	14,637	15,684	16,868	18,071
Operating Income	837	871	899	836	801	783	629	1,414
Other Income (Expense):								
Interest, net	(110)	(86)	(78)	(68)	(60)	(46)		
Other, net	<u>8</u>	<u>(14)</u>	<u>19</u>	<u>(3)</u>	<u>(53)</u>	<u>(57)</u>		
	(102)	(100)	(59)	(71)	(113)	(103)		
Income Before Income Taxes	735	771	840	765	688	680		
Provision for Income Taxes	<u>314</u>	<u>312</u>	<u>332</u>	<u>279</u>	<u>254</u>	<u>255</u>		
Net Income	<u>\$ 421</u>	<u>\$ 459</u>	<u>\$ 508</u>	<u>\$ 486</u>	<u>\$ 434</u>	<u>\$ 425</u>		

SELECTED STATISTICS

Operating Margin	6.3%	6.2%	6.0%	5.3%	5.2%	4.8%	3.6%	7.3%
Pretax Margin	5.5%	5.5%	5.6%	4.9%	4.5%	4.1%		
Average FTEs	119,072	123,274	127,592	125,304	122,638	123,506	121,733	123,334

1 - Purchased transportation is included in Other through FY 2000.

2 - FY01 includes a \$102 million charge associated with curtailing certain aircraft modification and development programs.

3 - First quarter fiscal 2006 results include a \$75 million one-time, non-cash charge to adjust the accounting for certain facility leases, which reduced operating margin by 1.4 percentage points.

4 - Amounts reclassified as described in footnote 3 on page 11.

NOTE: FY01 large element expense detail for FedEx Express is not directly comparable to prior periods due to intercompany chargebacks resulting from the creation of FedEx Services.

Differences may result due to rounding.

FedEx Express Segment Quarterly Consolidated Statements of Income

FY 1998 – FY 1999

Years ended May 31
In millions, except FTEs

	FY 1998				FY 1999			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Package Revenue:								
U.S. Overnight Box					\$1,333	\$1,346	\$1,320	\$1,410
U.S. Overnight Envelope					445	431	432	468
Total U.S. Overnight	\$1,702	\$1,663	\$1,667	\$1,779	1,778	1,777	1,752	1,878
U.S. Deferred	560	518	549	552	544	558	584	585
Total U.S. Packages	2,262	2,181	2,216	2,331	2,322	2,335	2,336	2,463
International Priority ³	634	673	637	684	694	725	692	756
Total Package Revenue	2,896	2,854	2,853	3,015	3,016	3,060	3,028	3,219
Freight Revenue:								
U.S.	73	85	86	93	100	108	108	124
International Priority ³	21	26	26	30	32	37	38	45
International Airfreight ³	151	166	139	142	134	139	129	129
Total Freight Revenue	245	277	251	265	266	284	275	298
Other Revenue	156	168	129	146	135	138	128	132
Total Revenue	3,297	3,299	3,233	3,426	3,417	3,482	3,431	3,649
Operating Expenses: ¹								
Salaries and employee benefits	1,451	1,425	1,448	1,508	1,541	1,542	1,546	1,596
Rentals and landing fees	274	317	321	309	313	328	344	333
Depreciation and amortization	202	209	215	219	220	222	233	237
Fuel	174	182	186	167	147	151	144	152
Maintenance and repairs	198	196	200	214	229	218	219	222
Other ²	734	756	751	748	748	770	850	803
Merger Expenses	—	—	14	—	—	—	—	—
	3,033	3,085	3,135	3,165	3,198	3,231	3,336	3,343
Operating Income	264	214	98	261	219	251	95	306
Other Income (Expense):								
Interest, net	(26)	(29)	(30)	(25)	(22)	(21)	(22)	(21)
Other, net	9	(1)	1	(1)	(4)	(2)	(8)	—
	(17)	(30)	(29)	(26)	(26)	(23)	(30)	(21)
Income Before Income Taxes	247	184	69	235	193	228	65	285
Provision for Income Taxes	103	77	35	99	80	95	22	115
Net Income	<u>\$ 144</u>	<u>\$ 107</u>	<u>\$ 34</u>	<u>\$ 136</u>	<u>\$ 113</u>	<u>\$ 133</u>	<u>\$ 43</u>	<u>\$ 170</u>

SELECTED STATISTICS

Operating Margin	8.0%	6.5%	3.0%	7.6%	6.4%	7.2%	2.8%	8.4%
Pretax Margin	7.5%	5.6%	2.1%	6.9%	5.6%	6.5%	1.9%	7.8%
Average FTEs	116,039	118,366	120,804	121,114	121,148	122,983	125,315	123,741

1 - FedEx Express incurred approximately \$81 million of operating expenses and \$10 million of bank fees and negative arbitrage on borrowings in Q3 FY99 as part of the contingency plans in connection with the FedEx pilot negotiations.

2 - Includes purchased transportation.

3 - During Q3 FY07, we reclassified certain revenues previously included within International Priority package revenues in the table above that were international priority freight shipments to International Priority Freight to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Segment Quarterly Consolidated Statements of Income FY 2000– FY 2001

Years ended May 31
In millions, except FTEs

	FY 2000				FY 2001			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Package Revenue:								
U.S. Overnight Box	\$1,380	\$1,393	\$1,421	\$1,490	\$1,479	\$1,484	\$1,425	\$1,442
U.S. Overnight Envelope	<u>453</u>	<u>451</u>	<u>454</u>	<u>496</u>	<u>472</u>	<u>456</u>	<u>451</u>	<u>492</u>
Total U.S. Overnight	1,833	1,844	1,875	1,986	1,951	1,940	1,876	1,934
U.S. Deferred	<u>559</u>	<u>588</u>	<u>642</u>	<u>639</u>	<u>618</u>	<u>634</u>	<u>639</u>	<u>601</u>
Total U.S. Packages	2,392	2,432	2,517	2,625	2,569	2,574	2,515	2,535
International Priority ⁴	<u>769</u>	<u>815</u>	<u>822</u>	<u>896</u>	<u>905</u>	<u>933</u>	<u>861</u>	<u>909</u>
Total Package Revenue	3,161	3,247	3,339	3,521	3,474	3,507	3,376	3,444
Freight Revenue:								
U.S.	130	144	141	151	162	177	157	155
International Priority ⁴	49	66	65	70	79	90	84	79
International Airfreight ⁴	<u>126</u>	<u>127</u>	<u>117</u>	<u>122</u>	<u>115</u>	<u>102</u>	<u>103</u>	<u>104</u>
Total Freight Revenue	305	337	323	343	356	369	344	338
Other Revenue	<u>121</u>	<u>152</u>	<u>96</u>	<u>151</u>	<u>114</u>	<u>134</u>	<u>91</u>	<u>98</u>
Total Revenue	3,587	3,736	3,758	4,015	3,944	4,010	3,811	3,880
Operating Expenses:								
Salaries and employee benefits	1,609	1,640	1,686	1,719	1,615	1,604	1,595	1,568
Purchased transportation					150	147	144	143
Rentals and landing fees	347	365	356	363	345	355	357	367
Depreciation and amortization	242	245	256	258	200	204	202	203
Fuel	181	217	248	242	241	300	276	246
Maintenance and repairs	238	258	253	278	268	239	216	248
Intercompany charges	–	–	–	–	327	346	321	323
Other ^{1,3}	<u>761</u>	<u>799</u>	<u>816</u>	<u>820</u>	<u>541</u>	<u>548</u>	<u>544</u>	<u>626</u>
	3,378	3,524	3,615	3,680	3,687	3,743	3,655	3,724
Operating Income	209	212	143	335	257	267	156	156
Other Income (Expense):								
Interest, net	(19)	(19)	(22)	(18)	(22)	(21)	(11)	(14)
Other, net ²	<u>(1)</u>	<u>4</u>	<u>9</u>	<u>7</u>	<u>(2)</u>	<u>1</u>	<u>–</u>	<u>(2)</u>
	(20)	(15)	(13)	(11)	(24)	(20)	(11)	(16)
Income Before Income Taxes	189	196	131	324	233	247	145	140
Provision for Income Taxes	<u>75</u>	<u>77</u>	<u>52</u>	<u>128</u>	<u>90</u>	<u>95</u>	<u>43</u>	<u>51</u>
Net Income	<u>\$ 114</u>	<u>\$ 119</u>	<u>\$ 79</u>	<u>\$ 196</u>	<u>\$ 143</u>	<u>\$ 152</u>	<u>\$ 102</u>	<u>\$ 89</u>

SELECTED STATISTICS

Operating Margin	5.8%	5.7%	3.8%	8.3%	6.5%	6.7%	4.1%	4.0%
Pretax Margin	5.3%	5.2%	3.5%	8.1%	5.9%	6.2%	3.8%	3.6%
Average FTEs	124,625	126,138	129,125	130,483	125,313	125,787	126,694	123,470

1 - Includes purchased transportation for FY 2000.

2 - FedEx Express realized a gain on the sale of securities in Q3 FY00, increasing EPS by \$0.02, and a \$12 million gain in Q4 FY00 from the insurance settlement on an MD11 aircraft destroyed in an accident.

3 - Q4 FY01 includes a \$102 million charge associated with curtailing certain aircraft modification and development programs.

4 - During Q3 FY07, we reclassified certain revenues previously included within International Priority package revenues in the table above that were international priority freight shipments to International Priority Freight to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

NOTE: FY01 and subsequent expense detail for FedEx Express is not directly comparable to prior periods due to intercompany chargebacks resulting from the creation of FedEx Services.

Unaudited. Differences may result due to rounding.

FedEx Express Segment Quarterly Consolidated Statements of Income

FY 2002 – FY 2003

Years ended May 31
In millions, except FTEs

	FY 2002				FY 2003			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Package Revenue:								
U.S. Overnight Box	\$1,373	\$1,299	\$1,299	\$1,368	\$1,335	\$1,351	\$1,355	\$1,391
U.S. Overnight Envelope	465	420	424	447	427	423	418	447
Total U.S. Overnight	1,838	1,719	1,723	1,815	1,762	1,774	1,773	1,838
U.S. Deferred	583	573	618	608	591	623	666	630
Total U.S. Packages	2,421	2,292	2,341	2,423	2,353	2,397	2,439	2,468
International Priority ¹	874	861	816	924	930	987	954	1,069
Total Package Revenue	3,295	3,153	3,157	3,347	3,283	3,384	3,393	3,537
Freight Revenue:								
U.S.	173	363	357	381	380	402	394	388
International Priority ¹	81	92	83	102	100	113	97	117
International Airfreight ¹	97	99	90	97	92	101	100	107
Total Freight Revenue	351	554	530	580	572	616	591	612
Other Revenue	121	135	113	102	107	128	110	134
Total Revenue	3,767	3,842	3,800	4,029	3,962	4,128	4,094	4,283
Operating Expenses:								
Salaries and employee benefits	1,610	1,609	1,633	1,713	1,719	1,716	1,781	1,785
Purchased transportation	143	143	137	141	144	151	151	163
Rentals and landing fees	370	402	384	375	382	400	391	384
Depreciation and amortization	202	203	207	207	204	205	203	206
Fuel	264	258	226	261	271	307	320	333
Maintenance and repairs	247	231	242	263	294	277	269	247
Airline stabilization compensation	-	(116)	(3)	-	-	-	-	-
Intercompany charges	333	322	334	342	335	324	328	341
Other	478	484	502	490	485	518	521	529
	3,647	3,536	3,662	3,792	3,834	3,898	3,964	3,988
Operating Income	120	306	138	237	128	230	130	295
Other Income (Expense):								
Interest, net	(12)	(15)	(18)	(15)	(12)	(11)	(12)	(11)
Other, net	(9)	(9)	(18)	(17)	(10)	(13)	(12)	(22)
	(21)	(24)	(36)	(32)	(22)	(24)	(24)	(33)
Income Before Income Taxes	99	282	102	205	106	206	106	262
Provision for Income Taxes	37	106	38	73	40	77	40	98
Net Income	<u>\$ 62</u>	<u>\$ 176</u>	<u>\$ 64</u>	<u>\$ 132</u>	<u>\$ 66</u>	<u>\$ 129</u>	<u>\$ 66</u>	<u>\$ 164</u>

SELECTED STATISTICS

Operating Margin	3.2%	8.0%	3.6%	5.9%	3.2%	5.6%	3.2%	6.9%
Pretax Margin	2.6%	7.3%	2.7%	5.1%	2.7%	5.0%	2.6%	6.1%
Average FTEs	122,561	122,162	122,717	123,095	123,730	123,408	124,581	122,325

¹ - During Q3 FY07, we reclassified certain revenues previously included within International Priority package revenues in the table above that were international priority freight shipments to International Priority Freight to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

NOTE: FY01 and subsequent expense detail for FedEx Express is not directly comparable to prior periods due to intercompany chargebacks resulting from the creation of FedEx Services.

Unaudited. Differences may result due to rounding.

FedEx Express Segment Quarterly Consolidated Statements of Income

FY 2004 – FY 2005

Years ended May 31
In millions, except FTEs

	FY 2004				FY 2005			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Package Revenue:								
U.S. Overnight Box	\$1,348	\$1,347	\$1,385	\$1,478	\$1,449	\$1,471	\$1,493	\$1,556
U.S. Overnight Envelope	<u>432</u>	<u>408</u>	<u>398</u>	<u>461</u>	<u>439</u>	<u>432</u>	<u>444</u>	<u>483</u>
Total U.S. Overnight	1,780	1,755	1,783	1,939	1,888	1,903	1,937	2,039
U.S. Deferred	<u>606</u>	<u>626</u>	<u>686</u>	<u>675</u>	<u>648</u>	<u>682</u>	<u>759</u>	<u>710</u>
Total U.S. Packages	2,386	2,381	2,469	2,614	2,536	2,585	2,696	2,749
International Priority ¹	<u>1,046</u>	<u>1,129</u>	<u>1,144</u>	<u>1,290</u>	<u>1,289</u>	<u>1,361</u>	<u>1,347</u>	<u>1,467</u>
Total Package Revenue	3,432	3,510	3,613	3,904	3,825	3,946	4,043	4,216
Freight Revenue:								
U.S.	365	401	419	424	421	471	474	488
International Priority ¹	109	129	127	157	151	176	167	177
International Airfreight ¹	<u>105</u>	<u>98</u>	<u>97</u>	<u>94</u>	<u>90</u>	<u>91</u>	<u>94</u>	<u>106</u>
Total Freight Revenue	579	628	643	675	662	738	735	771
Other Revenue	<u>126</u>	<u>141</u>	<u>118</u>	<u>128</u>	<u>129</u>	<u>150</u>	<u>137</u>	<u>134</u>
Total Revenue	4,137	4,279	4,374	4,707	4,616	4,834	4,915	5,120
Operating Expenses:								
Salaries and employee benefits	1,834	1,806	1,855	1,908	1,889	1,873	1,961	1,981
Purchased transportation	158	169	177	190	191	206	216	230
Rentals and landing fees	370	384	388	389	383	399	411	415
Depreciation and amortization	204	203	203	200	200	199	199	200
Fuel	293	310	356	384	422	513	498	579
Maintenance and repairs	285	293	300	315	325	322	307	322
Airline Stabilization Act charge	-	-	-	-	-	48	-	-
Business realignment costs	132	279	12	5	-	-	-	-
Intercompany charges	342	347	350	403	362	374	382	391
Other	<u>496</u>	<u>507</u>	<u>515</u>	<u>506</u>	<u>534</u>	<u>567</u>	<u>601</u>	<u>571</u>
	4,114	4,298	4,156	4,300	4,306	4,501	4,575	4,689
Operating Income (Loss)	23	(19)	218	407	310	333	340	431
SELECTED STATISTICS								
Operating Margin	0.6%	(0.4%)	5.0%	8.6%	6.7%	6.9%	6.9%	8.4%
Average FTEs	122,897	121,807	122,025	120,227	121,566	122,120	125,865	123,842

¹ - During Q3 FY07, we reclassified certain revenues previously included within International Priority package revenues in the table above that were international priority freight shipments to International Priority Freight to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Annual Shipment Statistics

FY 1998 – FY 2005

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
AVG DAILY VOLUME / POUNDS								
Average Daily Package Volume (000s):								
U.S. Overnight Box (FO, EHB, POB, SOB)		1,207	1,249	1,264	1,170	1,176	1,179	1,184
U.S. Overnight Envelope (EHE, POE, SOE)		751	771	757	699	679	667	680
Total U.S. Overnight (FO, EH, PO, SO)	1,886	1,958	2,020	2,021	1,869	1,855	1,846	1,864
U.S. Deferred (E2, ES)	872	893	916	899	868	897	925	958
Total U.S. Packages	2,758	2,851	2,936	2,920	2,737	2,752	2,771	2,822
International Priority (IP,IE) ¹	257	278	315	343	338	366	393	433
Total Avg Daily Packages	<u>3,015</u>	<u>3,129</u>	<u>3,251</u>	<u>3,263</u>	<u>3,075</u>	<u>3,118</u>	<u>3,164</u>	<u>3,255</u>
Average Daily Freight Pounds (000s):								
U.S. (F1/F2/F3/Domestic ATA)	3,356	4,332	4,693	4,337	7,736	8,969	8,519	8,885
International Priority (IPF,IEF) ¹	265	388	613	786	901	978	1,148	1,395
International Airfreight (IXF/ATA) ¹	2,770	2,633	2,420	2,208	2,082	2,174	2,093	1,914
Total Avg Daily Freight Pounds	<u>6,391</u>	<u>7,353</u>	<u>7,726</u>	<u>7,331</u>	<u>10,719</u>	<u>12,121</u>	<u>11,760</u>	<u>12,194</u>
YIELD								
Revenue Per Package:								
U.S. Overnight Box (FO, EHB, POB, SOB)		\$17.51	\$17.70	\$18.09	\$17.90	\$18.18	\$18.49	\$19.77
U.S. Overnight Envelope (EHE, POE, SOE)		9.24	9.36	9.69	9.84	9.95	10.00	10.37
Total U.S. Overnight (FO, EH, PO, SO)	\$14.22	14.34	14.52	14.95	14.88	15.17	15.42	16.34
U.S. Deferred (E2, ES)	9.84	9.93	10.31	10.87	10.77	11.02	10.99	11.46
Total U.S. Packages	12.83	12.96	13.21	13.69	13.58	13.82	13.94	14.69
International Priority (IP,IE) ¹	40.26	40.22	40.83	41.21	40.36	42.38	45.96	49.47
Total Avg Daily Packages	<u>\$15.17</u>	<u>\$15.37</u>	<u>\$15.87</u>	<u>\$16.59</u>	<u>\$16.52</u>	<u>\$17.17</u>	<u>\$17.92</u>	<u>\$19.31</u>
Revenue Per Freight Pound:								
U.S. (F1/F2/F3/Domestic ATA)	\$0.40	\$0.40	\$0.47	\$0.59	\$0.65	\$0.69	\$0.74	\$0.82
International Priority (IPF,IEF) ¹	1.54	1.53	1.59	1.66	1.56	1.72	1.78	1.88
International Airfreight (IXF/ATA) ¹	0.85	0.79	0.79	0.75	0.72	0.72	0.74	0.78
Total Composite Freight Yield	<u>\$0.64</u>	<u>\$0.60</u>	<u>\$0.66</u>	<u>\$0.75</u>	<u>\$0.74</u>	<u>\$0.78</u>	<u>\$0.84</u>	<u>\$0.93</u>
PACKAGE GROWTH RATES								
Average Daily Volume Growth:								
U.S. Overnight Box (FO, EHB, POB, SOB)			3.5%	1.2%	(7.4%)	0.5%	0.3%	0.4%
U.S. Overnight Envelope (EHE, POE, SOE)			2.7%	(1.8%)	(7.7%)	(2.9%)	(1.8%)	1.9%
Total U.S. Overnight (FO, EH, PO, SO)	3.8%	3.2%	3.2%	0.0%	(7.5%)	(0.7%)	(0.5%)	1.0%
U.S. Deferred (E2, ES)	2.4%	2.6%	2.6%	(1.9%)	(3.4%)	3.3%	3.1%	3.6%
Total U.S. Packages	3.4%	3.0%	3.0%	(0.5%)	(6.3%)	0.5%	0.7%	1.8%
International Priority (IPF,IEF) ¹	8.2%	13.3%	13.3%	8.9%	(1.5%)	8.3%	7.4%	10.2%
Total Package Volume Growth	3.8%	3.9%	3.9%	0.4%	(5.8%)	1.4%	1.5%	2.9%
Revenue Growth:								
U.S. Overnight Box (FO, EHB, POB, SOB)			5.1%	2.6%	(8.4%)	1.8%	2.3%	7.4%
U.S. Overnight Envelope (EHE, POE, SOE)			4.4%	0.9%	(6.2%)	(2.3%)	(0.9%)	5.8%
Total U.S. Overnight (FO, EH, PO, SO)	5.5%	4.9%	4.9%	2.2%	(7.9%)	0.8%	1.6%	7.0%
U.S. Deferred (E2, ES)	4.2%	6.9%	6.9%	2.6%	(4.4%)	5.3%	3.3%	8.0%
Total U.S. Packages	5.2%	5.4%	5.4%	2.3%	(7.0%)	1.9%	2.0%	7.3%
International Priority (IPF,IEF) ¹	9.2%	15.1%	15.1%	9.2%	(3.7%)	13.4%	17.0%	18.6%
Total Package Revenue Growth	6.1%	7.7%	7.7%	4.0%	(6.2%)	5.0%	6.3%	10.9%
AVG POUNDS PER PACKAGE	7.4	7.4	7.5	7.3	6.8	6.8	7.1	7.1
AVG REVENUE PER PACKAGE LB.	\$2.06	\$2.07	\$2.11	\$2.28	\$2.42	\$2.53	\$2.52	\$2.71
OPERATING WEEKDAYS	254	256	257	255	255	254	255	255

1 - During Q3 FY07, we reclassified certain statistics previously included within International Priority package statistics in the table above that were international priority freight shipments to International Priority Freight statistics to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Quarterly Shipment Statistics FY 1998 – FY 1999

	FY 1998				FY 1999			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
AVG DAILY VOLUME / POUNDS								
Average Daily Package Volume (000s):								
U.S. Overnight Box (FO, POB, SOB)					1,150	1,211	1,236	1,232
U.S. Overnight Envelope (POE, SOE)					730	743	759	771
Total U.S. Overnight	1,858	1,868	1,877	1,941	1,880	1,954	1,995	2,003
U.S. Deferred (E2, ES)	826	854	933	873	835	895	966	884
Total U.S. Packages	2,684	2,722	2,810	2,814	2,715	2,849	2,961	2,887
International Priority (IP,IE) ¹	244	262	253	269	262	282	276	294
Total Avg Daily Packages	<u>2,928</u>	<u>2,984</u>	<u>3,063</u>	<u>3,083</u>	<u>2,977</u>	<u>3,131</u>	<u>3,237</u>	<u>3,181</u>
Average Daily Freight Pounds (000s):								
U.S. (F1/F2/F3/Domestic ATA)	2,705	3,410	3,495	3,815	3,930	4,480	4,391	4,541
International Priority (IPF,IEF) ¹	199	285	272	303	317	388	416	432
International Airfreight (IXF/ATA) ¹	2,652	2,984	2,690	2,756	2,621	2,719	2,645	2,551
Total Avg Daily Freight Pounds	<u>5,556</u>	<u>6,679</u>	<u>6,458</u>	<u>6,874</u>	<u>6,867</u>	<u>7,588</u>	<u>7,452</u>	<u>7,524</u>
YIELD								
Revenue Per Package:								
U.S. Overnight Box (FO, POB, SOB)					\$17.56	\$17.64	\$17.23	\$17.60
U.S. Overnight Envelope (POE, SOE)					9.25	9.22	9.17	9.33
Total U.S. Overnight	\$14.31	\$14.13	\$14.10	\$14.32	14.33	14.44	14.16	14.42
U.S. Deferred (E2, ES)	10.59	9.63	9.33	9.89	9.88	9.89	9.76	10.19
Total U.S. Packages	13.16	12.72	12.51	12.95	12.96	13.01	12.73	13.12
International Priority (IP,IE) ¹	40.55	40.76	40.01	39.73	40.08	40.84	40.46	39.56
Total Avg Daily Packages	<u>\$15.44</u>	<u>\$15.17</u>	<u>\$14.78</u>	<u>\$15.28</u>	<u>\$15.34</u>	<u>\$15.51</u>	<u>\$15.08</u>	<u>\$15.56</u>
Revenue Per Freight Pound:								
U.S. (F1/F2/F3/Domestic ATA)	\$0.42	\$0.40	\$0.39	\$0.38	\$0.39	\$0.38	\$0.40	\$0.42
International Priority (IPF,IEF) ¹	1.66	1.47	1.52	1.55	1.52	1.51	1.46	1.60
International Airfreight (IXF/ATA) ¹	0.89	0.88	0.82	0.80	0.77	0.81	0.79	0.78
Total Composite Freight Yield	<u>\$0.69</u>	<u>\$0.66</u>	<u>\$0.62</u>	<u>\$0.60</u>	<u>\$0.59</u>	<u>\$0.59</u>	<u>\$0.59</u>	<u>\$0.61</u>
PACKAGE GROWTH RATES								
Average Daily Volume Growth:								
U.S. Overnight Box (FO, POB, SOB)								
U.S. Overnight Envelope (POE, SOE)								
Total U.S. Overnight					1.2%	4.6%	6.3%	3.2%
U.S. Deferred (E2, ES)					1.0%	4.7%	3.5%	1.2%
Total U.S. Packages					1.2%	4.6%	5.4%	2.6%
International Priority (IP,IE) ¹					7.4%	7.6%	9.1%	9.3%
Total Package Volume Growth					1.7%	4.9%	5.7%	3.2%
Revenue Growth:								
U.S. Overnight Box (FO, POB, SOB)								
U.S. Overnight Envelope (POE, SOE)								
Total U.S. Overnight					4.5%	6.9%	5.1%	5.6%
U.S. Deferred (E2, ES)					(2.8%)	7.6%	6.5%	5.9%
Total U.S. Packages					2.7%	7.0%	5.5%	5.6%
International Priority (IP,IE) ¹					9.5%	7.7%	8.6%	10.5%
Total Package Revenue Growth					4.1%	7.2%	6.1%	6.8%
AVG POUNDS PER PACKAGE	7.3	7.5	7.3	7.3	7.4	7.6	7.3	7.4
AVG REVENUE PER PACKAGE LB.	\$2.12	\$2.02	\$2.02	\$2.10	\$2.06	\$2.03	\$2.06	\$2.11
OPERATING WEEKDAYS	64	63	63	64	66	63	62	65

1 - During Q3 FY07, we reclassified certain statistics previously included within International Priority package statistics in the table above that were international priority freight shipments to International Priority Freight statistics to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Quarterly Shipment Statistics

FY 2000 – FY 2001

	FY 2000				FY 2001			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
AVG DAILY VOLUME / POUNDS								
Average Daily Package Volume (000s):								
U.S. Overnight Box (FO, POB, SOB)	1,205	1,241	1,277	1,275	1,254	1,292	1,288	1,222
U.S. Overnight Envelope (POE, SOE)	<u>748</u>	<u>770</u>	<u>765</u>	<u>800</u>	<u>758</u>	<u>757</u>	<u>749</u>	<u>764</u>
Total U.S. Overnight	1,953	2,011	2,042	2,075	2,012	2,049	2,037	1,986
U.S. Deferred (E2, ES)	<u>839</u>	<u>913</u>	<u>991</u>	<u>921</u>	<u>876</u>	<u>925</u>	<u>962</u>	<u>837</u>
Total U.S. Packages	2,792	2,924	3,033	2,996	2,888	2,974	2,999	2,823
International Priority (IP, IE) ¹	<u>294</u>	<u>319</u>	<u>314</u>	<u>333</u>	<u>335</u>	<u>356</u>	<u>337</u>	<u>344</u>
Total Avg Daily Packages	<u>3,086</u>	<u>3,243</u>	<u>3,347</u>	<u>3,329</u>	<u>3,223</u>	<u>3,330</u>	<u>3,336</u>	<u>3,167</u>
Average Daily Freight Pounds (000s):								
U.S. (F1/F2/F3/Domestic ATA)	4,555	5,072	4,607	4,547	4,369	4,749	4,204	4,032
International Priority (IPF, IEF) ¹	<u>462</u>	<u>634</u>	<u>650</u>	<u>708</u>	<u>721</u>	<u>876</u>	<u>809</u>	<u>741</u>
International Airfreight (IXF/ATA) ¹	<u>2,505</u>	<u>2,574</u>	<u>2,266</u>	<u>2,337</u>	<u>2,312</u>	<u>2,233</u>	<u>2,164</u>	<u>2,121</u>
Total Avg Daily Freight Pounds	<u>7,522</u>	<u>8,280</u>	<u>7,523</u>	<u>7,592</u>	<u>7,402</u>	<u>7,858</u>	<u>7,177</u>	<u>6,894</u>
YIELD								
Revenue Per Package:								
U.S. Overnight Box (FO, POB, SOB)	\$17.62	\$17.82	\$17.38	\$17.98	\$18.15	\$18.23	\$17.84	\$18.15
U.S. Overnight Envelope (POE, SOE)	<u>9.31</u>	<u>9.29</u>	<u>9.29</u>	<u>9.54</u>	<u>9.59</u>	<u>9.56</u>	<u>9.70</u>	<u>9.91</u>
Total U.S. Overnight	14.44	14.56	14.35	14.73	14.93	15.03	14.85	14.98
U.S. Deferred (E2, ES)	<u>10.25</u>	<u>10.22</u>	<u>10.12</u>	<u>10.67</u>	<u>10.85</u>	<u>10.88</u>	<u>10.71</u>	<u>11.06</u>
Total U.S. Packages	13.18	13.20	12.97	13.48	13.69	13.74	13.52	13.82
International Priority (IP, IE) ¹	<u>40.33</u>	<u>40.58</u>	<u>40.98</u>	<u>41.37</u>	<u>41.47</u>	<u>41.60</u>	<u>41.17</u>	<u>40.61</u>
Total Avg Daily Packages	<u>\$15.75</u>	<u>\$15.88</u>	<u>\$15.58</u>	<u>\$16.26</u>	<u>\$16.58</u>	<u>\$16.72</u>	<u>\$16.32</u>	<u>\$16.73</u>
Revenue Per Freight Pound:								
U.S. (F1/F2/F3/Domestic ATA)	\$0.44	\$0.45	\$0.48	\$0.51	\$0.57	\$0.59	\$0.60	\$0.59
International Priority (IPF, IEF) ¹	<u>1.62</u>	<u>1.66</u>	<u>1.56</u>	<u>1.53</u>	<u>1.69</u>	<u>1.63</u>	<u>1.68</u>	<u>1.65</u>
International Airfreight (IXF/ATA) ¹	<u>0.78</u>	<u>0.78</u>	<u>0.81</u>	<u>0.80</u>	<u>0.76</u>	<u>0.73</u>	<u>0.77</u>	<u>0.75</u>
Total Composite Freight Yield	<u>\$0.62</u>	<u>\$0.65</u>	<u>\$0.67</u>	<u>\$0.70</u>	<u>\$0.74</u>	<u>\$0.75</u>	<u>\$0.78</u>	<u>\$0.75</u>
PACKAGE GROWTH RATES								
Average Daily Volume Growth:								
U.S. Overnight Box (FO, POB, SOB)	4.7%	2.5%	3.3%	3.5%	4.1%	4.1%	0.9%	(4.1%)
U.S. Overnight Envelope (POE, SOE)	2.5%	3.6%	0.7%	3.7%	1.3%	(1.7%)	(2.0%)	(4.5%)
Total U.S. Overnight	3.9%	2.9%	2.4%	3.6%	3.0%	1.9%	(0.2%)	(4.3%)
U.S. Deferred (E2, ES)	0.5%	2.0%	2.7%	4.3%	4.4%	1.3%	(3.0%)	(9.1%)
Total U.S. Packages	2.8%	2.6%	2.4%	3.8%	3.4%	1.7%	(1.1%)	(5.8%)
International Priority (IP, IE) ¹	12.2%	13.1%	13.8%	13.3%	13.9%	11.6%	7.3%	3.3%
Total Package Volume Growth	3.7%	3.6%	3.4%	4.7%	4.4%	2.7%	(0.3%)	(4.9%)
Revenue Growth:								
U.S. Overnight Box (FO, POB, SOB)	3.5%	3.5%	7.6%	5.7%	7.2%	6.5%	0.3%	(3.2%)
U.S. Overnight Envelope (POE, SOE)	1.6%	4.4%	5.4%	6.1%	4.3%	1.2%	(0.9%)	(0.9%)
Total U.S. Overnight	3.1%	3.8%	7.0%	5.8%	6.4%	5.2%	0.1%	(2.6%)
U.S. Deferred (E2, ES)	2.7%	5.4%	9.9%	9.2%	10.6%	7.8%	(0.6%)	(5.8%)
Total U.S. Packages	3.0%	4.2%	7.7%	6.6%	7.4%	5.8%	(0.1%)	(3.4%)
International Priority (IP, IE) ¹	10.8%	12.4%	18.8%	18.5%	17.7%	14.5%	4.7%	1.5%
Total Package Revenue Growth	4.8%	6.1%	10.3%	9.4%	9.9%	8.0%	1.1%	(2.2%)
AVG POUNDS PER PACKAGE	7.5	7.7	7.4	7.4	7.5	7.6	7.1	6.9
AVG REVENUE PER PACKAGE LB.	\$2.10	\$2.06	\$2.10	\$2.19	\$2.20	\$2.21	\$2.29	\$2.43
OPERATING WEEKDAYS	65	63	64	65	65	63	62	65

¹ - During Q3 FY07, we reclassified certain statistics previously included within International Priority package statistics in the table above that were international priority freight shipments to International Priority Freight statistics to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Quarterly Shipment Statistics

FY 2002 – FY 2003

	FY 2002				FY 2003			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
AVG DAILY VOLUME / POUNDS								
Average Daily Package Volume (000s):								
U.S. Overnight Box (FO, POB, SOB)	1,165	1,141	1,193	1,179	1,153	1,183	1,189	1,180
U.S. Overnight Envelope (POE, SOE)	721	676	698	702	680	685	662	687
Total U.S. Overnight	1,886	1,817	1,891	1,881	1,833	1,868	1,851	1,867
U.S. Deferred (E2, ES)	814	845	958	859	846	903	978	863
Total U.S. Packages	2,700	2,662	2,849	2,740	2,679	2,771	2,829	2,730
International Priority (IP,IE) ¹	333	335	329	354	355	377	355	377
Total Avg Daily Packages	<u>3,033</u>	<u>2,997</u>	<u>3,178</u>	<u>3,094</u>	<u>3,034</u>	<u>3,148</u>	<u>3,184</u>	<u>3,107</u>
Average Daily Freight Pounds (000s):								
U.S. (F1/F2/F3/Domestic ATA)	4,352	8,547	8,985	9,145	8,965	9,469	9,131	8,324
International Priority (IPF,IEF) ¹	760	935	877	1,030	951	1,052	881	1,027
International Airfreight (IXF/ATA) ¹	2,107	2,089	1,989	2,138	2,019	2,271	2,183	2,224
Total Avg Daily Freight Pounds	<u>7,219</u>	<u>11,571</u>	<u>11,851</u>	<u>12,313</u>	<u>11,935</u>	<u>12,792</u>	<u>12,195</u>	<u>11,575</u>
YIELD								
Revenue Per Package:								
U.S. Overnight Box (FO, POB, SOB)	\$18.12	\$18.06	\$17.56	\$17.86	\$18.08	\$18.12	\$18.09	\$18.43
U.S. Overnight Envelope (POE, SOE)	9.93	9.87	9.78	9.78	9.81	9.79	10.03	10.16
Total U.S. Overnight	14.99	15.02	14.69	14.84	15.01	15.07	15.21	15.39
U.S. Deferred (E2, ES)	11.03	10.77	10.41	10.89	10.93	10.95	10.82	11.40
Total U.S. Packages	13.80	13.67	13.25	13.60	13.72	13.73	13.69	14.13
International Priority (IP,IE) ¹	40.47	40.76	40.01	40.20	40.96	41.51	42.70	44.29
Total Avg Daily Packages	<u>\$16.72</u>	<u>\$16.70</u>	<u>\$16.02</u>	<u>\$16.64</u>	<u>\$16.91</u>	<u>\$17.06</u>	<u>\$16.92</u>	<u>\$17.79</u>
Revenue Per Freight Pound:								
U.S. (F1/F2/F3/Domestic ATA)	\$0.61	\$0.67	\$0.64	\$0.64	\$0.66	\$0.67	\$0.69	\$0.73
International Priority (IPF,IEF) ¹	1.63	1.57	1.53	1.52	1.64	1.70	1.74	1.78
International Airfreight (IXF/ATA) ¹	0.71	0.75	0.73	0.70	0.71	0.71	0.73	0.75
Total Composite Freight Yield	<u>\$0.75</u>	<u>\$0.76</u>	<u>\$0.72</u>	<u>\$0.72</u>	<u>\$0.75</u>	<u>\$0.76</u>	<u>\$0.77</u>	<u>\$0.83</u>
PACKAGE GROWTH RATES								
Average Daily Volume Growth:								
U.S. Overnight Box (FO, POB, SOB)	(7.1%)	(11.7%)	(7.4%)	(3.6%)	(1.0%)	3.7%	(0.4%)	0.1%
U.S. Overnight Envelope (POE, SOE)	(4.9%)	(10.7%)	(6.8%)	(8.0%)	(5.6%)	1.3%	(5.1%)	(2.2%)
Total U.S. Overnight	(6.3%)	(11.3%)	(7.2%)	(5.3%)	(2.8%)	2.8%	(2.1%)	(0.7%)
U.S. Deferred (E2, ES)	(7.1%)	(8.6%)	(0.4%)	2.6%	3.9%	6.9%	2.0%	0.5%
Total U.S. Packages	(6.5%)	(10.5%)	(5.0%)	(3.0%)	(0.8%)	4.1%	(0.7%)	(0.4%)
International Priority (IP,IE) ¹	(0.6%)	(5.9%)	(2.4%)	2.9%	6.6%	12.5%	7.9%	6.5%
Total Package Volume Growth	(5.9%)	(10.0%)	(4.7%)	(2.3%)	0.0%	5.0%	0.2%	0.4%
Revenue Growth:								
U.S. Overnight Box (FO, POB, SOB)	(7.2%)	(12.5%)	(8.8%)	(5.1%)	(2.8%)	4.0%	4.3%	1.7%
U.S. Overnight Envelope (POE, SOE)	(1.5%)	(7.8%)	(6.1%)	(9.2%)	(8.2%)	0.7%	(1.4%)	–
Total U.S. Overnight	(5.8%)	(11.4%)	(8.2%)	(6.2%)	(4.1%)	3.2%	2.9%	1.3%
U.S. Deferred (E2, ES)	(5.6%)	(9.5%)	(3.2%)	1.0%	1.4%	8.8%	7.8%	3.6%
Total U.S. Packages	(5.8%)	(10.9%)	(6.9%)	(4.5%)	(2.8%)	4.6%	4.2%	1.9%
International Priority (IP,IE) ¹	(3.4%)	(7.7%)	(5.2%)	1.7%	6.4%	14.6%	16.9%	15.7%
Total Package Revenue Growth	(5.2%)	(10.1%)	(6.5%)	(2.8%)	(0.4%)	7.3%	7.5%	5.7%
AVG POUNDS PER PACKAGE	6.9	7.0	6.7	6.7	6.8	7.0	6.8	6.8
AVG REVENUE PER PACKAGE LB.	\$2.42	\$2.40	\$2.40	\$2.48	\$2.49	\$2.45	\$2.50	\$2.62
OPERATING WEEKDAYS	65	63	62	65	64	63	63	64

1 - During Q3 FY07, we reclassified certain statistics previously included within International Priority package statistics in the table above that were international priority freight shipments to International Priority Freight statistics to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Quarterly Shipment Statistics

FY 2004 – FY 2005

	FY 2004				FY 2005			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
AVG DAILY VOLUME / POUNDS								
Average Daily Package Volume (000s):								
U.S. Overnight Box (FO, POB, SOB)	1,169	1,169	1,197	1,182	1,150	1,179	1,217	1,192
U.S. Overnight Envelope (POE, SOE)	<u>682</u>	<u>655</u>	<u>628</u>	<u>700</u>	<u>662</u>	<u>663</u>	<u>681</u>	<u>712</u>
Total U.S. Overnight	1,851	1,824	1,825	1,882	1,812	1,842	1,898	1,904
U.S. Deferred (E2, ES)	<u>871</u>	<u>924</u>	<u>1,003</u>	<u>902</u>	<u>862</u>	<u>941</u>	<u>1,086</u>	<u>947</u>
Total U.S. Packages	2,722	2,748	2,828	2,784	2,674	2,783	2,984	2,851
International Priority (IP, IE) ¹	<u>367</u>	<u>394</u>	<u>389</u>	<u>422</u>	<u>415</u>	<u>439</u>	<u>432</u>	<u>448</u>
Total Avg Daily Packages	<u>3,089</u>	<u>3,142</u>	<u>3,217</u>	<u>3,206</u>	<u>3,089</u>	<u>3,222</u>	<u>3,416</u>	<u>3,299</u>
Average Daily Freight Pounds (000s):								
U.S. (F1/F2/F3/Domestic ATA)	7,898	8,649	9,082	8,459	8,213	9,008	9,331	9,012
International Priority (IPF, IEF) ¹	976	1,193	1,110	1,311	1,294	1,505	1,385	1,399
International Airfreight (IXF/ATA) ¹	<u>2,276</u>	<u>2,092</u>	<u>2,060</u>	<u>1,944</u>	<u>1,861</u>	<u>1,874</u>	<u>1,868</u>	<u>2,051</u>
Total Avg Daily Freight Pounds	<u>11,150</u>	<u>11,934</u>	<u>12,252</u>	<u>11,714</u>	<u>11,368</u>	<u>12,387</u>	<u>12,584</u>	<u>12,462</u>
YIELD								
Revenue Per Package:								
U.S. Overnight Box (FO, POB, SOB)	\$18.02	\$18.29	\$18.37	\$19.24	\$19.37	\$19.81	\$19.79	\$20.08
U.S. Overnight Envelope (POE, SOE)	<u>9.90</u>	<u>9.90</u>	<u>10.06</u>	<u>10.14</u>	<u>10.21</u>	<u>10.33</u>	<u>10.51</u>	<u>10.44</u>
Total U.S. Overnight	15.03	15.27	15.51	15.86	16.02	16.40	16.46	16.48
U.S. Deferred (E2, ES)	<u>10.87</u>	<u>10.74</u>	<u>10.85</u>	<u>11.52</u>	<u>11.57</u>	<u>11.51</u>	<u>11.26</u>	<u>11.54</u>
Total U.S. Packages	13.70	13.75	13.86	14.45	14.59	14.74	14.57	14.84
International Priority (IP, IE) ¹	<u>44.54</u>	<u>45.50</u>	<u>46.65</u>	<u>46.98</u>	<u>47.80</u>	<u>49.24</u>	<u>50.38</u>	<u>50.41</u>
Total Avg Daily Packages	<u>\$17.36</u>	<u>\$17.73</u>	<u>\$17.83</u>	<u>\$18.74</u>	<u>\$19.05</u>	<u>\$19.44</u>	<u>\$19.09</u>	<u>\$19.66</u>
Revenue Per Freight Pound:								
U.S. (F1/F2/F3/Domestic ATA)	\$0.72	\$0.74	\$0.73	\$0.77	\$0.79	\$0.83	\$0.82	\$0.83
International Priority (IPF, IEF) ¹	1.75	1.72	1.81	1.84	1.79	1.86	1.94	1.94
International Airfreight (IXF/ATA) ¹	<u>0.72</u>	<u>0.74</u>	<u>0.75</u>	<u>0.74</u>	<u>0.74</u>	<u>0.77</u>	<u>0.81</u>	<u>0.80</u>
Total Composite Freight Yield	<u>\$0.81</u>	<u>\$0.84</u>	<u>\$0.83</u>	<u>\$0.88</u>	<u>\$0.90</u>	<u>\$0.94</u>	<u>\$0.94</u>	<u>\$0.95</u>
PACKAGE GROWTH RATES								
Average Daily Volume Growth:								
U.S. Overnight Box (FO, POB, SOB)	1.4%	(1.2%)	0.7%	0.2%	(1.6%)	0.9%	1.7%	0.8%
U.S. Overnight Envelope (POE, SOE)	0.2%	(4.4%)	(5.1%)	1.9%	(2.9%)	1.2%	8.4%	1.7%
Total U.S. Overnight	1.0%	(2.4%)	(1.4%)	0.8%	(2.1%)	1.0%	4.0%	1.2%
U.S. Deferred (E2, ES)	3.0%	2.3%	2.6%	4.5%	(1.0%)	1.8%	8.3%	5.0%
Total U.S. Packages	1.6%	(0.9%)	(0.0%)	2.0%	(1.8%)	1.3%	5.5%	2.4%
International Priority (IP, IE) ¹	3.4%	4.5%	9.6%	11.9%	13.1%	11.4%	11.1%	6.2%
Total Package Volume Growth	1.8%	(0.2%)	1.0%	3.2%	–	2.5%	6.2%	2.9%
Revenue Growth:								
U.S. Overnight Box (FO, POB, SOB)	1.0%	(0.3%)	2.2%	6.3%	7.5%	9.2%	7.8%	5.3%
U.S. Overnight Envelope (POE, SOE)	1.2%	(3.5%)	(4.8%)	3.1%	1.6%	5.9%	11.6%	4.8%
Total U.S. Overnight	1.0%	(1.1%)	0.6%	5.5%	6.1%	8.4%	8.6%	5.2%
U.S. Deferred (E2, ES)	2.5%	0.4%	3.0%	7.1%	6.9%	8.9%	10.6%	5.2%
Total U.S. Packages	1.4%	(0.7%)	1.2%	5.9%	6.3%	8.6%	9.2%	5.2%
International Priority (IP, IE) ¹	12.5%	14.4%	19.9%	20.7%	23.2%	20.5%	17.7%	13.7%
Total Package Revenue Growth	4.5%	3.7%	6.5%	10.4%	11.5%	12.4%	11.9%	8.0%
AVG POUNDS PER PACKAGE	7.0	7.3	7.1	7.1	7.2	7.3	7.0	7.0
AVG REVENUE PER PACKAGE LB.	\$2.48	\$2.43	\$2.52	\$2.65	\$2.66	\$2.65	\$2.73	\$2.82
OPERATING WEEKDAYS	64	63	63	65	65	63	62	65

¹ - During Q3 FY07, we reclassified certain statistics previously included within International Priority package statistics in the table above that were international priority freight shipments to International Priority Freight statistics to more precisely present the nature of the services provided. Our revenue growth associated with these freight service offerings has been significant, and accordingly, we have reclassified the amounts for 1998-2007 to include these revenues within our Freight revenues.

Unaudited. Differences may result due to rounding.

FedEx Express Aircraft and Vehicle Fleet Statistics FY 1998-2005

<u>Aircraft Type</u>	<u>Max. Operational Revenue Payload (Lbs/Aircraft)¹</u>	<u>May 31</u>							
		<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Boeing 727-100	31,100	68	68	66	52	42	28	19	18
Boeing 727-200	43,100	95	95	95	95	95	94	94	94
Boeing DC10-10	117,800	47	58	69	48	48	48	39	30
Boeing DC10-30	128,900	22	22	22	22	19	17	17	17
Boeing MD10-10	117,800	–	–	–	3	11	19	27	36
Boeing MD10-30	128,900	–	–	–	2	5	5	5	5
Boeing MD11	155,800	25	28	30	34	39	42	42	57
Airbus A300-600	91,000	24	31	36	37	37	43	44	47
Airbus A310-200/300	69,800	39	39	41	46	50	51	51	62
Cessna 208A	3,000	10	10	10	10	10	10	10	10
Cessna 208B	3,400	251	251	251	248	248	247	246	246
Fokker F-27	13,500	32	32	32	32	32	30	27	17
ATR 72	17,700	–	–	–	–	–	–	2	2
ATR 42	12,300	–	–	–	–	–	8	22	29
Shorts SD3-60	8,300	–	–	<u>11</u>	<u>11</u>	<u>11</u>	<u>1</u>	–	–
Aircraft Fleet Total		<u>613</u>	<u>634</u>	<u>663</u>	<u>640</u>	<u>647</u>	<u>643</u>	<u>645</u>	<u>670</u>
<u>Vehicle Fleet (000s)</u>									
Long-Haul Tractors		1.9	2.2	2.7	2.7	2.9	2.8	2.8	2.7
All Other Motorized Vehicles		<u>39.0</u>	<u>40.3</u>	<u>41.9</u>	<u>42.1</u>	<u>41.8</u>	<u>39.9</u>	<u>38.9</u>	<u>37.4</u>
Vehicle Fleet Total		<u>40.9</u>	<u>42.5</u>	<u>44.6</u>	<u>44.8</u>	<u>44.7</u>	<u>42.7</u>	<u>41.7</u>	<u>40.1</u>

1 - Maximum Operational Revenue Payload (MORP) is the lesser of the net volume-limited payload and the net maximum structural payload.

FedEx Express Jet Fuel Statistics FY 1998 – FY 2005

	<u>FY 1998</u>				<u>FY 1999</u>			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Jet Fuel Gallons (000s)	195,304	212,020	207,603	212,030	213,962	216,362	223,327	221,524
Price Per Gallon	\$0.711	\$0.710	\$0.710	\$0.633	\$0.541	\$0.555	\$0.501	\$0.541
Jet Fuel Expense (\$000s)	\$138,826	\$150,604	\$147,318	\$134,213	\$115,820	\$120,064	\$111,853	\$119,861
	<u>FY 2000</u>				<u>FY 2001</u>			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Jet Fuel Gallons (000s)	224,825	233,838	227,069	232,209	233,321	244,978	233,734	233,251
Price Per Gallon	\$0.648	\$0.766	\$0.897	\$0.841	\$0.833	\$1.038	\$0.968	\$0.846
Jet Fuel Expense (\$000s)	\$145,626	\$179,011	\$203,569	\$195,379	\$194,329	\$254,303	\$226,194	\$197,361
	<u>FY 2002</u>				<u>FY 2003</u>			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Jet Fuel Gallons (000s)	234,860	269,365	268,660	278,320	280,355	286,423	277,402	280,582
Price Per Gallon	\$0.932	\$0.825	\$0.707	\$0.794	\$0.831	\$0.925	\$0.992	\$1.015
Jet Fuel Expense (\$000s)	\$218,868	\$222,241	\$189,892	\$221,087	\$233,022	\$264,942	\$275,253	\$284,799
	<u>FY 2004</u>				<u>FY 2005</u>			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Jet Fuel Gallons (000s)	277,029	281,115	283,460	284,014	284,564	294,796	294,325	299,168
Price Per Gallon	\$0.907	\$0.949	\$1.093	\$1.170	\$1.300	\$1.553	\$1.488	\$1.717
Jet Fuel Expense (\$000s)	\$251,379	\$266,842	\$309,748	\$332,296	\$370,074	\$457,720	\$438,031	\$513,753

Unaudited. Differences may result due to rounding.

FedEx Ground Segment Annual Consolidated Statements of Income

FY 2001 – FY 2005

Years ended May 31
In millions

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>FINANCIAL RESULTS</u>					
Revenues	\$2,565	\$2,918	\$3,581	\$3,910	\$4,680
Operating Expenses:					
Salaries and employee benefits	593	623	709	740	845
Purchased transportation	921	1,067	1,327	1,465	1,791
Rentals	94	85	88	98	122
Depreciation and amortization	118	136	155	154	176
Fuel	9	5	11	16	48
Maintenance and repairs	69	76	89	95	110
Business realignment costs	–	–	–	1	–
Intercompany charges	244	256	346	432	482
Other	<u>404</u>	<u>333</u>	<u>362</u>	<u>387</u>	<u>502</u>
	2,452	2,581	3,087	3,388	4,076
Operating Income	<u>\$ 113</u>	<u>\$ 337</u>	<u>\$ 494</u>	<u>\$ 522</u>	<u>\$604</u>
 <u>SELECTED STATISTICS</u>					
Operating Margin	4.4%	11.5%	13.8%	13.4%	12.9%

Unaudited. Differences may result due to rounding.

FedEx Ground Segment Quarterly Consolidated Statements of Income

FY 2001 – FY 2002

Years ended May 31
In millions

	FY 2001				FY 2002			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
<u>FINANCIAL RESULTS</u>								
Revenues	\$623	\$670	\$613	\$659	\$683	\$728	\$715	\$792
Operating Expenses:								
Salaries and employee benefits	141	153	148	151	150	156	156	161
Purchased transportation	228	237	222	234	249	269	266	283
Rentals	21	24	24	25	21	24	21	19
Depreciation and amortization	26	29	31	32	32	33	35	36
Fuel	1	2	3	3	2	1	1	1
Maintenance and repairs	18	16	18	17	19	19	19	19
Intercompany charges	60	62	59	63	66	61	63	66
Other	<u>94</u>	<u>99</u>	<u>100</u>	<u>111</u>	<u>85</u>	<u>84</u>	<u>85</u>	<u>79</u>
	589	622	605	636	624	647	646	664
Operating Income	<u>\$ 34</u>	<u>\$ 48</u>	<u>\$ 8</u>	<u>\$ 23</u>	<u>\$ 59</u>	<u>\$ 81</u>	<u>\$ 69</u>	<u>\$128</u>
<u>SELECTED STATISTICS</u>								
Operating Margin	5.5%	7.2%	1.3%	3.5%	8.6%	11.1%	9.7%	16.2%

Unaudited. Differences may result due to rounding.

FedEx Ground Segment Quarterly Consolidated Statements of Income

FY 2003 – FY 2004

Years ended May 31
In millions

	FY 2003				FY 2004			
	<u>FIRST</u> <u>QUARTER</u>	<u>SECOND</u> <u>QUARTER</u>	<u>THIRD</u> <u>QUARTER</u>	<u>FOURTH</u> <u>QUARTER</u>	<u>FIRST</u> <u>QUARTER</u>	<u>SECOND</u> <u>QUARTER</u>	<u>THIRD</u> <u>QUARTER</u>	<u>FOURTH</u> <u>QUARTER</u>
<u>FINANCIAL RESULTS</u>								
Revenues	\$ 869	\$ 905	\$ 886	\$ 921	\$ 914	\$ 978	\$ 960	\$1,058
Operating Expenses:								
Salaries and employee benefits	176	179	176	178	177	187	183	193
Purchased transportation	318	337	335	337	342	367	367	389
Rentals	23	23	23	19	20	26	26	26
Depreciation and amortization	37	40	38	40	37	39	38	40
Fuel	1	3	3	4	2	3	4	7
Maintenance and repairs	22	22	22	23	23	24	22	26
Business realignment costs	–	–	–	–	–	–	1	–
Intercompany charges	94	81	90	81	102	103	107	120
Other	<u>97</u>	<u>85</u>	<u>90</u>	<u>90</u>	<u>95</u>	<u>94</u>	<u>100</u>	<u>98</u>
	768	770	777	772	798	843	848	899
Operating Income	<u>\$ 101</u>	<u>\$ 135</u>	<u>\$ 109</u>	<u>\$ 149</u>	<u>\$ 116</u>	<u>\$ 135</u>	<u>\$ 112</u>	<u>\$ 159</u>
<u>SELECTED STATISTICS</u>								
Operating Margin	11.6%	14.9%	12.3%	16.2%	12.7%	13.8%	11.6%	15.0%

Unaudited. Differences may result due to rounding.

FedEx Ground Segment Quarterly Consolidated Statements of Income FY 2005

Years ended May 31
In millions

	FY 2005			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
<u>FINANCIAL RESULTS</u>				
Revenues	\$1,073	\$1,174	\$1,200	\$1,233
Operating Expenses:				
Salaries and employee benefits	197	213	214	221
Purchased transportation	410	456	464	461
Rentals	26	32	31	33
Depreciation and amortization	40	43	47	46
Fuel	7	13	11	17
Maintenance and repairs	26	26	28	30
Intercompany charges	115	119	124	124
Other	<u>105</u>	<u>137</u>	<u>132</u>	<u>128</u>
	926	1,039	1,051	1,060
Operating Income	<u>\$ 147</u>	<u>\$ 135</u>	<u>\$ 149</u>	<u>\$ 173</u>
 <u>SELECTED STATISTICS</u>				
Operating Margin	13.7%	11.5%	12.4%	14.0%

Unaudited. Differences may result due to rounding.

FedEx Ground Annual Shipment Statistics FY 1998 – FY 2005

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Total Package Volume (000s)	339,504	350,501	366,315	386,155	443,912	546,313	580,459	667,904
Average Daily Package Volume (000s)	1,326	1,385	1,442	1,520	1,755	2,168	2,285	2,609
Composite Yield	\$5.04	\$5.36	\$5.55	\$5.79	\$6.11	\$6.25	\$6.48	\$6.68
Average Daily YOY Volume Growth Rate	18.3%	4.4%	4.1%	5.4%	15.5%	23.5%	5.4%	14.2%
OPERATING WEEKDAYS	256	253	254	254	253	252	254	256

Unaudited. Differences may result due to rounding.

FedEx Ground Quarterly Shipment Statistics FY 1998 – FY 2005

	FY 1998				FY 1999			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Total Package Volume (000s)	71,422	83,204	100,309	84,569	83,886	90,756	84,572	91,286
Average Daily Package Volume (000s)	1,231	1,410	1,337	1,321	1,311	1,464	1,364	1,404
Yield	\$5.00	\$5.05	\$4.94	\$5.17	\$5.25	\$5.30	\$5.38	\$5.49
Avg Daily YOY Package Growth Rate	21.5%	21.3%	18.3%	12.7%	6.4%	3.8%	2.0%	6.3%
OPERATING WEEKDAYS	58	59	75	64	64	62	62	65
	FY 2000				FY 2001			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Total Package Volume (000s)	86,004	95,559	87,744	97,009	95,800	102,195	90,807	97,353
Average Daily Package Volume (000s)	1,365	1,541	1,415	1,448	1,452	1,648	1,441	1,545
Yield	\$5.53	\$5.45	\$5.54	\$5.66	\$5.67	\$5.69	\$5.82	\$5.99
Avg Daily YOY Package Growth Rate	4.2%	5.3%	3.8%	3.1%	6.3%	6.9%	1.8%	6.7%
OPERATING WEEKDAYS	63	62	62	67	66	62	63	63
	FY 2002				FY 2003			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Total Package Volume (000s)	102,252	113,238	108,465	119,957	134,325	141,439	134,579	135,970
Average Daily Package Volume (000s)	1,573	1,826	1,746	1,874	2,099	2,281	2,171	2,125
Yield	\$6.10	\$5.98	\$6.16	\$6.19	\$6.15	\$6.10	\$6.27	\$6.47
Avg Daily YOY Package Growth Rate	8.4%	10.8%	21.4%	21.3%	33.4%	24.9%	24.1%	13.3%
OPERATING WEEKDAYS	65	62	62	64	64	62	62	64
	FY 2004				FY 2005			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
Total Package Volume (000s)	135,400	147,536	142,345	155,178	159,058	171,675	167,580	169,650
Average Daily Package Volume (000s)	2,116	2,342	2,296	2,387	2,447	2,725	2,660	2,610
Yield	\$6.44	\$6.37	\$6.52	\$6.59	\$6.54	\$6.48	\$6.79	\$6.91
Avg Daily YOY Package Growth Rate	0.8%	2.7%	5.8%	12.4%	15.6%	16.4%	15.9%	9.3%
OPERATING WEEKDAYS	64	63	62	65	65	63	63	65

Unaudited. Differences may result due to rounding.

FedEx Freight Segment Annual Consolidated Statements of Income

FY 2002 – FY 2005

Years ended May 31
In millions

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
<u>FINANCIAL RESULTS</u>				
Revenues	\$2,253	\$2,443	\$2,689	\$3,217
Operating Expenses:				
Salaries and employee benefits	1,218	1,303	1,427	1,650
Purchased transportation	197	224	254	315
Rentals	101	105	100	99
Depreciation and amortization	91	88	92	102
Fuel ¹	133	154	172	257
Maintenance and repairs	91	115	116	128
Intercompany charges	13	17	21	26
Other ¹	<u>224</u>	<u>244</u>	<u>263</u>	<u>286</u>
	2,068	2,250	2,445	2,863
Operating Income	<u>\$ 185</u>	<u>\$ 193</u>	<u>\$ 244</u>	<u>\$ 354</u>
 <u>SELECTED STATISTICS</u>				
Operating Margin	8.2%	7.9%	9.1%	11.0%

1 - Beginning Q2 FY05, certain FedEx Freight expenses have been reclassified from Other Expense to Fuel Expense. Reclassifications extend back to Q3 FY01, the inception of the FedEx Freight segment.

Unaudited. Differences may result due to rounding.

FedEx Freight Segment Quarterly Consolidated Statements of Income

FY 2001 – FY 2002

Years ended May 31
In millions

	FY 2001				FY 2002			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD¹ QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
<u>FINANCIAL RESULTS</u>								
Revenues			\$415	\$578	\$588	\$565	\$505	\$595
Operating Expenses:								
Salaries and employee benefits			208	303	310	300	287	321
Purchased transportation			45	52	53	53	41	50
Rentals and landing fees			22	26	25	25	26	25
Depreciation and amortization			20	30	21	23	25	22
Fuel ²			32	40	37	34	28	34
Maintenance and repairs			15	24	23	22	20	26
Intercompany charges			1	–	3	3	3	4
Other ²			<u>50</u>	<u>64</u>	<u>61</u>	<u>50</u>	<u>53</u>	<u>60</u>
			393	539	533	510	483	542
Operating Income			<u>\$ 22</u>	<u>\$ 39</u>	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 22</u>	<u>\$ 53</u>
<u>SELECTED STATISTICS</u>								
Operating Margin			5.3%	6.7%	9.4%	9.7%	4.4%	8.9%

1 - Includes three months of operations for FedEx Freight West and two months of operations for FedEx Freight East (January and February).

2 - Beginning Q2 FY05, certain FedEx Freight expenses have been reclassified from Other Expense to Fuel Expense. Reclassifications extend back to Q3 FY01, the inception of the FedEx Freight segment.

Unaudited. Differences may result due to rounding.

FedEx Freight Segment Quarterly Consolidated Statements of Income

FY 2003 – FY 2004

Years ended May 31
In millions

	FY 2003				FY 2004			
	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>	<u>FIRST QUARTER</u>	<u>SECOND QUARTER</u>	<u>THIRD QUARTER</u>	<u>FOURTH QUARTER</u>
<u>FINANCIAL RESULTS</u>								
Revenues	\$615	\$634	\$568	\$626	\$637	\$664	\$630	\$758
Operating Expenses:								
Salaries and employee benefits	328	329	313	333	340	345	346	396
Purchased transportation	57	62	51	54	56	64	59	75
Rentals and landing fees	26	29	25	25	24	25	25	26
Depreciation and amortization	23	20	22	23	21	24	24	23
Fuel ¹	35	38	39	42	39	39	43	51
Maintenance and repairs	28	31	27	29	27	29	28	32
Intercompany charges	5	4	5	3	6	4	5	6
Other ¹	<u>59</u>	<u>59</u>	<u>58</u>	<u>68</u>	<u>63</u>	<u>68</u>	<u>63</u>	<u>69</u>
	561	572	540	577	576	598	593	678
Operating Income	<u>\$ 54</u>	<u>\$ 62</u>	<u>\$ 28</u>	<u>\$ 49</u>	<u>\$ 61</u>	<u>\$ 66</u>	<u>\$ 37</u>	<u>\$ 80</u>
<u>SELECTED STATISTICS</u>								
Operating Margin	8.8%	9.8%	4.9%	7.8%	9.6%	10.0%	5.9%	10.6%

1 - Beginning Q2 FY05, certain FedEx Freight expenses have been reclassified from Other Expense to Fuel Expense. Reclassifications extend back to Q3 FY01, the inception of the FedEx Freight segment.

Unaudited. Differences may result due to rounding.

FedEx Freight Segment Quarterly Consolidated Statements of Income FY 2005

Years ended May 31
In millions

	FY 2005			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
<u>FINANCIAL RESULTS</u>				
Revenues	\$807	\$820	\$747	\$843
Operating Expenses:				
Salaries and employee benefits	410	406	404	430
Purchased transportation	84	88	71	72
Rentals and landing fees	25	26	25	23
Depreciation and amortization	24	26	25	27
Fuel ¹	54	65	61	77
Maintenance and repairs	31	31	33	33
Intercompany charges	6	7	6	7
Other ¹	<u>70</u>	<u>69</u>	<u>68</u>	<u>79</u>
	704	718	693	748
Operating Income	<u>\$103</u>	<u>\$102</u>	<u>\$ 54</u>	<u>\$ 95</u>
 <u>SELECTED STATISTICS</u>				
Operating Margin	12.8%	12.5%	7.2%	11.3%

¹ - Beginning Q2 FY05, certain FedEx Freight expenses have been reclassified from Other Expense to Fuel Expense. Reclassifications extend back to Q3 FY01, the inception of the FedEx Freight segment.

Unaudited. Differences may result due to rounding.

FedEx Freight Annual LTL Shipment Statistics FY 2002 – FY 2005

	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>
Shipments Per Day	56,000	56,403	57,702	63,358
Weight Per Shipment	1,114	1,114	1,127	1,132
Revenue/CWT	\$12.41	\$13.40	\$14.23	\$15.48
Avg Daily YOY Shipment Growth Rate		0.7%	2.3%	9.8%
OPERATING WEEKDAYS	253	252	253	254

Unaudited. Differences may result due to rounding.

FedEx Freight Quarterly LTL Shipment Statistics FY 2001 – FY 2005

	FY 2001				FY 2002			
	FIRST QUARTER	SECOND QUARTER	THIRD ¹ QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Shipments Per Day			54,176	57,198	57,367	56,284	52,585	57,568
Weight Per Shipment			1,132	1,133	1,120	1,112	1,108	1,116
Revenue/CWT			\$11.80	\$11.84	\$12.23	\$12.55	\$12.39	\$12.50
Avg Daily YOY Shipment Growth Rate							(2.9%)	0.6%
OPERATING WEEKDAYS			42	65	65	62	61	65

	FY 2003				FY 2004			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Shipments Per Day	58,155	58,973	52,607	55,838	55,831	57,675	54,957	62,188
Weight Per Shipment	1,120	1,104	1,110	1,120	1,118	1,119	1,121	1,146
Revenue/CWT	\$12.80	\$13.55	\$13.59	\$13.69	\$13.97	\$14.32	\$14.35	\$14.28
Avg Daily YOY Shipment Growth Rate	1.4%	4.8%	0.0%	(3.0%)	(4.0%)	(2.2%)	4.5%	11.4%
OPERATING WEEKDAYS	64	62	62	64	64	62	62	65

	FY 2005				FY 2006			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
Shipments Per Day	64,397	65,104	60,051	63,810	65,321	68,266	64,171	69,185
Weight Per Shipment	1,128	1,130	1,129	1,142	1,132	1,161	1,141	1,137
Revenue/CWT	\$14.98	\$15.55	\$15.58	\$15.82	\$16.55	\$16.80	\$16.74	\$17.25
Avg Daily YOY Shipment Growth Rate	15.3%	12.9%	9.3%	2.6%	1.4%	4.9%	6.9%	8.4%
OPERATING WEEKDAYS	65	62	62	65	65	62	62	65

1 - Based on the portion of the quarter that included both FedEx Freight East and FedEx Freight West (January and February).

Unaudited. Differences may result due to rounding.

FedEx Kinko's Segment Quarterly Consolidated Statements of Income

FY 2004 – FY 2005

Years ended May 31
In millions

	FY 2004				FY 2005			
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
<u>FINANCIAL RESULTS</u>								
Revenues				\$521	\$490	\$524	\$499	\$553
Operating Expenses:								
Salaries and employee benefits				185	182	186	185	189
Rentals ¹				115	102	107	103	100
Depreciation and amortization				33	32	32	36	38
Maintenance and repairs ¹				9	17	17	17	19
Intercompany charges				–	3	3	(1)	1
Other operating expenses: ¹								
Supplies, including paper and toner				69	64	71	70	73
Other				<u>71</u>	<u>71</u>	<u>79</u>	<u>78</u>	<u>92</u>
				482	471	495	488	512
Operating Income				<u>\$ 39</u>	<u>\$ 19</u>	<u>\$ 29</u>	<u>\$ 11</u>	<u>\$ 41</u>
<u>SELECTED STATISTICS</u>								
Operating Margin				7.5%	3.8%	5.7%	2.2%	7.4%

1 - Certain Kinko's expenses have been reclassified for Q1 and Q2 of fiscal 2005.

Note: The FedEx Kinko's segment was formed in the fourth quarter of fiscal 2004. Results from the February 12, 2004 date of acquisition through February 29, 2004 are included in 'Eliminations & other' on pages 4 and 8 of this stat book (approximately \$100 million of revenue and \$6 million of operating income).

Unaudited. Differences may result due to rounding.