The attached slides set forth information regarding FedEx’s profit improvement plan, global express network, air capacity and related efficiencies. The company remains committed to improving operating profits by $1.6 billion at FedEx Express by the end of fiscal year 2016.

Certain statements herein may be considered forward-looking statements, such as statements relating to management’s views with respect to future events and financial performance. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from historical experience or from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, economic conditions in the global markets in which we operate, our ability to execute on our business realignment program, new U.S. domestic or international government regulation, changes in fuel prices and currency exchange rates, our ability to match capacity to shifting volume levels and other factors which can be found in FedEx Corp.’s and its subsidiaries’ press releases and filings with the SEC.
The FedEx Portfolio of Services

▫ The FedEx portfolio bundle has significant value, generating over 94% of U.S. revenue from customers of two or more operating companies

▫ Managing as a portfolio for the benefit of customers and FedEx

▫ Independent operations enable optimal service quality, reliability and focus

Data as of CY2012

Express is Taking Action to Sustainably Improve Profits Over the Next Several Years

▪ U.S. Domestic Transformation
  - Re-design to balance operating cost with future volumes

▪ Modernizing Our Air Fleet
  - Deployment of more advanced, fuel-efficient, reliable air fleet

▪ Efficiency of Staff Functions and Processes
  - Re-design and process improvement

▪ International Profit Improvement
  - Alter network and go-to-market approaches

▪ Targeted Growth and Yield Management
  - Yield management and optimize market growth opportunities

Combined Impact Expected to Drive $1.6B of Annual Operating Profit Improvement by the End of FY16
### Targeting Operating Margin Improvement Across All Express Service Offerings

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>FY16 Year-end Value</th>
<th>Services Impacted</th>
<th>Actions</th>
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</thead>
</table>
| U.S. Domestic Transformation     | $350M               | All Global Services | - Global network efficiencies  
- Airline cost reductions  
- Pick-up and delivery efficiencies  
- Facility rationalization |
| Fleet Modernization              | $300M               | All Global Services | - Replace legacy fleets with more efficient and reliable alternatives  
- Value represents 767 aircraft delivered through FY16  
- Benefits will continue to grow as more of our committed aircraft are delivered and deployed |
| Efficiency of Staff Functions & Processes | $400M               | All Global Services | - Organizational rationalization and Sourcing improvements |
| International Profit Improvement | $350M               | International Export and International Domestic Services | - Enhance portfolio  
- Structural cost reductions  
- Operational and scale efficiencies  
- Harvest investments in acquisitions and FTN |
| Targeted Growth and Yield Management | $150M               | All Global Services | - Grow and expand premium services  
- Increase share of Small/Medium customers |

While values by focus area may change, we’re managing the broader program to reach our $1.6B target.

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### The FedEx Express Global Network is the Largest Time-Definite Network in the World

As of Q1 FY14:
- 328 jet aircraft and 292 turbo-prop feeders available for operation
- Serving more than 220 countries and territories around the world
- 8 daily Trans-Pacific frequencies, 7 daily Trans-Atlantic frequencies, and 3 daily frequencies between Asia and Europe (supplemented by commercial lift)
- 113 U.S. trunk airports served (contiguous U.S.)
- Approximately 60% of all international export pounds transit the U.S. (includes U.S. outbound)
Our integrated air/ground Express network ensures lowest cost-to-serve time-definite deliveries (FedEx First Overnight®, FedEx Priority Overnight®, FedEx Standard Overnight®, FedEx 2Day®, FedEx Express Saver®, FedEx First Overnight ExpressFreight®, FedEx 1Day ExpressFreight®, FedEx 2Day ExpressFreight®, FedEx 3Day ExpressFreight®)

Express operates a sizable day network, dual-utilizing the overnight infrastructure for the airport-to-airport transportation of Priority Mail for the U.S. Postal Service and for deferred Express shipments

Global trade lane imbalances impact total network load factors

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Global trade lane imbalances impact total network load factors

Express has worked aggressively to ensure volume is shifted to networks that best match customer needs

- Removed about one million roundtrip pounds of capacity a day between APAC and the U.S.
- Transitioning international deferred shipments out of the Express air network on certain lanes
- The integrated air/ground Express network allows cost-effective movement of deferred import and export volumes (FedEx International Economy®, FedEx International Economy Distribution®, FedEx International Economy Freight®)
- Shifting deferred Express volumes to Ground while meeting customer needs

These actions have allowed Express to reduce its global jet fleet by 35 aircraft since May 2010
Express Legacy Fleets are Becoming Less Reliable and More Costly to Operate

- Express has focused a large portion of capital investment on fleet modernization

- These investments will significantly improve Express airline capabilities, reliability and operating cost per trip and per unit of capacity

- These changes will improve base financial performance and enable more affordable growth via lower fuel consumption, lower maintenance expense and improved resource utilization between the 767 and 757

The 767 and 757 Fleets Will Become the Foundation for Regional Line-Haul Movements

**Trip Cost Comparison**

- **757 vs. 727 vs. A310**
  - up to 20% cost improvement

- **767 vs. MD10s**
  - up to 30% cost improvement
Deploying the 777F on Inter-Continental Lanes Offers Lower Cost and Improved Capability vs. MD11

- 18% more fuel efficient
- 50% more range
- Later customer pickup times in Asia by overflying Anchorage
- Redeploying the displaced MD11s in U.S. system offers consolidation opportunities on high volume lanes reducing both costs and infrastructure requirements

Actions Taken To-Date Are Driving Benefits in the Following Areas

- Fewer operating aircraft / more efficient fleet
- Deferred and canceled 777 commitments
- More efficient support staff structure
- Fewer pickup and delivery FTEs in the U.S. network
- Cost effective solution for International deferred volume growth