

FedEx®

THE MARKET

In 1973 Yale University graduate Frederick W. Smith founded Federal Express, an airline designed to improve the speed and efficiency of overnight air-freight delivery. Its first night in operation, Federal Express delivered 186 packages to 25 cities using a fleet of 14 small aircraft. This marked the creation of a new market, providing customers access to next-business-day delivery services. Nearly 40 years later, FedEx remains true to its original vision and purpose, helping more people and businesses around the world connect with the global marketplace.

In 1978 Fred Smith was famously quoted as saying, “The information about the package is just as important as the package itself.” Since then, FedEx has been providing customers access to timely and accurate information, enabling new supply chain models and efficiencies. This unprecedented access to information connects customers around the world to economic markets and communities.

Today, FedEx handles 9 million daily shipments, connecting more than 220 countries and territories in responsible and resourceful ways.

Smith credits the company’s more than 300,000 team members around the globe with much of its success. The founder explains that the FedEx team is pioneering new technologies that make the company’s systems, vehicles, and routes more efficient. His team members are helping the company and the world achieve more with limited resources.

According to Smith, “In a truly global economy, prosperity depends on global connections. We make those connections happen reliably, millions of times every day.”



ACHIEVEMENTS

FedEx was the first company dedicated to express package delivery and the first to offer a money-back guarantee. In the services category, FedEx was the first to win the Malcolm Baldrige National Quality Award, and in 2010 the shipping carrier was added to the Dow Jones Sustainability Index North America.

The company’s creative, open culture has gained wide recognition and admiration. In 2011 FedEx continued a long tradition of being named one of the most admired and best companies to work for in the world. FedEx has also been named one of the world’s 25 best multinational workplaces, and the company ranks among the most reputable big companies, both in the United States and globally.

HISTORY

What began in 1973 as a U.S. overnight shipping business in Memphis, Tennessee, has since expanded into a global logistics powerhouse.

FedEx believes that you need a world full of connections to catalyze commerce. And since Federal Express became FedEx, the company has capitalized on every opportunity to connect the world. Today it continues to expand its service network into new territories — from worldwide shipping and trade to professional business services in the United States and abroad.

THE PRODUCT

FedEx provides customers and businesses worldwide with a broad portfolio of shipping, e-commerce, and business services. With annual revenues of \$40 billion, the company offers integrated business applications through operating companies competing collectively and managed collaboratively under the respected FedEx brand. FedEx inspires its more than 300,000 team members to remain focused on safety, the highest ethical and professional standards, and the needs of its customers and communities.

FedEx believes that its impact is greater than the services it provides. FedEx is committed to being a great place to work, a thoughtful steward of the environment, and a caring citizen in the communities it serves. The company is recognized as a leader in sustainability, a critical player in the global economy, and a catalyst for connecting people and places.

RECENT DEVELOPMENTS

FedEx is a worldwide network of companies. Independently, each company offers flexible, specialized services that represent the broadest array of supply chain, shipping, business, and related information services.

The eight FedEx operating companies are FedEx Express, FedEx Ground, FedEx Freight,





GREEN FOCUS

FedEx is deeply committed to finding innovative solutions to minimize its carbon footprint and positively impact the global communities it serves. This commitment is called EarthSmart®, and it's designed to encourage innovation that makes the company's business — the way it works and the services it offers — more sustainable socially, economically, and environmentally. EarthSmart encourages sustainable workplace practices and opportunities for team members to engage in community outreach efforts, all for a more sustainable world.

FedEx awards the EarthSmart designation only to programs, services, and physical assets that go beyond standard industry practices to demonstrate clear and tangible benefits to the environment, customers, team members, and local communities.

EarthSmart is not just one program but a host of initiatives that have already made significant contributions toward the company's key sustainability benchmarks, such as reducing emissions, increasing fuel efficiency, and exceeding renewable energy goals.

EarthSmart Innovations are programs, services, and physical assets that meet strict, quantifiable environmental standards. These



include vehicles, facilities, and customer-facing innovations like FedEx carbon-neutral envelope shipping and FedEx paperless processing.

Through EarthSmart @ Work, FedEx encourages its 300,000-plus team members to look for ways to save resources and make their business more efficient. Team members are driving ideas to maximize recycling, reduce fuel emissions, and conserve energy.

Beyond business applications, FedEx has invested substantial philanthropic dollars and volunteer hours

in local communities around the globe through EarthSmart Outreach. The company's outreach efforts are focused on fostering sustainable transportation, cities, and ecosystems. EarthSmart Outreach programs make measurable progress toward FedEx environmental commitments by mobilizing communities and team members to drive carbon reductions and other targeted sustainable improvements.

Whether large-scale innovations, employee-driven initiatives, or global community service efforts, FedEx environmental contributions underscore the company's commitment to pioneer new ways to connect the world in responsible and resourceful ways. Learn more about FedEx solutions for a more sustainable world at earthsmart.fedex.com.

FedEx Office, FedEx Custom Critical, FedEx Trade Networks, FedEx SupplyChain, and FedEx Services.

FedEx helped engineer the first hybrid trucks, and by 2005 had 18 of them on the road. FedEx shared the knowledge with the entire shipping industry, and by the end of 2010 there were 1,745 hybrid delivery trucks on the road in the United States, used by a variety of competing companies.

In 2010 FedEx became the first U.S.-based all-cargo company in the shipping industry to add the Boeing 777F to its aircraft fleet, moving more freight to more distant markets while reducing emissions by 18 percent.

Whether through web services, alternative energy practices, or developing new technology,

The most recent FedEx brand campaign touts business solutions. From basic shipping and printing, delivered overnight or under budget, to full-service, strategic supply-side management, FedEx has the resources and the scale to help businesses meet their goals.

Speed, teamwork, and precision — FedEx has a lot in common with championship-caliber sports, and that connection is reflected in its sports sponsorships, from FedExCup® to FedEx Racing®.

BRAND VALUES

The FedEx brand is built on firmly held beliefs.

Connected. FedEx competes collectively, connecting its brand, cultures, and successes through a global network of people, systems, and technologies. The company is constantly interacting with customers, team members, and communities to identify and connect new markets, new geographies, and new ways of doing business.

Dynamic. Team members' diverse backgrounds, talents, and perspectives drive FedEx. The company never rests — delivering daily what matters most to its customers, communities, and team. The world is always evolving, so the company never stands still or rests on its laurels.

Committed. FedEx believes it should be judged by the promises it keeps. The company is committed to making every FedEx experience outstanding, doing whatever it takes to get the job done, and finding solutions for a more sustainable world.

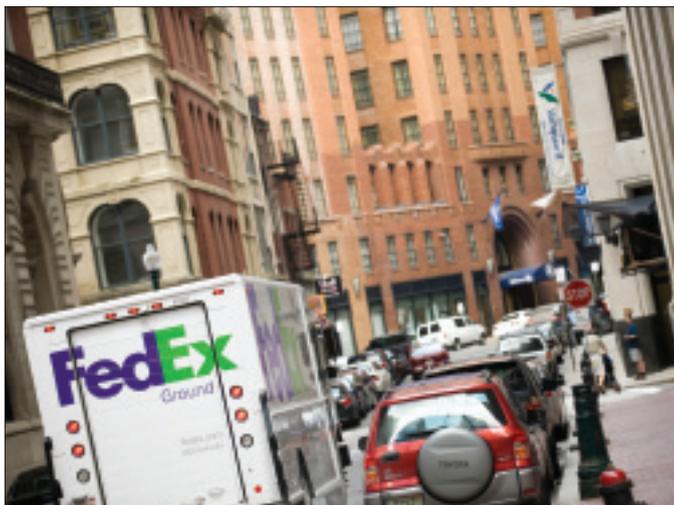
Innovative. FedEx champions new ways of doing business to ensure success. Never content with the status quo, team members challenge convention, push themselves, and redefine what's possible.

Excelling. FedEx raises the bar daily. The company believes that it wins when its

customers win. Its team members are passionate about leading the industry and strive to exceed the expectations of customers, shareholders, and even themselves.

THINGS YOU DIDN'T KNOW ABOUT FEDEX

- The FedEx website, fedex.com, averages more than 32 million unique visitors monthly and more than 6.5 million package tracking requests daily.
- The 2010 "Panda Express" Boeing 777F made a 14.5-hour nonstop flight to transport giant pandas Tai Shan and Mei Lan from Washington, D.C., to China.
- FedEx relocated more than 25,000 sea turtle eggs from the northern Gulf of Mexico to Florida's Atlantic Coast to protect them from the impact of the 2010 oil spill.
- In response to the 2010 Haiti earthquake, FedEx provided more than \$1.8 million in in-kind shipping and cash support — more than 1 million pounds of shipments.
- FedEx provided \$5 million in in-kind disaster relief shipping in 2011 in response to disasters like the Japan earthquake and tsunami.
- FedEx has donated the delivery of more than 100,000 Christmas trees to military families through its Trees for Troops program.
- FedEx has more than 400 hybrid and electric delivery vehicles, and more than 3,300 that run on alternative fuel.
- The majority of FedEx packaging is both recyclable and contains recycled material.



FedEx sees innovation as a strategic business practice that is continuously enhanced, developed, and encouraged.

PROMOTION

FedEx is known for its award-winning advertising and prestigious sports sponsorships. In many ways FedEx is synonymous with reliability, speed, leadership, excellence, and global reach. Those attributes are reflected in the company's sponsorships and emphasized in its advertising.