STIFEL

FedEx Corporation FDX – NYSE Buy

Airfreight/Logistics

Company Update

FedEx Keeps USPS Contract; No Change to Estimates; Reiterate Buy

As we expected, FedEx kept the U.S. Postal Service (USPS) contract for Priority Mail/Express Mail airfreight linehaul, signing a new seven-year agreement worth roughly \$1.5bn per year. FedEx has provided excellent service to the USPS for roughly 12 years now, so we believe the cost/risk of switching providers was a significant consideration for the USPS in choosing its partner. This should remove some overhang in FedEx's stock price, as some investors feared UPS would steal away FedEx's largest customer, even though we viewed that scenario as highly unlikely. The next couple of quarters could be soft/sloppy for FedEx, as the initial costs of its \$1.7bn operating profit improvement plan will be reported without much benefit being realized yet, but we remain buyers of the shares based on the company recently putting the cold pack on its trans-Pac-itis. As the swelling in its international network comes down, margins and the stock should move higher, in our opinion.

Here is our understanding of the new 7-year, \$10.5bn agreement with the USPS:

- Since the USPS is looking to improve profitability in the face of uncertain and potentially declining volumes, the annual minimum it will pay FedEx under the contract is lower than the prior contract. [We are unsure what those minimum numbers might be, though.]
- Volume is expected to be the same; it is unclear whether or not they were also awarded the small amount of Priority Mail business UPS currently flies, though.
- FedEx operating costs should decline over the course of the 7-yr contract, in our view, due to aircraft fleet replacements and its general domestic express operational restructuring.
- USPS gave FDX \$1.6bn last year, according to one published source (we believe it was less than that, because FedEx does more than just haul Priority Mail and Express Mail for the USPS), but even if we assume the contract next year for the same volume goes from \$1.6bn to \$1.5bn, we believe it would represent a ~\$0.20 EPS headwind (3% of our current EPS estimate) in FY14. Much of this was already baked in, so we will leave our EPS estimates unchanged (company will issue initial guidance for FY14 in June, but we are unsure whether or not they will break out magnitude of the USPS contract headwind).
- Basically, given the potential outcomes of the company's negotiation with the USPS, the contract signed could be considered a "best case scenario" for FedEx. Now, if only the global airfreight market were to enter "best case" mode this year...

<u>Changes</u>	Previous	Current
Rating	_	Buy
Target Price	_	\$131.00
FY13E EPS (Net)	_	\$6.05
FY14E EPS (Net)	_	\$7.15
FY13E Rev (Net)	_	\$44.23B
FY14E Rev (Net)	_	\$45.93B
Price (04/23/13):		\$93.17
52-Week Range:		\$110 – \$84
Market Cap.(mm):		29,522.8
Shr.O/S-Diluted (mr	n):	316.9
Enterprise Val. (mm	n):	\$28,392.7
Avg Daily Vol (3 Mo):	2,423,633
LT Debt/Total Cap.:		12.2%
Net Cash/Share:		\$3.56
Book Value/Share:		\$51.30
Dividend(\$ / %)		\$0.56 / 0.6%
S&P Index		1,578.78

EPS (Net)	2012A	2013E	2014E
Q1	\$1.46	\$1.46A	\$1.54
Q2	1.57	1.42A	1.72
Q3	1.55	1.23A	1.57
Q4	2.00	1.95	2.31
FY May	\$6.59A	\$6.05	\$7.15
P/E	14.1x	15.4x	13.0x
Rev (Net)	2012A	2013E	2014E
FY May	\$42.68B	\$44.23B	\$45.93B

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All relevant disclosures and certifications appear on pages 7 - 8 of this report.

Target Price Methodology/Risks

Our 12-month target price is \$131, or 13.5x our CY15 EPS estimate of \$9.70.

Risks to target price:

U.S. and/or global economic downturn, slower-than-expected international growth, failure to achieve targeted profit improvements, sharply rising fuel prices, high fuel prices, price competition from large competitor(s), new competitors, pending litigation concerning the company's independent contractor model and potential for significant legal settlements and changes to operations, unionization of workforce, and any change in IRS tax treatment of independent contractors.

Company Description

FedEx Corp. provides customers and businesses worldwide with a broad portfolio of transportation, e-commerce and business services. With annual revenues of approximately \$43 billion, the company offers integrated business applications through its operating subsidiaries, which compete collectively and are managed collaboratively under the FedEx brand. Those companies are: FedEx Express, FedEx Ground, FedEx Freight, FedEx Office, FedEx Custom Critical, FedEx Trade Networks, FedEx Supply Chain Services and FedEx Services. The company's principal transportation businesses handle an average of over 10 million express, ground, freight and expedited deliveries a day in over 220 countries and territories around the world and to every address in the United States.

FedEx Corporation (FDX)

STIFEL Equity Comps - Transportation																						
							Com	oarative V	aluatio	n Matrix												
(figures in \$US millions, except per share amounts)		Closing	70.1		m . 1	0.10				s a multiple		7777.1			a multiple of	TTD (7770.6	TTD (TTD (DEC	ъ.	20125
Company name (Ticker)	Rating	Price 4/23/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV (a)	2012A ^(b)	ngs per S 2013E ^(b)		Book value	TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR (c)	TTM EBIT	TTM ROA	TTM ROE	TTM ROIC	PEG ratio ^(d)	Div. Yield	2013E FCF Yld
Global Integrators																						
Deutsche Post DHL (DPW-DE)	Buy	€ 17.50	1,210.4	27,568.6	6,244.9	3,112.1	32,285.4	13.0x	12.7x	11.2x	1.7x	0.4x	5.9x	5.7x	5.2x	8.4x	5.0%	15.6%	12.5%	0.7	4.0%	15.1%
FedEx Corp. (FDX)	Buy	93.17	316.9	29,522.7	2,242.0	3,372.0	28,392.7	14.7x	14.2x	11.1x	1.8x	0.6x	4.6x	5.5x	5.3x	9.8x	6.4%	11.8%	10.7%	0.9	0.6%	4.3%
TNT Express NV (TNTE-NL)	NC	€ 5.86	543.3	3,183.0	247.7	514.8	2,915.9	NE	NE	NE	0.9x	0.3x	NE	4.4x	4.1x	11.1x	0.4%	0.7%	1.4%	NM	0.0%	NM
United Parcel Service (UPS)	Hold	83.74	954.9	79,965.9	12,870.0	7,924.0	84,911.9	18.5x	17.1x	14.7x	16.9x	1.6x	9.0x	9.5x	9.3x	12.0x	11.9%	74.1%	25.9%	1.3	3.0%	-0.6%
Min				3,183.0	247.7	514.8	2,915.9	13.0x	12.7x	11.1x	0.9x	0.3x	4.6x	4.4x	4.1x	8.4x	0.4%	0.7%	1.4%	0.7	0.0%	-0.6%
Mean				35,060.0	5,401.1	3,730.7	37,126.5	15.4x	14.7x	12.3x	5.3x	0.7x	6.5x	6.3x	6.0x	10.3x	5.9%	25.6%	12.6%	1.0	1.9%	6.3%
Median				28,545.6	4,243.5	3,242.0	30,339.0	14.7x	14.2x	11.2x	1.8x	0.5x	5.9x	5.6x	5.2x	10.5x	5.7%	13.7%	11.6%	0.9	1.8%	4.3%
Max				79,965.9	12,870.0	7,924.0	84,911.9	18.5x	17.1x	14.7x	16.9x	1.6x	9.0x	9.5x	9.3x	12.0x	11.9%	74.1%	25.9%	1.3	4.0%	15.1%
Stifel Transportation Average				7,971.3	1,552.8	472.1	9,086.4	19.2x	18.4x	14.4x	3.1x	1.9x	8.1x	8.9x	8.9x	12.5x	5.1%	15.4%	10.4%	1.1	1.0%	3.5%

 $⁽a) \ Total \ Enterprise \ Value = Market \ Capitalization \ of \ Equity + Total \ Debt - Cash + Market \ Value \ of \ Minority \ Interest$

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

⁽b) Stifel estimates for those rated and First Call mean estimates for unrated securities

⁽c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

STIFFL

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	FedEx Corporation Income Statement																										
(figures in \$ millions, except per share amounts)													FY 2	2013		l		FY 2	014		. [FY 2	015			
Fiscal Year End May 31 REVENUE	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	1QA	2QA	3QA	4QE	2013E	1QE	2QE	3QE	4QE	2014E	1QE	2QE	3QE	4QE	2015E	2016E
FedEx Express Package Revenue:																											
U.S. Overnight Box	5,338	5,432	5,558	5,969	6,422	6,485	6,578	6,074	5,602	6,128	6,546	1,604	1,609	1,609	1,656	6,478	1,570	1,601	1,627	1,622	6,420	1,627	1,633	1,633	1,680	6,573	6,639
% change y/y U.S. Overnight Envelope	-8.4% 1,755	1.8% 1,715	2.3% 1,699	7.4% 1,798	7.6% 1,974	1.0% 1,990	1.4% 2,012	-7.7% 1,855	-7.8% 1,640	9.4% 1,736	6.8% 1,747	-2.2% 430	-0.9% 409	-0.6% 413	-0.5% 444	-1.0% 1,696	-2.1% 423	-0.5% 409	1.1% 419	-2.1% 437	-0.9% 1,688	3.6% 439	2.0% 417	0.4% 420	3.6% 452	2.4% 1,729	1.0%
% change y/y Total U.S. Overnight	-6.2% 7,093	-2.3% 7,147	-0.9%	5.8% 7.767	9.8%	0.8% 8.475	1.1% 8.590	-7.8% 7.929	-11.6% 7.242	5.9% 7.864	0.6% 8.293	-4.7% 2.034	-2.9% 2,018	-3.1% 2.022	-1.2% 2 100	-2.9% 8 174	-1.5% 1 994	0.0% 2,010	1.4% 2,046	-1.6% 2.058	-0.5% 8.108	3.6%	2,0%	2.054	3.6% 2,132	2.4% 8.302	1.0% 8,385
% change y/y	-7.9%	0.8%	1.5%	7.0%	8.1%	0.9%	1.4%	-7.7%	-8.7%	8.6%	5.5%	-2.7%	-1.3%	-1.1%	-0.6%	-1.4%	-2.0%	-0.4%	1.2%	-2.0%	-0.8%	3.6%	2.0%	0.4%	3.6%	2.4%	1.0%
U.S. Deferred % change y/y	2,383 -4.4%	2,510 5.3%	2,593 3.3%	2,799 7.9%	2,853 1.9%	2,883 1.1%	2,995 3.9%	2,789 -6.9%	2,589 -7.2%	2,805 8.3%	3,001 7.0%	702 -4.0%	732 0.1%	812 2.5%	762 2.0%	3,008 0.2%	705 0.4%	747 2.1%	841 3.6%	765 0.4%	3,058 1.7%	730 3.6%	762 2.0%	845 0.4%	793 3.6%	3,129 2.3%	3,161 1.0% 11,545
Total U.S. Packages % change y/y	9,476 -7.0%	9,657 1.9%	9,850 2.0%	10,566 7.3%	11,249	11,358 1.0%	11,585 2.0%	10,718	9,831 -8.3%	10,669 8.5%	11,294 5.9%	2,736 -3.0%	2,750 -0.9%	2,834 -0.1%	2,861 0.0%	11,181 -1.0%	2,699 -1.4%	2,757 0.2%	2,887 1.9%	2,824 -1_3%	11,166 -0.1%	2,796 3.6%	2,812 2.0%	2,898 0.4%	2,925 3.6%	11,431 2.4%	11,545 1.0%
International Priority	3,475	3,941	4,609	5,464	6,139	6,722	7,666	6,978	7,087	8,228	8,708	2,148	2,192	2,058	2,259	8,657	2,221	2,305	2,198	2,337	9,060	2,416	2,468	2,317	2,542	9,743	10,335
% change y/y International Domestic	-3.7% NR	13.4% NR	17.0% NR	18.5% NR	12.4% NR	9.5% 369	14.0% 663	-9.0% 565	1.6% 578	16.1% 653	5.8% 853	-2.3% 309	1.0% 384	-1.0% 342	0.0% 349	-0.6% 1,384	3.4% 346	5.1% 422	6.8% 383	3.4% 379	4.7% 1,530	8.8% 380	7.1% 457	5.4% 407	8.8% 416	7.5% 1,660	6.1% 1,761
% change y/y	12,951	13 598	14 459	16.030	17 388	NA	79.7%	-14.8% 18.261	2.3%	13.0%	30.6% 20.855	49.3% 5.193	77.0%	62.9% 5.234	59.3%	62.2%	12.0%	10.0%	11.9%	8.5% 5.539	10.5%	9.8%	8.2% 5.737	6.4% 5.623	9.8%	8.5% 22.834	6.1% 23.641
Total Package Revenue % change y/y	-6.2%	5.0%	6.3%	10.9%	8.5%	18,449 6.1%	19,914 7.9%	-8.3%	-4.2%	11.7%	6.7%	-0.7%	3.2%	2.1%	2.4%	1.8%	1.4%	3.0%	5,469 4.5%	5,539 1.3%	21,757 2.5%	6.2%	4.6%	2.8%	6.2%	5.0%	23,641 3.5%
Freight Revenue: U.S.	1.274	1,564	1.609	1.854	2.218	2.412	2.398	2,165	1.980	2.188	2,498	610	645	668	649	2.572	633	674	716	671	2,695	675	709	741	716	2.841	2,956
% change y/y International Priority	95.8% 358	22.8% 426	2.9% 522	15.2% 671	19.6% 840	8.7% 1.045	-0.6% 1.243	-9.7% 1.104	-8.5% 1.303	10.5% 1.722	14.2% 1.827	3.2% 439	2.7% 446	3.2% 384	2.7% 441	3.0% 1.710	3.8% 423	4.6% 461	7.2% 406	3.4% 452	4.8% 1.741	6.7% 455	5.1% 489	3.4% 424	6.7% 487	5.4% 1.855	4.0% 1.929
% change y/y	7.6%	19.1%	22.4%	28.4%	25.3%	24.4%	18.9%	-11.2%	18.0%	32.2%	6.1%	-2.2%	-5.1%	-13.3%	-5.2%	-6.4%	-3.7%	3.3%	5.7%	2.4%	1.8%	7.7%	6.1%	4.4%	7.7%	6.5%	4.0%
International Airfreight % change v/v	384	400	394	381	434	394	406 3.0%	369	251	283	307 8 5%	74 -3.9%	77 4 1%	-16.9%	75 -5 3%	290	-0.2%	78	66 2.4%	75 -0.1%	292	78 5 1%	81 3.5%	67 1 9%	79 5 1%	304	313 3.0%
Total Freight Revenue	2,016	2,390	2,525	2,906	3,492	3,851	4,047	3,638	3,534	4,193	4,632	1,123	1,168	1,116	1,165	4,572	1,129	1,213	1,188	1,198	4,728	1,208	1,278	1,231	1,282	4,999	5,198
% change y/y Other FedEx Express Revenue	43.2% 471	18.6% 479	5.6% 513	15.1% 550	20.2% 566	10.3% 381	5.1% 460	-10.1% 465	-2.9% 525	18.6% 838	10.5% 1,028	0.5% 316	-0.3% 364	-4.4% 354	-0.9% 350	-1.3% 1,384	0.6% 325	3.9% 375	6.4% 370	2.8% 395	3.4% 1,465	7.0% 350	5.4% 400	3.7% 390	7.0% 430	5.7% 1,570	4.0% 1,715
% change y/y Total FedEx Express Revenue	7.8% 15.438	1.7%	7.1%	7.2% 19.485	2.9% 21.446	-32.7% 22.681	20.7%	1.1% 22,364	12.9% 21.555	59.6% 24.581	22.7% 26.515	27.4% 6.632	46.8% 6.858	41.6%	24.1%	34.6% 27.178	2.8%	3.0% 7.072	4.5% 7.026	7.132	5.9% 27.950	7.7% 7.150	6.7% 7.415	5.4% 7.244	8.9% 7.595	7.2% 29,403	9.2%
% change y/y	-1.3%	6.7%	6.3%	11.4%	10.1%	5.8%	7.7%	-8.4%	-3.6%	14.0%	7.9%	0.6%	4.2%	2.5%	2.8%	2.5%	1.3%	3.1%	4.8%	2.1%	2.8%	6.4%	4.9%	3.1%	6.5%	5.2%	3.9%
Total FedEx Ground Revenue	2,918 13.8%	3,581 22.7%	3,910 9.2%	4,680 19.7%	5,306 13.4%	6,043 13.9%	6,751	7,047	7,439 5.6%	8,485 14.1%	9,573 12.8%	2,462 8.1%	2,593 10.9%	2,747 10.8%	2,666 7.7%	10,468 9,4%	2,610 6.0%	2,797 7.9%	2,992 8.9%	2,822 5.8%	7 2%	2,836 8.7%	2,995 7.1%	3,154 5.4%	3,059 8.4%	7 3%	12,733 5.7%
Total FedEx Freight Revenue	2,253	2,443	2,689	3,217	3,645	4,586	4,934	4,415	4,321	4,911	5,282	1,399	1,377	1,237	1,381	5,394	1,348	1,344	1,305	1,435	5,433	1,453	1,426	1,362	1,547	5,787	6,080
% change y/y Total FedEx Services Revenue*	126.9% 0	8.4%	10.1% 521	19.6% 2.066	13.3% 2.088	25.8% 2,040	7.6% 2.138	-10.5% 1.977	-2.1% 1.770	13.7%	7.6% 1.671	5.3% 389	3.9% 405	0.2% 380	-1.0% 440	2.1% 1.614	-3.6% 410	-2.4% 425	5.5% 405	4.0% 445	0.7% 1.685	7.7% 425	6.1% 445	4.4% 420	7.7% 455	6.5% 1.745	5.1% 1.745
% change y/y Other	(2)	(4)		NM (85)	1.1% (191)	-2.3% (136)	4.8%	-7.5% (306)	-10.5% (351)	-4.9% (357)	-0.8% (361)	-5.4% (90)	-5.2% (126)	-5.2% (115)	1.9%	-3.4% (421)	5.4%	4.9% (90)	6.6%	1.1% (90)	4.4%	3.7%	4.7% (90)	3.7% (90)	2.2%	3.6%	0.0%
Total Consolidated Revenue	20,607	22,487	24,710	29,363	32,294	35,214	(291) 37,953	35,497	34,734	39,304	42,680	10,792			(90) 11,381	44,233	10,998			11,744	45,928			12,090	(90) 12,565	48,619	50,753
% change y/y	5.0%	9.1%	9.9%	18.8%	10.0%	9.0%	7.8%	-6.5%	-2.1%	13.2%	8.6%	2.6%	4.9%	3.7%	3.4%	3.6%	1.9%	4.0%	6.3%	3.2%	3.8%	7.1%	5.6%	3.9%	7.0%	5.9%	4.4%
OPERATING EXPENSES Salaries and employee benefits	0.000	0.770	10.728	11 963	12 571	13,615	14.202	13.767	14.027	15,276	16.099	4,103	4.125	4.150	4.255	16,633	4.142	4.310	4.360	4 284	17.096	4,349	4.458	4,433	4.529	17 770	18.416
Purchased transportation	9,099 1,825	9,778 2,155	2,407	2,935	3,251	3,977	4,634	4,534	4,728	5,674	6,335	1,680	1,860	1,871	1,863	7,274	1,868	1,976	2,052	1,948	7,845	2,016	2,102	2,137	2,107	8,362	8,759
Rentals and landing fees Depreciation and amortization	1,780 1,364	1,803	1,918	2,314 1,462	2,311 1,550	2,343 1,742	2,441 1,946	2,429 1,975	2,359 1,958	2,462 1,973	2,487	618 573	630 592	640 599	677 725	2,565 2,489	662 718	692 753	697 765	685 744	2,737 2,980	693 768	715 793	708 792	722 801	2,837 3,154	2,931 3,273
Fuel	1,100	1,349	1,481	2,303	3,256	3,429	4,409	3,811	3,106	4,151	4,956	1,138	1,235	1,215	1,217	4,805	1,195	1,238	1,245	1,223	4,902	1,246	1,269	1,255	1,289	5,059	5.229
Maintenance and repairs Airline stabilization compensation	1,240 (119)	1,398	1,523	1,680 48	1,777	1,952	2,068	1,898	1,715	1,979	1,980	542 0	511 0	424 0	504 0	1,981	495 0	516 0	522 0	511 0	2,044	518	532 0	530	539 0	2,120	2,197
Impairment (and other) charges	0	0	0 435	0	0	0	882	1,204	18	89	134	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business realignment costs Other	3,015	3,182	3,403	4,187	4,485	4,785	5,296	5,132	4,825	5,322	5,390	1,392	1,423	0 1,418	1,236	5,469	1,211	0 1,265	1,279	1,255	5,010	0 1,223	1,261	0 1,254	1,276	5,013	5,190
Total Operating Expenses	19,304	21,016	23,270	26,892	29,201	31,843	35,878	34,750	32,736	36,926	39,494	10,046	10,376	10,317	10,477	41,216	10,291	10,750	10,921	10,651	42,614	10,814	11,130	11,109	11,262	44,315	45,995
By Segment: OPERATING EXPENSES																											
FedEx Express FedEx Ground	14,654 2,581	15,684 3,087	16,868 3,388	18,071 4,076	19,604 4,601	20,631 5,230	22,520 6.015	21,570 6,240	20,428 6,415	23,353 7,160	25,255 7,809	6,423 2,016	6,619 2,178	6,552 2,271	6,579 2,146	26,173 8,611	6,485 2,140	6,754 2,322	6,782 2,468	6,600 2,271	26,621 9,202	6,735 2,314	6,896 2,477	6,811 2,570	6,944 2,447	27,387 9,809	28,259 10,370
FedEx Freight	2,068	2,250	2,445	2,863	3,160	4,123	4,605	4,459	4,474	5,086	5,120	1,308	1,300	1,229	1,312	5.149	1,257	1,250	1,266	1,335	5,107	1,339	1,312	1,308	1,415	5,374	5,621
Kinko's Other	0	0	482 87	1,966	2,031	1,995	3,029	2,787	1,770	1,684	1,671	389	405	380 (115)	440 (90)	1,614	410	425 (90)	405	445 (90)	1,685	425 (90)	445	420 (90)	455 (90)	1,745	1,745
Total Operating Expenses	19,304	21,016	23,270	26,892	29,201	31,843	35,878	34,750	32,736	36,926	39,765	10,046	10,376	10,317	10,387	41,457	10,201	10,660	10,831	10,561	42,524	10,724	11,040	11,019	11,172	44,315	45,995
OPERATING PROFIT																											
FedEx Express FedEx Ground	784 337	783 494	629 522	1,414	1,842 705	2,050 813	1,901 736	794 807	1,127	1,228	1,260	209 446	239 415	152 476	405 520	1,005	235 470	318 476	244 524	532 550	1,329 2.019	415 522	519 518	432 583	650 612	2,016	2,296
FedEx Freight FedEx Services*	185	193	244	354 100	485	463	329	(44)	(153)	(175)	162	91	77	8	69	245	92	94	39	100	325	113	114	54	131	413	459
FedEx Services* Other	(3)	0	39 6	100	57 4	45 0	(891) 0	(810) 0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Profit	1,304	1,471	1,440	2,471	3,093	3,371	2,075	747	1,998	2,378	3,186	746	731	636	994	3,107	797	888	807	1,183	3,674	1,050	1,151	1,070	1,393	4,665	5,118
OPERATING RATIO FedEx Express	94.9%	95.7%	96.4%	92.7%	91.4%	91.0%	92.2%	96.4%	94.8%	95.0%	95.7%	96.8%	96.5%	97.7%	94.2%	96.3%	96.5%	95.5%	96.5%	92.5%	95.7%	94.2%	93.0%	94.0%	91.4%	03.1%	92.5%
FedEx Express - adjusted	95.2%	95.2%	94.0%	92.5%	91.4%	91.0%	92.2%	96.4%	94.8%	94.7%	94.7%	96.8%	96.5%	98.7%	94.2%	96.3%	96.5%	95.5%	96.5%	92.5%	95.2%	94.2%	93.0%	94.0%	91.4%	93.1%	92.5%
FedEx Ground - adjusted	88.5% 88.5%	86.2% 86.2%	86.6% 86.6%	87.1% 87.1%	86.7% 86.7%	86.5% 86.5%	89.1% 89.1%	88.5% 88.5%	86.2% 86.2%	84.4% 84.4%	81.6% 81.6%	81.9% 81.9%	84.0% 84.0%	82.7% 82.7%	80.5% 80.5%	82.3% 82.3%	82.0% 82.0%	83.0% 83.0%	82.5% 82.5%	80.5% 80.5%	82.0% 82.0%	81.6% 81.6%	82.7% 82.7%	81.5% 81.5%	80.0% 80.0%	81.4% 81.4%	81.4% 81.4%
FedEx Freight	91.8%	92.1%	90.9%	89.0%	86.7%	89.9%	93.3%	101.0%	103.5%	103.6%	96.9%	93.5%	94.4%	99.4%	95.0%	95.5%	93.2%	93.0%	97.0%	93.0%	94.0%	92.2%	92.0%	96.0%	91.5%	92.9%	92.5%
FedEx Freight - adjusted FedEx Services*	91.8% NA	92.1% NA	90.9%	89.0% 95.2%	86.7% 97.3%	89.9% 97.8%	93_3% NM	98.7% NM	103.1% 100.0%	101.8%	96.9% 100.0%	93.5% 100.0%	94.4%	99.4% 100.0%	95.0% 100.0%	95.5% 100.0%	93.2%	93.0% 100.0%	97.0% 100.0%	93.0% 100.0%	94.0% 100.0%	92.2% 100.0%	92.0% 100.0%	96.0% 100.0%	91.5% 100.0%	92.9% 100.0%	92.5%
FedEx Services - adjusted	NA	NA	92.5%	95.2%	97.3%	97.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total Operating Ratio	93.7%	93.5% 93.5%	94.2% 92.4%	91.6% 91.4%	90.4% 90.4%	90.4% 90.4%	94.5% 92.2%	97.9% 94.5%	94.2% 94.2%	93.9% 93.9%	92.5% 92.5%	93.1% 93.1%	93.4% 93.4%	94.2% 94.2%	92.1% 92.1%	93.2% 93.2%	93.6% 93.6%	93.1% 93.1%	93.8% 93.8%	90.7% 90.7%	92.8% 92.8%	91.8% 91.8%	91.3% 91.3%	91.9% 91.9%	89.6% 89.6%	91.1% 91.1%	90.6%
Total Operating Ratio - adjusted	93.9%						4.021	2,722	3,956	4,351	5,299	1,319	1,323	1,235	1,719	5,596	1,515	1,640	1,571	1,927	6,653	1,818	1,944	1,862	2,194	7,818	8,391
	93.9% 2,662	2,820	2,815	3,933	4,643	5,113			11.4%	11.1%	12.4%	12.2%	11.9%	11.3%	15.1%	12.7%	13.8%	14.2%	13.5%	16.4%	14.5%	15.4%	15.9%	15.4%	17.5%	16.1%	16.5%
Total Operating Ratio - adjusted		2,820 12.5%	2,815 11.4%	3,933 13.4%	4,643 14.4%	5,113 14.5%	10.6%	7.7%									(12)	(12)	(10)								
Total Operating Ratio - adjusted EBITDA 96 margin Interest expense, net	2,662 12.9% (139)	12.5% (118)		13.4% (139)		14.5% (53)	10.6%	(59)	(71)	(77)	(39)	(10)	(18)	(9)	(12)	(49)	(12)	(12)	(10)	(8)	(41)	(7)	(6)	(4)	(1)	(18)	17
Total Operating Ratio - adjusted EBITDA % margin Interest expense, net Other income (expense)	2,662 12.9% (139) (21)	12.5% (118) (15)	11.4% (116) (5)	13.4% (139) (19)	14.4% (104) (11)	14.5% (53) (8)	(54) (5)	(59) (11)	(71) (33)	(36)	(6)	(5)	(8)	(16)	0	(29)	0	0	0	0	O.	0	0	0	0	0	0
Total Operating Ratio - adjusted EBITDA % margin Interest expense, net Other income (expense) Profit before tax	2,662 12.9% (139)	12.5% (118)	11.4%	13.4% (139)	14.4%	14.5% (53)	(54) (5) 2,016	(59) (11) 677	(71)		4	731	(8) 705	(16) 611	982	(29) 3,029	785	876	797	1,175	(41) 0 3,633 7.9%	1,043	1,145	1,067	1,392	(18) 0 4,647 9.6%	5,135
Total Operating Ratio - adjusted EBITDA % margin Interest expense, net Other income (expense)	2,662 12.9% (139) (21) 1,143	12.5% (118) (15) 1,338	(11.4% (116) (5) 1,319	(13.4% (139) (19) 2,313	14.4% (104) (11) 2,978	(53) (8) 3,310	(54) (5)	(59) (11)	(71) (33) 1,894	(36)	(6) 3,141	(5)	(8)	(16)	0	(29)	0	0	0	0	3,633	0	0	0	0	4,647	0
Total Operating Ratio - adjusted EBITDA % margin Interest expense, net Other income (expense) Profils before tax % margin Income taxes Net income (tose) Net income (tose) from continuing ops	2,662 12.9% (139) (21) 1,143 5.5% 429 714	12.5% (118) (15) 1,338 6.0%	11.4% (116) (5) 1,319 5.3%	13.4% (139) (19) 2,313 7.9%	14.4% (104) (11) 2,978 9,2% 1,125 1,853	14.5% (53) (8) 3,310 9.4% 1,235 2,075	(54) (5) 2,016 5.3% 891 1,125	(59) (11) 677 1.9% 579 98	(71) (33) 1,894 5.5%	(36) 2,265 5.8% 813 1,452	3,141 7.4% 1,109 2,032	(5) 731 6.8% 269 462	705 6.3% 259 446	(16) 611 5.6% 220 391	982 8.6% 364 618	(29) 3,029 6.8% 1,113 1,917	785 7.1% 294 491	876 7.6% 329 548	797 6.8% 299 498	1,175 10.0% 441 734	3,633 7.9%	0 1,043 8.9% 391 652	0 1,145 9.4% 429 716	0 1,067 8.8% 400 667	0 1,392 11.1% 522 870	0 4,647 9.6%	5,135 10.1%
Total Operating Ratio - adjusted ENITIOA 50 margin Interest express, net Other income (express) Profit before tax 50 margin known taxes Net income loss) from continuing ops Estrazodinary item (set of tax) (10-17)	2,662 12.9% (139) (21) 1,143 5.5% 429 714 (5)	12.5% (118) (15) 1,338 6.0% 508 830 (5)	11.4% (116) (5) 1,319 5.3% 481 838 232	13.4% (139) (19) 2,313 7.9% 876 1,437 30	14.4% (104) (11) 2,978 9.2% 1,125 1,853 (47)	14.5% (53) (8) 3,310 9.4% 1,235 2,075 (59)	(54) (5) 2,016 5.3% 891 1,125 696	(59) (11) 677 1.9% 579 98 1,076	(71) (33) 1,894 5.5% 710 1,184	(36) 2,265 5.8% 813 1,452 113	(6) 3,141 7.4% 1,109 2,032 54	(5) 731 6.8% 269 462 (3)	(8) 705 6.3% 259 446 (8)	(16) 611 5.6% 220 391 (30)	982 8.6% 364 618	(29) 3,029 6.8% 1,113 1,917 (41)	785 7.1% 294 491 0	0 876 7.6% 329 548 0	0 797 6.8% 299 498 0	0 1,175 10.0% 441 734 0	3,633 7.9% 1,362 2,271 0	0 1,043 8.9% 391 652 0	0 1,145 9,4% 429 716 0	0 1,067 8.8% 400 667 0	0 1,392 11.1% 522 870 0	9.6% 1,743 2,904	5,135 10.1% 1,926 3,210 0
Total Operating Ratio - adjusted EBITDA % margin Interest expense, net Other income (expense) Profils before tax % margin Income taxes Net income (tose) Net income (tose) from continuing ops	2,662 12.9% (139) (21) 1,143 5.5% 429 714	12.5% (118) (15) 1,338 6.0% 508	11.4% (116) (5) 1,319 5.3% 481	13.4% (139) (19) 2,313 7.9% 876	14.4% (104) (11) 2,978 9,2% 1,125 1,853	14.5% (53) (8) 3,310 9.4% 1,235 2,075	(54) (5) 2,016 5.3% 891 1,125	(59) (11) 677 1.9% 579 98	(71) (33) 1,894 5.5% 710	(36) 2,265 5.8% 813 1,452	3,141 7.4% 1,109 2,032	(5) 731 6.8% 269 462	705 6.3% 259 446	(16) 611 5.6% 220 391	982 8.6% 364 618	(29) 3,029 6.8% 1,113 1,917	785 7.1% 294 491	876 7.6% 329 548	797 6.8% 299 498	1,175 10.0% 441 734	3,633 7.9% 1,362	0 1,043 8.9% 391 652	0 1,145 9.4% 429 716	0 1,067 8.8% 400 667	0 1,392 11.1% 522 870	9.6% 1,743	5,135 10.1% 1,926
Total Operating Ratio - adjusted EBITDA No margin Interest expense, net Other income (expense) Profit before tax % margin Income taxes No income (loss) From continuing ops Extraordinary items (net of tax) % margin Average ahreas constituding - diluted Average ahreas constituding - diluted	2,662 12.9% (139) (21) 1,143 5.5% 429 714 (5) 709 3.4% 303	12.5% (118) (15) 1,338 6.0% 508 830 (5) 825 3.7% 303	11.4% (116) (5) 1,319 5.3% 481 838 232 1,070 4.3% 304	13.4% (139) (19) 2,313 7.9% 876 1,437 30 1,467 5.0%	14.4% (104) (11) 2,978 9,2% 1,125 1,853 (47) 1,806 5.6% 310	14.5% (53) (8) 3,310 9.4% 1,235 2,075 (59) 2,016 5.7% 311	(54) (5) 2,016 5.3% 891 1,125 696 1,821 4.8% 312	(59) (11) 677 1.9% 579 98 1,076 1,174 3.3% 312	(71) (33) 1,894 5.5% 710 1,184 0 1,184 3.4% 314	(36) 2,265 5,8% 813 1,452 113 1,565 4,0% 317	(6) 3,141 7,4% 1,109 2,032 54 2,086 4,9% 317	(5) 731 6.8% 269 462 (3) 459 4.3% 316	(8) 705 6.3% 259 446 (8) 438 3.9% 315	(16) 611 5.6% 220 391 (30) 361 3.3% 317	0 982 8.6% 364 618 0 618 5.4% 317	(29) 3,029 6.8% 1,113 1,917 (41) 1,876 4.2% 317	0 785 7.1% 294 491 0 491 4.5% 317	0 876 7.6% 329 548 0 548 4.7% 317	0 797 6.8% 299 498 0 498 4.3% 317	0 1,175 10.0% 441 734 0 734 6.3% 317	0 3,633 7.9% 1,362 2,271 0 2,271 4.9% 317	0 1,043 8.9% 391 652 0 652 5.5% 317	0 1,145 9,4% 429 716 0 716 5,9% 317	0 1,067 8.8% 400 667 0 667 5.5% 317	0 1,392 11.1% 522 870 0 870 6.9% 317	0 4,647 9.6% 1,743 2,904 0 2,904 6.0% 317	0 5,135 10.1% 1,926 3,210 0 3,210 6.3% 317
Total Operating Ratio - adjusted EBITDA % margin laterest expense, net Other income (expense) Profit before tax % margin lacone taxes Net income (loss) from continuing ops Estracodiarary items (net of tax) (01-107) Net income (loss) % margin	2,662 12.9% (139) (21) 1,143 5.5% 429 714 (5) 709 3.4%	12.5% (118) (15) 1,338 6.0% 508 830 (5) 825 3.7%	11.4% (116) (5) 1,319 5.3% 481 838 232 1,070 4.3%	13.4% (139) (19) 2,313 7.9% 876 1,437 30 1,467 5.0%	14.4% (104) (11) 2,978 9,2% 1,125 1,853 (47) 1,806 5.6%	14.5% (53) (8) 3,310 9.4% 1,235 2,075 (59) 2,016 5.7%	(54) (5) 2,016 5,3% 891 1,125 696 1,821 4.8%	(59) (11) 677 1.9% 579 98 1,076 1,174 3.3%	(71) (33) 1,894 5.5% 710 1,184 0 1,184 3.4% 314 \$3.76	(36) 2,265 5.8% 813 1,452 113 1,565 4.0%	(6) 3,141 7,4% 1,109 2,032 54 2,086 4,9%	(5) 731 6.8% 269 462 (3) 459 4.3%	(8) 705 6.3% 259 446 (8) 438 3.9%	(16) 611 5.6% 220 391 (30) 361 3.3%	0 982 8.6% 364 618 0 618 5.4%	(29) 3,029 6.8% 1,113 1,917 (41) 1,876 4.2%	0 785 7.1% 294 491 0 491 4.5%	0 876 7.6% 329 548 0 548 4.7%	0 797 6.8% 299 498 0 498 4.3%	0 1,175 10.0% 441 734 0 734 6.3%	0 3,633 7.9% 1,362 2,271 0 2,271 4.9%	0 1,043 8.9% 391 652 0 652 5.5%	0 1,145 9.4% 429 716 0 716 5.9%	0 1,067 8.8% 400 667 0 667 5.5%	0 1,392 11.1% 522 870 0 870 6.9%	0 4,647 9.6% 1,743 2,904 0 2,904 6.0%	0 5,135 10.1% 1,926 3,210 0 3,210 6.3%
Total Operating Ratio - adjusted EBITDA No margin Interest expense, net Other income (expense) Profit before tax % margin Income taxes No income (loss) From continuing ops Extraordinary items (net of tax) % margin Average ahreas constituding - diluted Average ahreas constituding - diluted	2,662 12.9% (139) (21) 1,143 5.5% 429 714 (5) 709 3.4% 303	12.5% (118) (15) 1,338 6.0% 508 830 (5) 825 3.7% 303	11.4% (116) (5) 1,319 5.3% 481 838 232 1,070 4.3% 304	13.4% (139) (19) 2,313 7.9% 876 1,437 30 1,467 5.0%	14.4% (104) (11) 2,978 9,2% 1,125 1,853 (47) 1,806 5.6% 310	(53) (8) 3,310 9,4% 1,235 2,075 (59) 2,016 5.7% 311	(54) (5) 2,016 5.3% 891 1,125 696 1,821 4.8% 312	(59) (11) 677 1.9% 579 98 1,076 1,174 3.3% 312	(71) (33) 1,894 5.5% 710 1,184 0 1,184 3.4% 314	(36) 2,265 5,8% 813 1,452 113 1,565 4,0% 317	(6) 3,141 7,4% 1,109 2,032 54 2,086 4,9% 317	(5) 731 6.8% 269 462 (3) 459 4.3% 316	(8) 705 6.3% 259 446 (8) 438 3.9% 315	(16) 611 5.6% 220 391 (30) 361 3.3% 317 \$1.14	0 982 8.6% 364 618 0 618 5.4% 317	(29) 3,029 6.8% 1,113 1,917 (41) 1,876 4.2% 317	0 785 7.1% 294 491 0 491 4.5% 317 \$1.54	0 876 7.6% 329 548 0 548 4.7% 317 \$1.72	0 797 6.8% 299 498 0 498 4.3% 317 \$1.57	0 1,175 10.0% 441 734 0 734 6.3% 317 \$2.31	0 3,633 7.9% 1,362 2,271 0 2,271 4.9% 317	0 1,043 8.9% 391 652 0 652 5.5% 317	0 1,145 9,4% 429 716 0 716 5,9% 317	0 1,067 8.8% 400 667 0 667 5.5% 317 \$2.10	0 1,392 11.1% 522 870 0 870 6.9% 317 \$2.74 18.5%	0 4,647 9.6% 1,743 2,904 0 2,904 6.0% 317	0 5,135 10.1% 1,926 3,210 0 3,210 6.3% 317
Total Operating Ratio - adjusted EBITDA No margin Interest expense, net Other income (expense) Profits before tax % margin Income taxos % margin Income taxos % margin Net income (loss) from continuing ops Extraordinary inters (net of tax) % margin Average shares constraining - diluted FY EIS*-diluted % change yy	2,662 12.9% (139) (21) 1,143 5.5% 429 714 (5) 709 3.4% 303 \$2.36 18.4%	12.5% (118) (15) 1,338 6.0% 508 830 (5) 825 3.7% 303 \$2.74 16.3%	11.4% (116) (5) 1,319 5.3% 481 838 232 1,070 4.3% 304 \$2.76 0.6%	13.4% (139) (19) 2,313 7.9% 876 1,437 30 1,467 5.0% 307 \$4.68 69.7%	14.4% (104) (11) 2,978 9.2% 1,125 1,853 (47) 1,806 5.6% 310 \$5.98 27.7%	14.5% (53) (8) 3,310 9.4% 1,235 2,075 (59) 2,016 5.7% 311 \$6.68 11.7%	(54) (5) 2,016 5.3% 891 1,125 696 1,821 4.8% 312 \$3.60 -46.0%	(59) (11) 677 1.9% 579 98 1,076 1,174 3.3% 312 \$0.31 -91.3%	(71) (33) 1,894 5.5% 710 1,184 0 1,184 3.4% 314 \$3.76 NM	2,265 5.8% 813 1,452 113 1,565 4.0% 317 \$4.58 21.7%	(6) 3,141 7,4% 1,109 2,032 54 2,086 4,9% 317 \$6.42 40.1%	(5) 731 6.8% 269 462 (3) 459 4.3% 316 \$1.45 -0.5%	(8) 705 6.3% 259 446 (8) 438 3.9% 315 \$1.39 -11.7%	(16) 611 5.6% 220 391 (30) 361 3.3% 317 \$1.14 31.0%	0 982 8.6% 364 618 0 618 5.4% 317 \$1.95	(29) 3,029 6.8% 1,113 1,917 (41) 1,876 4.2% 317 \$5.92 -7.7%	0 785 7.1% 294 491 0 491 4.5% 317 \$1.54 6.5%	0 876 7.6% 329 548 0 548 4.7% 317 \$1.72 24.1%	0 797 6.8% 299 498 0 43% 317 \$1.57 38.0%	0 1,175 10.0% 441 734 0 734 6.3% 317 \$2.31 18.9%	0 3,633 7.9% 1,362 2,271 0 2,271 4.9% 317 \$7.15 20.7%	0 1,043 8.9% 391 652 0 652 5.5% 317 \$2.05 32.9%	0 1,145 9,4% 429 716 0 716 5,9% 317 \$2,25 30,7%	0 1,067 8.8% 400 667 0 667 5.5% 317 \$2.10 33.8% \$2.10	0 1,392 11.1% 522 870 0 870 6.9% 317 \$2.74 18.5%	0 4,647 9.6% 1,743 2,904 0 2,904 6.0% 317 \$9.15 27.9%	0 5,135 10.1% 1,926 3,210 0 3,210 6.3% 317 \$10.11 10.5%
Total Operating Ratio - adjusted EBITDA No margin Interest expense, net Other income (expense) Profit before tax % margin Income taxes No income (loss) from continuing ops Extraordinary items (net of tax) % margin Not income (loss) % margin Average there continuing—diluted FY EIPS—diluted % change y/y FY EIPS—diluted % change y/y FY EIPS—diluted (continuing ops) % change y/y FY EIPS—diluted (continuing ops)	2,662 12.9% (139) (21) 1,143 5.5% 429 714 (5) 709 3.4% 303 \$2.36 18.4% \$2.34	12.5% (118) (15) 1,338 6.0% 508 830 (5) 825 3.7% 303 \$2.74 16.3% \$2.73 16.4%	11.4% (116) (5) 1,319 5.3% 481 838 232 1,070 4.3% 304 \$2.76 0.6% \$3.52	13.4% (139) (19) 2,313 7.9% 876 1,437 30 1,467 5.0% 307 \$4.68 69.7% \$4.78	14.4% (104) (111) 2,978 9.2% 1,125 1,853 (47) 1,866 5.6% 310 \$5.88 27.7% \$5.83	14.5% (53) (8) 3,310 9.4% 1,235 2,075 (59) 2,016 5.7% 311 \$6.68 11.7% \$6.49 11.4%	(54) (5) 2,016 5.3% 891 1,125 696 1,821 4.8% 312 \$3.60 -46.0% \$5.83	(59) (11) 677 1.9% 579 98 1.076 1.174 3.3% 312 \$0.31 9.33 9.33.76	(71) (33) 1,894 5.5% 710 1,184 0 1,184 3.4% 314 \$3.76 NM	(36) 2,265 5,8% 813 1,452 113 1,565 4,0% 317 \$4,58 21,7% \$4,94 31,1%	(6) 3,141 7,4% 1,109 2,032 54 2,086 4,9% 317 \$6,42 40.1% \$6,59	(5) 731 6.8% 269 462 (3) 459 4.3% 316 \$1.45 -0.5% \$1.46 0.0%	(8) 705 6.3% 259 446 (8) 438 3.9% 315 \$1.39 -11.7% \$1.42 -10.1%	(16) 611 5.6% 220 391 (30) 361 3.3% 317 \$1.14 -31.0% \$1.23	0 982 8.6% 364 618 0 618 5.4% 317 \$1.95 12.2% \$1.95	(29) 3,029 6.8% 1,113 1,917 (41) 1,876 4.2% 317 \$5.92 7.7% \$6.05	0 785 7.1% 294 491 0 491 4.5% 317 \$1.54 6.5% \$1.54	0 876 7.6% 329 548 0 548 4.7% 317 \$1.72 24.1% \$1.72	0 797 6.8% 299 498 0 498 4.3% 317 \$1.57 38.0% \$1.57 27.4%	0 1,175 10.0% 441 734 0 734 6.3% 317 \$2.31 18.9%	0 3,633 7.9% 1,362 2,271 0 2,271 4.9% 317 \$7.15 20.7% \$7.15 18.1%	0 1,043 8.9% 391 652 0 652 5.5% 317 \$2.05 32.9% \$2.05	0 1,145 9.4% 429 716 0 716 5.9% 317 \$2.25 30.7% \$2.25	0 1,067 8.8% 400 667 0 667 5.5% 317 \$2.10 33.8% \$2.10	0 1,392 11.1% 522 870 0 870 6.9% 317 \$2.74 18.5%	0 4,647 9.6% 1,743 2,904 0 2,904 6.0% 317 \$9.15 27.9% 9.15 27.9%	0 5,135 10.1% 1,926 3,210 0 3,210 6.3% 317 \$10.11 10.5%

The sharper year. So the proof of the proof

FedEx Corporation (FDX)

April 24, 2013

STIFEL

David Ross, CFA / dross@stifel.com J. Bruce Chan / chanj@stifel.com

										FedE	x Corp	oratio	n Balaı	nce Sh	eet													
(figures in \$ millions, except per share amounts)	FY 2013														FY 2	2014			FY 2	2015								
Fiscal Year End May 31	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	1QA	2QA	3QA	4QE	1QE	2QE	3QE	4QE	1QE	2QE	3QE	4QE	2016E
ASSETS																												
Current assets	230	325	68	121	331	538	1.046	1,039	1.937	1.569	1.539	2.292	1.952	2.328	2,843	2,743	2.517	3,372	4.328	3,952	4.412	4.737	5.231	4,994	5.568	5.925	6,545	8,466
Cash and cash equivalents Receivables, less allowances	1.943	2,153	2,547	2,506	2,491	2,627	3.027	3,297	3,516	3,942	4,359	3,391	4 163	4,581	4,704	4.780	5,202	4,950	4,328	4,888	4,412	5.012	5,231	5,137	5,208	5,925	5,348	5,583
Spare parts, supplies and fuel, less allowances	365	2,133	2,347	2,300	251	2,027	249	250	308	338	4,339	3,391	389	4,361	440	4,780	456	4,930	442	4,000	4,937	456	459	467	473	478	486	508
Deferred income taxes	233	291	318	487	469	416	489	510	539	536	544	511	529	610	533	518	510	510	708	711	718	729	735	747	758	765	778	812
Prepaid expenses and other	110	80	97	117	123	132	159	173	164	244	367	555	251	329	536	371	474	453	265	267	269	273	276	280	284	287	292	305
Total current assets	2,880	3,141	3,285	3,501	3,665	3,941	4,970	5,269	6,464	6,629	7,244	7,116	7,284	8,285	9,056	8,877	9,159	9,745	10,609	10,262	10,785	11,207	11,752	11,626	12,291	12,712	13,449	15,673
Property, plant, & equipment																												
Aircraft and related equipment	4.057	4,557	4.960	5,313	5,843	6.624	7,001	7.610	8,611	9,593	10,165	10,118	11,640	13,146	14,360													
Package handling and GSE and vehicles	3,425	3,859	4,271	4,621	4,866	5,013	5,296	5,360	5,761	6,450	7,571	8,038	8,363	8,885	9,566													
Computer and electronic equipment	2,163	2,364	2,417	2,637	2,816	3,180	3,537	3,893	4,331	4,685	5,040	4,280	4,218	4,408	4,646													
Facilities and other	2,819	2,941	3,095	3,841	4,051	4,200	4,477	5,154	5,371	6,362	6,529	6,824	7,081	7,247	7,592													
Total property, plant, & equipment	12,464	13,720	14,743	16,412	17,576	19,017	20,311	22,017	24,074	27,090	29,305	29,260	31,302	33,686	36,164	36,962	37,749	38,114	39,384	40,384	41,384	42,384	43,384	44,509	45,634	46,759	47,884	52,584
Less accumulated depreciation and amortization	(6,529)	(7,161)	(7,659)	(8,312)	(9,274)	(10,317)	(11,274)	(12,374)	(13,304)	(14,454)	(15,827)	(15,843)	(16,917)	(18,143)	(18,916)	(19,096)	(19,400)	(19,786)	(20,511)	(21,229)		(22,746)	(23,491)	(24,259)			(26,644)	(29,917)
Property, plant, & equipment, net	5,935	6,559	7,084	8,100	8,302	8,700	9,037	9,643	10,770	12,636	13,478	13,417	14,385	15,543	17,248	17,866	18,349	18,328	18,873	19,155	19,402	19,638	19,893	20,250	20,582	20,916	21,240	22,667
Goodwill, net	356	344	501	1,052	1,063	1,063	2,802	2,835	2,825	3,497	3,165	2,229	2,200	2,326	2,387	2,734	2,757	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
Pension assets	0	0	0	0	0	1,269	1,127	1,272	1,349	0	827	311	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intangible and other assets	515	604	658	739	782	412	1,198	1,385	1,282	1,238	919	1,171	1,033	1,231	1,212	1,214	1,047	992	1,460	1,466	1,481	1,504	1,516	1,541	1,562	1,577	1,604	1,675
Total assets	9,686	10,648	11,527	13,392	13,812	15,385	19,134	20,404	22,690	24,000	25,633	24,244	24,902	27,385	29,903	30,691	31,312	31,830	33,706	33,649	34,433	35,114	35,926	36,183	37,201	37,970	39,058	42,780
LIABILITIES AND EQUITY Current liabilities Short-term debt Current portion of long-term debt Accrued salaries and employee benefits Accounts payable Accrued expenses Total current liabilities Long-term debt, less current portion Deferred moment taxes Pension, postretirement healthcare and other benefit obligations Self-insurance accruals Deferred lease obligations Deferred lease, principally related to aircraft transactions Other liabilities Common stock Additional paid-in capital Retained earning Accumulated other comprehensive gain (loss) Less: deferred compensation and treasury stock,	1,262 15,45 1,145 1,45 1,45 1,385 2,74 1,262 15 993 2,999 (27)	0 15 740 1,134 895 2,785 1,360 293 1,547 30 1,061 3,616 (25)	0 7 756 1,121 1,008 2,891 1,776 345 1,730 30 1,079 4,295 (36)	0 221 700 1,255 1,073 3,250 1,900 507	0 6 739 1,133 1,064 2,942 1,800 599 1,926 30 1,144 5,465 (53)	0 308 724 1,168 1,135 3,335 1,709 882 657 536 466 455 57 30 1,088 6,250 (30)	0 750 1,062 1,615 1,305 4,732 2,837 1,181 768 591 503 426 60 30 1,079 7,001 (46)	0 369 1,275 1,739 1,351 4,734 2,427 1,206 828 621 532 400 68 30 1,241 8,363 (17)	0 850 1,325 1,908 1,390 5,473 1,592 1,367 944 692 658 373 80 31 1,468 10,068 (24)	0 639 1,354 2,016 1,419 5,428 2,007 897 1,164 759 655 343 91 1,689 11,970 (1,030)	0 502 1,118 2,195 1,553 5,368 1,506 1,264 989 804 671 315 190 31 1,922 13,002 (425)	0 653 861 1,372 1,638 4,524 1,930 1,071 934 904 802 289 164 31 2,053 12,919 (1,373)	0 262 1,146 1,522 1,715 4,645 1,668 891 1,705 960 804 267 151 31 2,261 13,966 (2,440)	0 18 1,268 1,702 1,894 4,882 1,667 1,336 2,124 977 779 246 154 32 2,484 15,266 (2,550)	0 417 1,635 1,613 1,709 5,374 1,250 836 5,582 963 784 251 136 32 2,595 17,134 (4,953)	0 117 1,157 1,643 1,892 4,809 2,242 879 5,519 987 839 245 147 32 2,612 17,505 (4,847)	0 1 1,297 1,730 1,800 4,828 2,241 973 5,447 985 910 239 146 32 2,635 17,899 (4,770)	0 251 1,395 1,730 1,723 5,099 1,91 1,139 5,361 989 766 234 139 32 2,623 18,216 (4,710)	0 251 1,460 1,858 2,212 5,780 1,991 1,327 5,308 1,062 1,062 354 133	0 251 1,333 1,866 2,222 5,673 1,991 1,333 4,888 1,067 1,067	0 251 1,481 1,885 2,244 5,861 1,991 1,346 4,937 1,077 1,077	0 251 1,504 1,914 2,278 5,947 1,991 1,367 5,012 1,094 1,094 365 137	0 251 1,516 1,929 2,296 5,992 1,991 1,378 5,052 1,102 1,102 367 138	0 251 1,401 1,962 2,335 5,949 1,991 1,401 4,670 1,121 1,121 374	0 251 1,562 1,989 2,367 6,169 1,991 1,420 4,735 1,136 1,136 379 142	0 251 1,577 2,008 2,390 6,226 1,991 1,434 4,780 1,147 1,147 382 143	0 251 1,604 2,042 2,431 6,328 1,991 1,459 4,862 1,167 1,167 389 146	0 251 1,675 2,132 2,538 6,595 1,991 1,523 5,075 1,218 1,218 406 152
at cost Total stockholders' equity	3,961	4,664	(583) 4,785	5,900	6,545	7,288	8,036	9,588	11,511	12,656	14,526	13,626	13,811	15,220	14,727	(278) 15,024	(253) 15,543	16,112	16,691	17,142	17,650	18,108	18,803	19,416	20,092	20,719	21,550	24,602
Total liabilities and stockholders' equity	9,686	10,648	11,527	13,392	13,812	15,385	19,134	20,404	22,690	24,000	25,633	24,244	24,902	27,385	29,903	30,691	31,312	31,830	33,706	33,649	34,433	35,114	35,926	36,183	37,201	37,970	39,058	42,780
Book value per share	\$13.27	\$15,51	\$16.52	\$19.56	\$21.53	\$24.05	\$26.43	\$31.18	\$36.89	\$40.69	\$46.41	\$43.81	\$43.71	\$47.86	\$46.47	\$47.49	\$49.31	\$50.75	\$52.57	\$53.99	\$55.59	\$57.03	\$59.22	\$61.15	\$63.28	\$65.26	\$67.87	\$77.49
Tangible book value per share	\$10.36	\$12.36	\$12.52	\$13.63	\$15.46	\$19.18	\$13.28	\$17.46	\$23,73	\$25,47	\$33.36	\$32.88	\$33.47	\$36,68	\$35.11	\$35.01	\$37.24	\$38.91	\$39.26	\$40,66	\$42.22	\$43.59	\$45.74	\$47.59	\$49.65	\$51.58	\$54.11	\$63,50
Cash per share	\$0.77	\$1.08	\$0.23	\$0.40	\$1.09	\$1.78	\$3.44	\$3.38	\$6.21	\$5.05	\$4.92	\$7.37	\$6.18	\$7.32	\$8.97	\$8.67	\$7.98	\$10.62	\$13.63	\$12.45	\$13.89	\$14.92	\$16.47	\$15.73	\$17.54	\$18.66	\$20.61	\$26.67
Average age of trade receivables (days)		44.6	47.4	46.5	41.5	40.6	39.1	38.4	37.2	39.2	39.8	40.2	39.2	39.2	38.7	40.4	41.0	42.3	39.3	40.6	38.8	39.0	39.1	39.8	38.7	39.5	38.5	38.6
Net working capital	76	356	394	251	723	606	238	535	991	1,201	1,876	2,592	2,639	3,403	3,682	4,068	4,331	4,646	4,829	4,589	4,923	5,261	5,760	5,677	6,122	6,486	7,121	9,078
Current ratio	1.0x	1.1x	1.1x	1.1x	1.2x	1.2x	1.1x	1.1x	1.2x	1.2x	1.3x	1.6x	1.6x	1.7x	1.7x	1.8x	1.9x	1.9x	1.8x	1.8x	1.8x	1.9x	2.0x	2.0x	2.0x	2.0x	2.1x	2.4x
Total assets	9,686	10,648	11,527	13,392	13,812	15,385	19,134	20,404	22,690	24,000	25,633	24,244	24,902	27,385	29,903	30,691	31,312	31,830	33,706	33,649	34,433	35,114	35,926	36,183	37,201	37,970	39,058	42,780
Long-term debt	1,385	1,360	1,776	1,900	1,800	1,709	2,837	2,427	1,592	2,007	1,506	1,930	1,668	1,667	1,250	2,242	2,241	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991	1,991
Total debt	1,643	1,375	1,783	2,122	1,806	2,017	3,587	2,796	2,442	2,646	2,008	2,583	1,930	1,685	1,667	2,359	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242
Net debt (cash) Debt/total book capitalization	1,413 29.3%	1,049 22.8%	1,715 27.1%	2,000 26,4%	1,475 21.6%	1,479 21.7%	2,541 30.9%	1,757 22.6%	505 17.5%	1,077 17.3%	469 12.1%	291 15.9%	(22) 12.3%	(643) 10.0%		(384) 13.6%	(275) 12.6%	(1,130)	(2,086) 11.8%	(1,710) 11.6%	(2,170) 11.3%	(2,495) 11.0%	(2,989) 10.7%	(2,752) 10.4%	(3,326)	(3,683)	(4,303) 9,4%	(6,224) 8.4%
Debt/EBITDA	29.3%	0.7x	27.1% 0.7x	20.4% 0.9x	0.7x	0.7x	30.9% 1.3x	0.7x	0.5x	0.5x	0.5x	0.9x	0.5x	0.4x	0.3x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.3x	0.7% 0.3x	0.3x	0.3x	9.8% 0.3x	9.4% 0.3x	0.3x
Debt/EBIT		1.3x	1.3x	2.0x	1.4x	1.4x	2.5x	1.1x	0.5x	0.8x	1.0x	3.5x	1.0x	0.4x	0.5x	0.4x	0.4x	0.4x	0.4x	0.4x	0.4x	0.5x	0.5x	0.5x	0.5x	0.5x	0.5x	0.3x 0.4x
Stockholders' equity	3,961	4,664	4,785	5,900	6,545	7,288	8,036	9,588	11,511	12,656	14,526	13,626	13,811	15,220	14,727	15,024	15,543	16,112	16,691	17,142	17,650	18,108	18,803	19.416	20,092	20.719	21.550	24,602

Source: Company data and Stifel estimates

FedEx Corporation (FDX)

April 24, 2013

STIFEL

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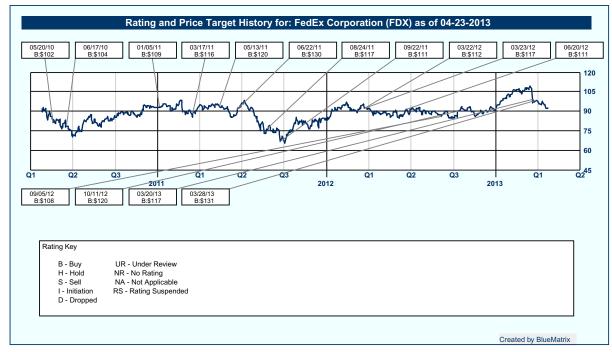
FedEx	Cornoration	Cash Fl	ow Statement

(C + C + H)																	FW 24	013				FIX. 2	014		т		FY 2	015			
(figures in \$ millions, except per share amounts) Fiscal Year End May 31	1998A	1999A	2000A	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	1QA	FY 20 2QA	3QA	4QE	2013E	1QE	FY 2 2QE	3QE	4QE	2014E	1QE	2QE	3QE	4QE	2015E	2016E
Operating Activities																															
Net income Adjustments	498	631	688	584	710	830	838	1,449	1,806	2,016	1,125	98	1,184	1,452	2,032	459	438	361	618	1,876	491	548	498	734	2,271	652	716	667	870	2,904	3,210
Adjustments Lease accounting charge	0	0	0	0	0	0	0	0	79	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation and amortization	964	1,035	1,155	1,276	1,364	1,351	1,375	1,462	1,548	1,742	1,946	1,975	1,958	1,973	2,113	573	592	599	725	2,489	718	753	765	744	2,980	768	793	792	801	3,154	3,273
Provision for uncollectible accounts	73	56	71	114	110	105	106	101	121	106	134	181	124	152	160	47	46	37	0	130	0	0	0	0	0	0	0	0	0	0	0
Aircraft-related (recoveries) impairment charges	30	0	0	102	(9)	0	0	0	0	0 37	882	1,103	18	29	134	0	0	0	0	0	0	0	0	0	0	0 11	0	0 6	0	0	0
Deferred income taxes and other noncash items Cumulative effect of change in accounting principle	30	(34)	(7)	0	93 15	329	(8)	40	159	0	124	299	331	669	1,126	122	145	226	(10)	483	0	6	10	0	24	0	0	0	11	38	30
(Gain) from disposals of property and equipment	(7)	(2)	(17)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax benefit from exercise of stock options	NR	NR	NR	NR	18	20	43	36	62	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stock-based compensation	NR	NR	NR	NR	NR	NR	NR	32	37	103	101	99	101	98	105	40	24	23	0	87	0	0	0	0	0	0	0	0	0	0	0
Changes in working capital items:																													/		
Receivables	(267)	(294)	(405)	60	(88)	(197)	(307)	(235)	(319)	(323)	(447)	762	(906)	(400)	(254)	3	(506)	223	84	(196)	(23)	(49)	(75)	(40)	(186)	(85)	(71)	(50)	(90)	(296)	(235)
Other current assets Increase in pension assets and liabilities, net	(102) NR	(156) NR	71 NR	(112)	63 (13)	(854)	10 155	(26)	(38)	(85) (69)	(237)	(196) (913)	276 (611)	(114) (169)	(231)	147	(53)	19 0	205 (53)	318	(3)	(7) 49	(11) 75	(6) 40	(27)	(12)	(10) 64	(7) 45	(13) 82	(43)	(34) 213
Accounts payable and other operating liabilities	451	556	108	56	(37)	252	841	365	346	66	190	(628)	710	370	144	(474)	129	(225)	681	111	(108)	188	86	45	212	(43)	220	56	103	336	267
Other, net	(33)	(19)	(38)	(3)	2	(4)	(33)	- 11	(54)	(30)	(80)	(27)	(47)	(19)	(41)	(14)	0	(5)	14	(5)	5	11	18	9	44	20	17	12	21	70	55
Total change in net working capital	48	86	(265)	(32)	(73)	(764)	666	(3)	(136)	(441)	(847)	(1,002)	(578)	(332)	(835)	(338)	(430)	12	932	176	(548)	193	92	49	(213)	(502)	220	56	103	(123)	267
Net cash provided by operations	1,605	1,772	1,625	2,044	2,228	1,871	3,020	3,117	3,676	3,563	3,465	2,753	3,138	4,041	4,835	903	815	1,258	2,265	5,241	663	1,499	1,365	1,533	5,061	928	1,738	1,521	1,785	5,972	6,779
Investing activities																													/		
Purchases of property and equipment, including																															
deposits on aircraft	(1,880)	(1,770)	(1,627)	(1,893)	(1,615)	(1,511)	(1,271)	(2,236)	(2,518)	(2,882)	(2,947)	(2,459)	(2,816)	(3,434)	(4,007)	(972)	(916)	(542)	(1,270)	(3,700)	(1,000)	(1,000)	(1,000)	(1,000)	(4,000)	(1,125)	(1,125)	(1,125)	(1,125)	(4,500)	(4,700)
Proceeds from dispositions of property and																													/		
equipment: Sale-leaseback transactions	323	81	0	237	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reimbursements of A300 and MD11 deposits	107	67	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other dispositions	163	196	165	37	27	22	18	12	64	68	0	0	0	111	74	12	8	25	0	45	0	0	0	0	0	0	0	0	0	0	0
Business acquisitions, net of cash acquired	0	0	(257)	(477)	(35)	0	(2,410)	(122)	0	(1,310)	(4)	(3)	0	(96)	(116)	(483)	0	0	0	(483)	0	0	0	0	0	0	0	0	0	0	0
Other, net	(0)	(23)	(13)	(17)	11	(1)	1	(2)	0	0	54	79	35	0	0	0	0	0	0	0	0	0	(1,000)	(1,000)	0	0	0	0	0	0	0
Net cash (used in) provided by investing activities	(1,288)	(1,449)	(1,708)	(2,113)	(1,612)	(1,490)	(3,662)	(2,348)	(2,454)	(4,124)	(2,897)	(2,383)	(2,781)	(3,419)	(4,049)	(1,443)	(908)	(517)	(1,270)	(4,138)	(1,000)	(1,000)	(1,000)	(),	(4,000)	(1,125)	(1,125)	(1,125)	(1,125)	(4,500)	(4,700)
Cash available for (required by) financing	317	323	(83)	(69)	616	381	(642)	769	1,222	(561)	568	370	357	622	786	(540)	(93)	741	995	1,103	(337)	499	365	533	1,061	(197)	613	396	660	1,472	2,079
Financing Activities																													1		
Proceeds from short-term borrowings Principal payments on debt	(534)	(269)	(115)	(650)	(320)	(10)	(319)	(791)	(369)	(906)	(639)	(501)	(653)	(262)	(29)	(301)	0 (116)	0	0	(417)	0	0	0	0	0	0	0	0	0	0	0
Proceeds from debt issuances	267	(209)	518	744	(320)	(10)	1,599	(/91)	(309)	1.054	(039)	1,000	(033)	(202)	(29)	991	(110)	0	0	991	0	0	0	0	0	0	0	0	0	0	0
Proceeds from stock issuances	34	50	16	29	88	81	115	99	144	115	108	41	94	108	128	30	23	168	5	226	5	5	5	5	20	5	5	5	5	20	20
Excess tax benefit on the exercise of stock options	0	0	0	0	0	0	0	0	0	45	38	4	25	23	18	4	2	3	0	9	0	0	0	0	0	0	0	0	0	0	0
Purchase of treasury stock Dividends	(7)	(8)	(607)	0	(177)	(186) (60)	(179) (66)	(84)	(97)	(110)	(124)	(137)	(138)	(151)	(197) (164)	(246)	0 (44)	(44)	0 (44)	(246) (176)	(44)	(44)	(44)	(44)	(178)	(44)	(44)	(44)	(44)	(178)	(178)
Other, net	(8)	(0)	14	0	3	(00)	(00)	(84)	(2)	(110)	(124)	(7)	(20)	(131)	(104)	(9)	0	(44)	(44)	(176)	(44)	(44)	(44)	(44)	(1/8)	(44)	(44)	0	0	(1/8)	0
Net cash (used in) provided by financing activities	(247)	(228)	(174)	122	(406)	(174)	1,150	(776)	(324)	193	(617)	400	(692)	(287)	(244)	425	(135)	127	(39)	378	(39)	(39)	(39)	(39)	(158)	(39)	(39)	(39)	(39)	(158)	(158)
Beginning cash balance	161	230	325	68	121	331	538	1,046	1,039	1,937	1,569	1,539	2,292	1,952	2,328	2,843	2,743	2,517	3,372	2,843	4,328	3,952	4,412	4,737	4,328	5,231	4,994	5,568	5,925	5,231	6,545
Effect of exchange rate changes on cash Cash used in discontinued operations	(2)	0	0	0	0	0	0	0	0	0	19	(17)	(5)	41 0	(27)	15 0	0	(13)	0	0	0	0	0	0	0	0	0	0	0	0	0
Net increase (decrease) in cash & equivalents	68	96	(257)	53	210	207	508	(7)	898	(368)	(49)	770	(335)	335	542	(115)	(228)	868	956	1,481	(376)	460	326	493	903	(236)	574	357	621	1,315	1,921
Ending cash balance	230	325	68	121	331	538	1,046	1,039	1,937	1,569	1,539	2,292	1,952	2,328	2,843	2,743	2,517	3,372	4,328	4,328	3,952	4,412	4,737	5,231	5,231	4,994	5,568	5,925	6,545	6,545	8,466
Net free cash flow (after dividends)	(120)	198	163	188	640	322	1,701	809	1,125	639	394	157	184	567	738	(101)	(137)	697	951	1,410	(381)	455	321	488	883	(241)	569	352	616	1,295	1,901
FCF margin	-0.8%	1.2%	0.9%	1.0%	3.1%	1.4%	6.9%	2.8%	3.5%	1.8%	1.0%	0.4%	0.5%	1.4%	1.7%	-0.9%	-1.2%	6.4%	8.4%	3.2%	-3.5%	3.9%	2.8%	4.2%	1.9%	-2.1%	4.7%	2.9%	4.9%	2.7%	3.7%
Per share	(\$0.40)	\$0.66	\$0.55	\$0.64	\$2.11	\$1.06	\$5.60	\$2.64	\$3.63	\$2.06	\$1.26	\$0.50	\$0.59	\$1.79	\$2.33	(\$0.32)	(\$0.43)	\$2.20	\$2.99	\$4.45	(\$1.20)	\$1.43	\$1.01	\$1.54	\$2.78	(\$0.76)	\$1.79	\$1.11	\$1.94	\$4.08	\$5.99
Free cash flow (before dividends)	(112)	198	163	188	640	382	1,767	893	1,222	749	518	294	322	718	902	(57)	(93)	741	995	1,586	(337)	499	365	533	1,061	(197)	613	396	660	1,472	2,079
FCF margin Per share	-0.7% (\$0.38)	1.2% \$0.66	0.9% \$0.55	1.0% \$0.64	3.1% \$2.11	1.7% \$1.26	7.2% \$5.82	3.0% \$2.91	3.8% \$3.94	2.1% \$2.41	1.4% \$1.66	0.8% \$0.94	0.9% \$1.02	1.8% \$2.26	2.1% \$2.85	-0.5% (\$0.18)	-0.8% (\$0.30)	6.8% \$2.33	8.7% \$3.13	3.6% \$5.01	-3.1% (\$1.06)	4.3% \$1.57	3.1% \$1.15	4.5% \$1.68	2.3% \$3.34	-1.7% (\$0.62)	5.0% \$1.93	3.3% \$1.25	5.3% \$2.08	3.0% \$4.64	4.1% \$6.55
	(00.00)		40.00	40.07			40.02		40		44.00				7=/	(4-0.1-0)	,,,,,,,	,=	40.00		. (01.03)				, ,,,,,,,	(40.02)	4404	, , , , , ,		,	
Current share price \$93.17																															
Net FCF yield FCF yield	-0.4% -0.4%	0.7%	0.6%	0.7%	2.3%	1.1%	6.0% 6.2%	2.8%	3.9% 4.2%	2.2%	1.4%	0.5%	0.6%	1.9%	2.5% 3.1%					4.8% 5.4%					3.0% 3.6%					4.4% 5.0%	6.4% 7.0%
Dividend/FCF	-6.9%	0.7%	0.0%	0.7%	0.0%	15.7%	3.7%	9.4%	7.9%	14.7%	23.9%	46.6%	42.9%	21.0%	18%					11.1%					16.8%					12.1%	8.6%
CapEx, net/OCF	80.2%	80.5%	88.5%	79.2%	71.3%	79.6%	41.5%	71.4%	66.8%	79.0%	25.9% 85.1%	89.3%	89.7%	82.2%	81.3%					69.7%					79.0%					75.3%	69.3%

Source: Company data and Stifel estimates

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