History

- FedEx was founded by Frederick W. Smith in 1971.
- He started by acquiring Arkansas Aviation Sales by using $750,000 he received from a trust his father had left him.
- The name FedEx came about after a meeting with the Federal Reserve Board with whom Smith initiated a contract with in order to secure the rights to ship Federal Reserve checks overnight.
Early Growth

- In 1977 after legislative restrictions that banned the use of certain routes by cargo planes were lifted, FedEx became profitable and went public.

- FedEx grew at a very impressive rate, in fact it was the first U.S. company to reach the billion dollar revenue mark within 10 years of beginning operations.

- By the late 1980’s, FedEx owned the world's largest all-cargo airline.
Continued Success

- In 1981, FedEx began international operations by opening its first hub in Canada.
- During this time they also introduced the “Super Tracker” which was the first hand held bar code tracker used in the shipping industry.
- FedEx ultimately sealed its place in the shipping industry by establishing a contract with China and moving its operations into Asia.
Mission Statement

FedEx Corporation will produce superior financial returns for its shareowners by providing high value-added logistics, transportation and related business services through focused operating companies. Customer requirements will be met in the highest quality manner appropriate to each market segment served. FedEx will strive to develop mutually rewarding relationships with its employees, partners and suppliers. Safety will be the first consideration in all operations. Corporate activities will be conducted to the highest ethical and professional standards.
FedEx highlights these benchmarks as a means of achieving long term success:

1. Achieve 10%+ operating margin
2. Increase EPS 10%-15% per year
3. Grow profitable revenue
4. Improve cash flows
5. Increase ROIC
6. Increase returns to shareowners
In order to sustain growth FedEx lists the following strategies:

1. Grow core package business
2. Grow internationally
3. Grow our supply chain capabilities
4. Grow through e-commerce & technology
5. Grow through new services & alliances
FedEx believes its greatest opportunity for growth and success lies outside of the U.S.

Factually speaking more than 70% of the world's purchasing power is outside of the United States.

In 2014, the U.S. shipped a record 2.3 trillion dollars overseas which only continues to show that buying power is continuing increase in other countries.
Logistics

- FedEx is looking to become one of the key players in the logistics market as well.
- The CEO and Founder, Frederick Smith been known to emphasize how important it is to be efficient in such a competitive market.
In order to facilitate its growth in the logistics department, FedEx acquired GENCO in 2015.

GENCO is recognized as a world leader in product lifecycle and reverse logistics solutions designed to maximize value and reduce costs.

The acquisition should give FedEx the ability to transact business even more efficiently, which is becoming increasingly important in the overseas market.
Leadership

- CEO and founder, Frederick W. Smith has continued to be extremely involved in the company’s day to day operations since it was started in 1991.
- He is known to be a passionate leader who will do anything to satisfy his customers.
- Over the years, he has formulated what is now known as the “Purple Promise” which is the guideline of how FedEx will treat its customers.
The Purple Promise

1. Do whatever it takes to satisfy our customers
2. Always treat customers in a professional, competent, polite and caring manner
3. Handle every customer transaction with the precision required to achieve the highest quality service
4. Process all customer information with 100 percent accuracy
The Future and Sustainability

- Continue expansion into South America, China, and India
- Increase investment in logistics and marketing solutions
- Invest in untapped markets such as IT and the medical industry
A SUSTAINABLE FUTURE

Through energy efficiency and diversification, collaborations and advocacy, FedEx is helping to create a more sustainable world and business for the future.

FedEx Freight is testing two new trucks in Dallas, TX, powered by cleaner-burning engines that use only liquefied natural gas.

FedEx Freight has successfully tested synthetic diesel fuel derived from biomass in trucks at the Birmingham, Ala., service center.

FedEx Express increased its vehicle fuel efficiency goal to a 30% improvement by 2020 using a 2005 baseline, having beaten our initial target of 20% in FY12.

FedEx Express has made LEED Certification the standard for newly built US facilities. Currently 9 FedEx Express buildings are LEED certified.

Since 2006, FedEx Ground has recycled 93 million lbs. of waste, shredding some of their waste to provide an alternative to conventional packing material.

FedEx Office purchased 25,000 megawatt-hours of renewable energy credits (RECs) in 2012 to support renewable energy generation.

364 FedEx Low Emission Hybrid Electric Vehicles and 118 FedEx Zero Emission All Electric Vehicles were in the FedEx Express fleet by the end of 2012.

More than 10,000 clean diesel FedEx Express Sprinter vans are now in the FedEx Express service. These vans are 70% to 100% more efficient than the vehicles they replaced.

7 FedEx Zero Emission Electric Tricycles are now serving 5 districts of Paris.
FedEx Corporation

- Business Model
- Key Resources
- Strategies
- Competitive Advantage
- Risk
Operating/Reportable Segments

Classified its operation into 4 segments:

- FedEx Express
- FedEx Ground
- FedEx Freight
- FedEx Services

Revenue Mix for the quarter ended on May 31, 2015

- FedEx Express: 57%
- FedEx Ground: 27%
- FedEx Freight: 13%
- FedEx Services: 3%
Independent Service Provider Model (ISP)

- FedEx Ground’s drivers – independent contractors
- Maintains control over its workers
- Avoid the cost of employing them directly
- Federal Fair Labor Standards Act, Family Medical Leave Act, state minimum wage laws only applies to employees
- Pay for their uniforms, truck maintenance, and package scanners out of pocket
- FedEx has saved significant amount of labor costs
**Key Resources**

As of May 31, 2015:

<table>
<thead>
<tr>
<th>Human Resources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FedEx Express</td>
<td>165,000 employees</td>
</tr>
<tr>
<td>FedEx Ground</td>
<td>70,000 employees/contractors</td>
</tr>
<tr>
<td>FedEx Freight</td>
<td>39,000 employees</td>
</tr>
<tr>
<td>FedEx Services</td>
<td>12,000 employees</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>286,000 team members worldwide</strong></td>
</tr>
</tbody>
</table>

UPS’s workforce is greater by more than 65% worldwide (435,000 employees)
Key Resources

<table>
<thead>
<tr>
<th></th>
<th>Vehicles</th>
<th>Aircrafts</th>
</tr>
</thead>
<tbody>
<tr>
<td>FedEx</td>
<td>47,900</td>
<td>647</td>
</tr>
<tr>
<td>UPS</td>
<td>99,892</td>
<td>539</td>
</tr>
</tbody>
</table>

- UPS’s vehicles more than doubled FedEx’s
- FedEx has 20% more aircrafts
Strategies

Modernizing Air Fleet

- Replace older aircraft with newer, more cost-effective aircraft
- On June 1, 2015, FedEx retired 15 aircraft and 21 related engines
- On July 21, 2015, FedEx agreed to purchase 50 additional aircraft from Boeing
- The strategy will substantially reduce its operating costs
- For example, on a 750 mile round trip, operating costs can be reduced by up to 30% depending on the types of aircraft
## Strategies

### Capital Expenditures:

<table>
<thead>
<tr>
<th>(in millions)</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft/related equipment</td>
<td>$1,327</td>
<td>$1,190</td>
<td>$1,875</td>
</tr>
<tr>
<td>Facilities/sort equipment</td>
<td>819</td>
<td>727</td>
<td>638</td>
</tr>
<tr>
<td>Vehicles</td>
<td>784</td>
<td>734</td>
<td>723</td>
</tr>
<tr>
<td>IT investments</td>
<td>403</td>
<td>452</td>
<td>541</td>
</tr>
<tr>
<td>Other equipment</td>
<td>200</td>
<td>272</td>
<td>230</td>
</tr>
<tr>
<td><strong>Total capital expenditures</strong></td>
<td><strong>$3,533</strong></td>
<td><strong>$3,375</strong></td>
<td><strong>$4,007</strong></td>
</tr>
</tbody>
</table>
Strategies

Grow Globally, Operate Locally

- “FedEx’s international domestic revenue has more than doubled from $653 million in FY11 to about $1.4 billion in FY14”
- FedEx has acquired domestic transportation companies in the key markets (growing markets) around the world
- Countries include the UK, Mexico, Hungary, India, Poland, France, Brazil, and Southern Africa
- FedEx has opened 100 stations in Europe since 2011
Strategies

Grow Globally, Operate Locally (continued)

- On April 7, 2015, FedEx announced that it will acquire TNT Express
- FedEx and TNT anticipate that the offer will close in the first half of 2016
- The acquisition of TNT will significantly increase FedEx’s market share

<table>
<thead>
<tr>
<th>Market Share in Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPS</td>
</tr>
<tr>
<td>TNT</td>
</tr>
<tr>
<td>FedEx</td>
</tr>
</tbody>
</table>

FedEx will become the second largest logistics player in Europe after the deal closes
Competitive Advantage

Hybrid Electric Fleet

- FedEx’s hybrid electric delivery truck demonstrated higher fuel economy by 12% to 17% compared to conventional diesel trucks
- FedEx achieved its fuel efficiency many years ahead of schedule
- 2005-2013, its fuel efficiency improved by 22%
- 2013-2020, the goal is 30% improvement in fuel efficiency
- FedEx’s continuous focus on hybrid and electric vehicles is likely to minimize its fuel costs
Risk

Court ruling may upend FedEx’s Business Model

- In 2014, the Court in Portland, Oregon ruled that FedEx had misclassified 2,300 FedEx Ground drivers as independent contractors.
- “FedEx had the broad right to control the manner in which its drivers perform their work, and the workers should therefore be classified as employees.”
- The decision may prompt claims for benefits and wages that could cost millions of dollars.
- FedEx can no longer use ISP model?
- Can FedEx maintain the same control over its drivers?
United Parcel Service

1916  1937  1961  2003
Key Facts

- Founded in Seattle, Washington on August 28, 1907
- Headquarters: Atlanta, Ga.
- CEO: David Abney
- 2014 Revenue: $58.2 billion
- 435,000 employees
  - US: 354,000
  - International: 81,000
Overview

Started as a simple messenger service in 1907, UPS quickly evolved into the world’s largest package delivery company.

During the year 2014, UPS delivered 18 million packages each day worldwide. In total, UPS delivered 4.6 billion packages and documents worldwide in 2014.

Founder, James Casey
Reporting Segments

- **US Domestic Package**
  - Provides guaranteed ground and air package transportation services
  - Offers same day, next day, and a specified time-of-day guaranteed delivery option

- **International Package**
  - Provides guaranteed day and time definite international shipping services such as Express Plus, Express, and Express Saver
  - Operates across various regions such as Europe, Asia, Canada, Latin America, and the Middle East
Reporting Segments

- Supply Chain & Freight
  - Forwarding & Logistics Services
  - UPS Freight
  - UPS Capital
Competitive Strengths

- Integrated Global Network
- Global Presence
- Cutting edge Technology
- Customer Relationships
- Financial Strength
UPS Enterprise Strategy

- Create value for customers
- Transform to strengthen leadership position
- Invest to grow in key markets
Management Committee

David Abney, CEO

Alan Gershenhorn, EVP, CCO

Richard Peretz, CFO

Myron Gray, President, US Operations

Jim Barber, President UPS International
Training & Development

- Promotion from within
- Women’s Leadership Development program
BUSINESS MODEL

UPS

Lisa Shi
Operating segments

Revenue by Segment percent

- U.S. Domestic Package: 62%
- International Package: 22%
- Supply Chain & Freight: 16%

Revenue by Geography percent

- U.S.: 75%
- International: 25%
Who rules the world

FedEx Rules Air and UPS Rules Ground

Percentage of Large Shippers Who Use Each Carrier As Their Primary Source Of Delivery

FedEx is the primary choice for air and international shipping, while UPS dominates the ground.

Air

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FedEx</td>
<td>40%</td>
</tr>
<tr>
<td>UPS</td>
<td>30%</td>
</tr>
<tr>
<td>Other</td>
<td>20%</td>
</tr>
<tr>
<td>USPS</td>
<td>10%</td>
</tr>
<tr>
<td>DHL</td>
<td>10%</td>
</tr>
</tbody>
</table>

Ground

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPS</td>
<td>50%</td>
</tr>
<tr>
<td>FedEx</td>
<td>40%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
<tr>
<td>USPS</td>
<td>5%</td>
</tr>
<tr>
<td>DHL</td>
<td>5%</td>
</tr>
</tbody>
</table>

International

<table>
<thead>
<tr>
<th>Carrier</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>FedEx</td>
<td>50%</td>
</tr>
<tr>
<td>UPS</td>
<td>40%</td>
</tr>
<tr>
<td>Other</td>
<td>5%</td>
</tr>
<tr>
<td>USPS</td>
<td>5%</td>
</tr>
<tr>
<td>DHL</td>
<td>5%</td>
</tr>
</tbody>
</table>
Moving at the speed of business

- UPS switched gears and launched a whole new ad campaign built on four strategic pillars. 1) Globalism, 2) Timeliness, 3) Flexibility, and 4) Technology.

- The "Moving at the Speed of Business" campaign conveys a fundamentally operational concept of the company, showing its resolution of performing with a sense of urgency in an environment of rapid and continuous change.
Business Strategy

- Expansion of global trade
- Emerging market growth
- Increasing need for segment expertise in the integrated carrier, logistics and transportation space
Key resources

Independent contractors vs. outright employees
For UPS...

PROS

- Drivers are employees with security and benefits
- Tightly managed and controlled schedule and environment
- Average tenure for drivers is more than 16 years
- Nearly all drivers are hired from within the company

CONS

- Unless moving up the "corporate ladder" drivers salaries cap out around $70,000
- Tightly managed and controlled schedule and environment
- Teamsters can lead to a strike and cause work disruption
- It can take 4 to 12 years to get a job as a driver after joining the company
Competitive advantage: The shift to a pull-oriented business model

- **1. Enhanced Tracking** - Enables shippers (and their customers) to track packages using their own internally generated reference number (e.g., a P.O. number).

- **2. Address Validation** - Catches discrepancies in city-state-ZIP code combinations and helps companies improve customer service and reduce costs by ensuring that shipping addresses are correct at the point of order entry—before the order has left the shipping dock.

- **3. Time-in-Transit** - Provides the buyer with the time-in-transit in business days for UPS ground shipments between any two postal codes within the continental U.S.

- **4. Service Mapping** - Generates a color-coded map displaying UPS ground transit time for any origin ZIP code within the continental U.S. Service Mapping is a valuable tool for just-in-time inventory planning.

- **5. Electronic Manifesting** - Enables customers who use a non-UPS OnLine compatible shipping system to upload shipment manifest information to the UPS mainframe, which is required for reference number package tracking.
Risks associated with UPS's business

Part and Parcel
Retail sales by Internet have more than quadrupled in the past decade...

E-commerce sales
$250 billion

Amazon net sales
$250 billion

UPS revenue
$250 billion

...and Amazon has fueled a big chunk of that growth...

...but competition and Amazon's size are squeezing UPS.
Risks associated with UPS’s business

- COMPLIANCE WITH LAWS, ORDINANCES OR REGULATIONS
- STRIKES, WORK STOPPAGES AND SLOWDOWNS
- POSSIBLE DISRUPTION OF SUPPLIES, OR AN INCREASE IN THE PRICES, OF GASOLINE, DIESEL AND JET FUEL
- CYCLICAL AND SEASONAL FLUCTUATIONS
E-Commerce
The Positive Effects of E-Commerce

- High volume orders means higher revenues for both FedEx and UPS
Risks and Impending Obstacles

- Growth of online shopping led to
  - Bottlenecking
  - Shipping delays
- Million dollar investments to prevent future setbacks
Risks and Impending Obstacles

- Inefficient packing by retailers
  - Poses opportunity costs for FedEx and UPS
  - Wastes fuel costs
Risks and Impending Obstacles

- FedEx and UPS’ dimensional weight pricing
  - Predicted to increase rates by 30 - 50%
- USPS’s lowered rates
  - Most companies cutting costs would most likely choose a cheaper alternative to FedEx and UPS

What Makes You More Likely to Purchase Products Online?

- 80% Free shipping
- 66% 1-day shipping
- 64% Free returns and exchanges
- 48% Easier online returns
- 42% More confidence payment security
- 42% Multiple versions shipped at once
- 41% Same-day shipping
- 39% Easier in-store returns
- 37% Visual try-on capabilities

Source: Walker Sands’ 2014 Future of Retail Study
Risks and Impending Obstacles

- Reliance and susceptibility to market conditions
  - More income = more likely to spend = more likely to expedite
  - Less income = less likely to spend = less likely to expedite
Risks and Impending Obstacles

- Retailers’ new strategies
  - Building distribution centers
    - Shorter distance = less revenue for FedEx and UPS
  - Using in-house system
    - Own networks, delivery trucks, drones etc. = Eliminates need for FedEx and UPS
Use of Data Analytics

FedEx: SenseAware and Shipment Watch

UPS: ORION
What is SenseAware?

- First-of-its-kind service that provides near real-time access to a package's vital statistics
- Enables customers to stay connected to their high-value, critical shipments.
How Does It Work?

- Precise temperature readings
- Information about a shipment’s location
- Notifies when shipment is opened or if contents have been exposed to light
- Real-time alerts and analytics between trusted parties regarding the vital signs of a shipment.
- Equipped with radio that constantly broadcasts information back to FedEx.
SenseAware & Shipment Watch

- Used for a range of sensitive shipments, including one-time and non-FedEx shipments
- Easy instructions for sender

“As today’s global business environment becomes ever more complex, information has never been more critical to organizations,” said Carlo Novi, Managing Director Sales, FedEx Express EMEA.
Takeaways

Available for businesses only

Average price is $150 per shipment

No immediate plan to expand into new countries.

Beneficial to all industries with sensitive shipments
ORION

- On-Road Integrated Optimization and Navigation
- Uses fleet telematics and advanced algorithms for route optimization
- Largest operations research project in the world
- Allows UPS managers to monitor driving habits of its workers
https://www.youtube.com/watch?v=ZHqgpVsUfhI
“Good-sized project” for the company’s $1 billion annual technology spend
More than 40% of the company’s 55,000 U.S. routes use this software
Expected to save $300 to $400 million annually at full implementation in 2017
Six days to train a driver.
Conclusion

Automation part of company’s long-term plan

Engineers still making improvements

Driverless truck automation
Global Business

Select your location

Remember this location.
Before 1980
- Expanding throughout the Americas and Europe
- In 1985, International air to six European nations

1986-1990
- In 2001, An air hub in Louisville, Kentucky and another air hub in Cologne, Germany.
- In 2005, First non-stop delivery service between the U.S. and Guangzhou, China

1980-1985
- In 1975, Toronto, Canada
- In 1976, Germany
- 1985, International air to six European nations

After 2000
- 1989, Middle East, Africa, and the Pacific Rim
- Purchased IML

Timeline for UPS
### Timeline for FedEx

**In 1981, Canada**

- In 1984, Required Gelco Express International in Asia Pacific

**In 1989, FedEx purchased Flying Tigers**

**In 1991-1999**

- In 1995, Asia Pacific hub in Subic Bay, Philippines (AsiaOne Network)

**In 2000-2005**

- In 2005, new Asia Pacific hub in Guangzhou, China

- In 2007, Acquired ANC and Flying-Cargo Hungary in Europe.

- Acquired Prakash Air Freight Pvt. Ltd. in India

- Acquired DTW in China

**After 2005**
<table>
<thead>
<tr>
<th></th>
<th>UPS</th>
<th>FedEx</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue in global business (in billion)</strong></td>
<td>14.55</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Percentage of total Revenue (%)</strong></td>
<td>25</td>
<td>28</td>
</tr>
<tr>
<td><strong>Numbers of airplanes</strong></td>
<td>574</td>
<td>650</td>
</tr>
</tbody>
</table>
In China

<table>
<thead>
<tr>
<th></th>
<th>UPS</th>
<th>FedEx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trucks used in China</td>
<td>1800</td>
<td>2800</td>
</tr>
<tr>
<td>Served Airport</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Year of Foundation</td>
<td>1988</td>
<td>1984</td>
</tr>
</tbody>
</table>
28% chose FedEx, 21% chose UPS

UPS: Better in Customer service, Cheaper (<21kg)
FedEx: Quicker, Cheaper (>21kg)
肩负北京奥运物流和快递重任，
UPS表现更胜一筹！

面对庞大而复杂的北京奥运物流和快递任务，我们想一个团队在努力的坚守和努力

承担起这一重任，UPD不负使命，不负使命。

在奥运期间，UPS不仅承担任务，也对每一单都充满热情。

确保奥运物流的顺利进行，这是我们的使命。

奥运物流服务，我们全力以赴。

UPS，为您提供更多！

免费客服热线 800-820-8388 手机客服热线 400-820-8388

www.ups.com.cn
<table>
<thead>
<tr>
<th></th>
<th>UPS</th>
<th>FedEx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Foundation</td>
<td>1976</td>
<td>1995</td>
</tr>
<tr>
<td>Air Hubs</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Acquisition</td>
<td>IML</td>
<td>ANC and Flying-Cargo Hungary Kft</td>
</tr>
</tbody>
</table>
Mergers: Commission blocks proposed acquisition of TNT Express by UPS

The European Commission has prohibited under the EU Merger Regulation the proposed acquisition of TNT Express by UPS. The Commission found that the take-over would have restricted competition in 15 Member States when it comes to the express delivery of small packages to another European country. In these Member States, the acquisition would have reduced the number of significant players to only 3 or 2, leaving sometimes DHL as the only alternative to UPS. The concentration would therefore have likely harmed customers by causing price increases. During the investigation, UPS offered to divest TNT’s subsidiaries in these 15 countries and allow the buyer to access its intra-European air network for five years. The Commission carried out an in-depth assessment, including a market test where customers and other interested parties were consulted. However, these remedies proved inadequate to address the identified competition concerns.

Commission Vice President in charge of competition policy Joaquín Almunia said: "Many businesses active in the EU Single Market need to send small packages to another European country with guaranteed delivery on the next day. This requires access to affordable, reliable services that truly fit their needs. These businesses would have been directly harmed by the takeover of TNT by UPS because it would have drastically reduced choice between
Relationship with TNT

• In June, 2015, FedEx submitted the request filing
• Purchase Price: $4.8 Billion, a premium of 33% over the closing price
• Will not be rejected: Market share is not as much as UPS’s in Europe
Earnings and Risks
<table>
<thead>
<tr>
<th>Compare</th>
<th>FedEx</th>
<th>UPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (in million)</td>
<td>45,567</td>
<td>58,232</td>
</tr>
<tr>
<td>Net Income (in million)</td>
<td>2,097</td>
<td>3,032</td>
</tr>
<tr>
<td>Diluted earnings per share</td>
<td>$6.75</td>
<td>$3.28</td>
</tr>
<tr>
<td>Profit Margin</td>
<td>5.37%</td>
<td>5.39%</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>8.94%</td>
<td>8.69%</td>
</tr>
<tr>
<td>Return on Asset</td>
<td>7.66%</td>
<td>8.53%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>16.21%</td>
<td>77.62%</td>
</tr>
<tr>
<td>Total Debt/Equity</td>
<td>45.14</td>
<td>711.32</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>2.00</td>
<td>1.31</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>5.16B</td>
<td>6.21B</td>
</tr>
</tbody>
</table>
Risk Analysis

• Same risk factors: Economic condition, competition, regulation in different countries, exchange rate, global climate change, transportation and IT.

• FedEx: Integration—divided into FedEx Express, FedEx Ground, FedEx Office...

  Acquisition—TNT: Culture Fit

• UPS: Repay Ability—Debt is so high
Conclusion

- **FedEx**
  - Adaptable leadership
  - Growing market share in Europe
  - Higher revenue, less debt

- **UPS**
  - More advanced technology (ORION)

After careful consideration, we are choosing to invest in FedEx.