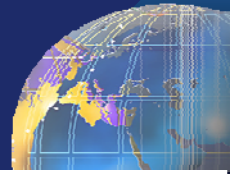




**Tom Schmitt,
President & CEO
FedEx Global Supply Chain Services**

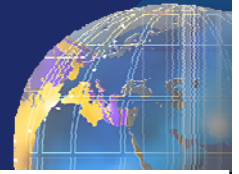
Nov. 11, 2008

Winning DNA makes innovation possible



- Call on your organizational DNA
 - Operational Excellence
 - Customer Centricity
 - People
 - Visionary Leadership
 - Access
 - Sustainability
- Call on your individual DNA





Drawing on organizational DNA

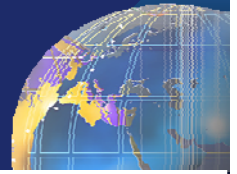
- Razor-sharp focus on activities across the globe
- Managing in a service quality index, keeping the focus on the customer experience.



Weekly WAR Meeting

Operational Excellence

Operational Excellence – building a global infrastructure



- FedEx saw the need to offer our customers a wider range of services.



1981 – Canada service is launched



1984 – Service to Europe and Asia begins



1989 – Acquiring Flying Tigers provides greater Asia presence for FedEx



1995 – Asia Hub

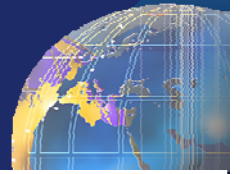
1999 - Paris Hub



2008 - Asia Pacific Hub - Guangzhou

Customer Centricity

For the answer, FedEx turned to its customers to ask what could be better.

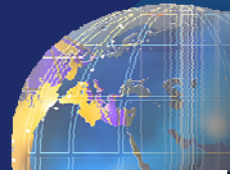


- Bring on the customers – the grumpier the better.
 - Customer Summits – senior management would sit for two days and get chewed out by the grumpiest customers we could find.



Customer Centricity

Pursuit of new technologies continues to find innovative solutions and services for customers

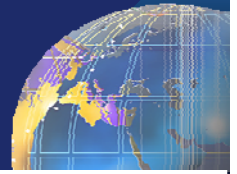


- **FedEx Innovation Labs**
 - An information technology project designed to create an atmosphere of collaborative thinking around critical technologies
 - advanced optics for scanning,
 - robotics,
 - pervasive computing
 - social networking and more.



People First

Putting customers first comes easy for FedEx employees – FedEx has always put them first.

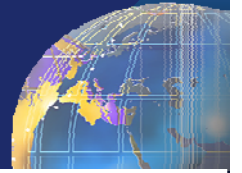


- A philosophy that says people and service ought to come before profit drives creativity and innovation.



People First

At the heart of the Customer Summit (and everything else we do) is a promise.



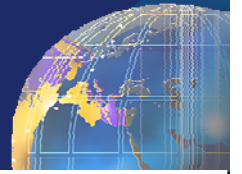
- You'll see Purple in the logos of all our operating companies – it's what unites us. It's also a promise.
 - We change the way the world works and lives when we do one simple thing: put customers at the center of everything we do.

"I will make every FedEx experience outstanding."



Visionary Leadership

With innovation and vision, FedEx changed the face of business in America



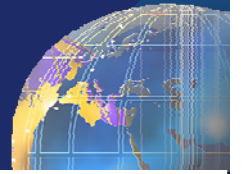
“Next day” became the rule,



- NOT the exception

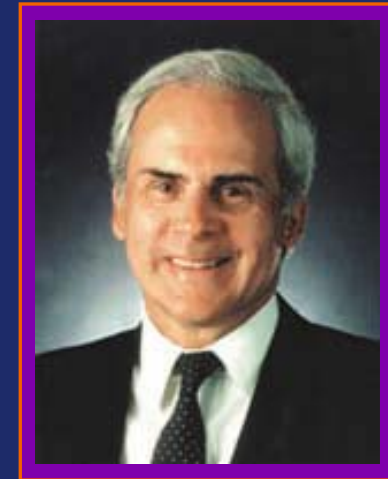
Visionary Leadership

FedEx knew early on that unparalleled delivery service alone would not be enough.



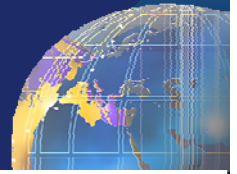
- “... the information about a package is as important as the package itself.”

Frederick W. Smith
Chairman, FedEx Corp
1978



Visionary Leadership

Customers wanted peace of mind – where is my shipment “right this minute”?



- Speed was still the answer but with it came the need for more and more technology

FedEx Tracking Technology Early Highlights



Federal Express launched real-time shipment tracking via a centralized computer system.



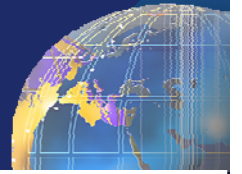
Federal Express implements DADS (Digitally Assisted Dispatch System) to coordinate on-call pickups and allow customers access to the FedEx network whenever they needed it.



SuperTracker hand-held bar code scanner system launched. The SuperTracker captured detailed package information and provided electronic package status in-transit.

Visionary Leadership

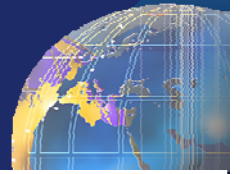
Vision and innovation moved FedEx beyond simply offering physical and information-focused transportation.



- Ultimately, what we provide is Access.



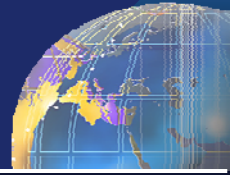
What is Access?



ac•cess (āk'sĕs) n.

- Force that makes all forms of interaction and exchange possible between people, businesses and nations.
- Force that boosts opportunities and empowers people to improve their current conditions and future prospects.

FedEx and the Global Economy



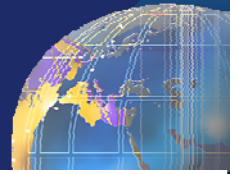
FedEx's role in world commerce brings a lift to the global economy:

120+ countries
growing by 4+% GDP YOY
in 2006 and 2007*

**Source: "Post-American World," Fareed Zakaria. Published by W.W. Norton, 2008.*

Access

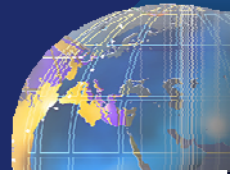
Access empowers people with more choices and greater confidence.



- It is about creating new opportunities, accelerating and simplifying global connections and changing what's possible.
- It is moving beyond bricks and mortar thinking



Today's leaders are turning their innovative brainpower toward sustainability.

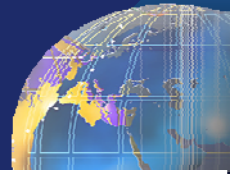


- Since 1973, innovation at FedEx has evolved along three currencies.
 - Time
 - Value
 - Sustainability



Sustainability

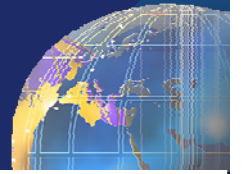
The innovation at FedEx has always focused on looking for ways to 'fly' more efficiently.



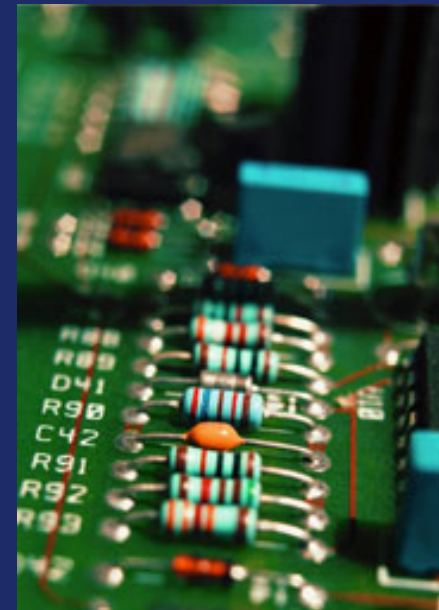
- Boeing 757s and 777s – better payload capacity and fuel efficiency
- Electric hybrid vehicles – fuel economy and reduced CO₂ emissions
- Solar energy
- Recyclable packaging



That creativity has led us to another way of thinking: why 'fly'?



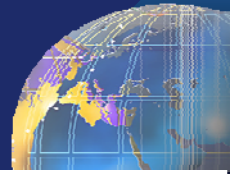
- FedEx Critical Inventory Logistics
- FedEx Office Print Online
- Skating to where the puck is going



Coastal China → Inland → Bangladesh → Mexico

Personal DNA

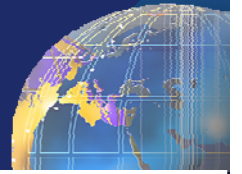
Draw on your personal DNA for the leadership and the attitude to keep the innovative spirit alive



- Ultimately that is what moves us forward



Visionary leadership - Imagining the possibilities...

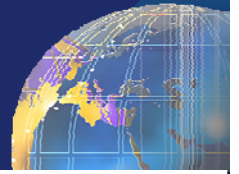


- It takes breakthrough thinking to move to the next level ...
 - What would have to be true for...



Personal DNA

Are your leaders rational, analytical 'left brain' thinkers?



- Why would you trust your future to half a brain?

