

## FedEx's 1Q Profit Slips 22%; Express to Boost Rate 4.9%

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FedEx Corp. said Thursday its fiscal first-quarter profit slipped 22% from a year ago on higher fuel costs and declining demand for express shipments, and said its express unit will boost rates by a net 4.9% next year.

First-quarter profit fell to \$384 million, or \$1.23 a share, from \$491 million, or \$1.58, a year ago, FedEx said in a statement.

Revenue for the quarter ended Aug. 31 rose 8% to \$9.97 billion, FedEx said in a statement. It had reported a \$241 million loss for the previous quarter.

Meanwhile, the company's FedEx Express unit will raise rates by a net 4.9% next year — an average increase of 6.9% for U.S. and U.S. export services, offset by a 2% reduction in fuel surcharges.

The increase will take effect Jan. 5, and FedEx Ground's rate increase will be announced later this year, FedEx said.

Operating income at less-than-truckload unit FedEx Freight fell 15% to \$89 million, while revenue rose 10% to \$1.35 billion. LTL shipments gained 4%.

Operating income at the FedEx Ground segment rose 3% to \$196 million, while revenue rose 9% to \$1.76 billion.

FedEx Express' operating income plunged 34% to \$345 million, while revenue gained 9% to \$6.42 billion.

FedEx said its second-quarter earnings would be \$1.40 to \$1.60 per share, compared with \$1.54 a year ago.

For the full year, it reaffirmed its estimate of \$4.75 to \$5.25 per share, citing "weaker global macroeconomic conditions."

FedEx Corp. is ranked No. 2 on the Transport Topics 100 listing of U.S. and Canadian for-hire carriers.

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