

## CONSOLIDATED BALANCE SHEETS

	May 31,	
<i>(in millions, except share data)</i>	2017	2016
<b>Assets</b>		
<b><i>Current Assets</i></b>		
Cash and cash equivalents	\$ 3,969	\$ 3,534
Receivables, less allowances of \$252 and \$178	7,599	7,252
Spare parts, supplies and fuel, less allowances of \$237 and \$218	514	496
Prepaid expenses and other	546	707
Total current assets	12,628	11,989
<b><i>Property and Equipment, at Cost</i></b>		
Aircraft and related equipment	18,833	17,499
Package handling and ground support equipment	8,989	7,961
Information technology	5,396	5,149
Vehicles	6,961	6,422
Facilities and other	10,447	9,987
	50,626	47,018
Less accumulated depreciation and amortization	24,645	22,734
Net property and equipment	25,981	24,284
<b><i>Other Long-Term Assets</i></b>		
Goodwill	7,154	6,747
Other assets	2,789	2,939
Total other long-term assets	9,943	9,686
	<b>\$ 48,552</b>	<b>\$ 45,959</b>
<b>Liabilities and Stockholders' Investment</b>		
<b><i>Current Liabilities</i></b>		
Current portion of long-term debt	\$ 22	\$ 29
Accrued salaries and employee benefits	1,914	1,972
Accounts payable	2,752	2,944
Accrued expenses	3,230	3,063
Total current liabilities	7,918	8,008
<b><i>Long-Term Debt, Less Current Portion</i></b>	<b>14,909</b>	<b>13,733</b>
<b><i>Other Long-Term Liabilities</i></b>		
Deferred income taxes	2,485	1,567
Pension, postretirement healthcare and other benefit obligations	4,487	6,227
Self-insurance accruals	1,494	1,314
Deferred lease obligations	531	400
Deferred gains, principally related to aircraft transactions	137	155
Other liabilities	518	771
Total other long-term liabilities	9,652	10,434
<b><i>Commitments and Contingencies</i></b>		
<b><i>Common Stockholders' Investment</i></b>		
Common stock, \$0.10 par value; 800 million shares authorized; 318 million shares issued as of May 31, 2017 and 2016	32	32
Additional paid-in capital	3,005	2,892
Retained earnings	20,833	18,371
Accumulated other comprehensive loss	(415)	(169)
Treasury stock, at cost	(7,382)	(7,342)
Total common stockholders' investment	16,073	13,784
	<b>\$ 48,552</b>	<b>\$ 45,959</b>

The accompanying notes are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENTS OF INCOME

	Years ended May 31,		
	2017	2016	2015
<i>(in millions, except per share amounts)</i>			
<b>Revenues</b>	<b>\$ 60,319</b>	<b>\$ 50,365</b>	<b>\$ 47,453</b>
<b>Operating Expenses:</b>			
Salaries and employee benefits	21,542	18,581	17,110
Purchased transportation	13,630	9,966	8,483
Rentals and landing fees	3,240	2,854	2,682
Depreciation and amortization	2,995	2,631	2,611
Fuel	2,773	2,399	3,720
Maintenance and repairs	2,374	2,108	2,099
Impairment and other charges	—	—	276
Retirement plans mark-to-market adjustment	(24)	1,498	2,190
Other	8,752	7,251	6,415
	<b>55,282</b>	<b>47,288</b>	<b>45,586</b>
<b>Operating Income</b>	<b>5,037</b>	<b>3,077</b>	<b>1,867</b>
<b>Other Income (Expense):</b>			
Interest expense	(512)	(336)	(235)
Interest income	33	21	14
Other, net	21	(22)	(19)
	<b>(458)</b>	<b>(337)</b>	<b>(240)</b>
<b>Income Before Income Taxes</b>	<b>4,579</b>	<b>2,740</b>	<b>1,627</b>
<b>Provision For Income Taxes</b>	<b>1,582</b>	<b>920</b>	<b>577</b>
<b>Net Income</b>	<b>\$ 2,997</b>	<b>\$ 1,820</b>	<b>\$ 1,050</b>
<b>Basic Earnings Per Common Share</b>	<b>\$ 11.24</b>	<b>\$ 6.59</b>	<b>\$ 3.70</b>
<b>Diluted Earnings Per Common Share</b>	<b>\$ 11.07</b>	<b>\$ 6.51</b>	<b>\$ 3.65</b>

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## CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	Years ended May 31,		
	2017	2016	2015
<b>Operating Activities</b>			
Net Income	\$ 2,997	\$ 1,820	\$ 1,050
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	2,995	2,631	2,611
Provision for uncollectible accounts	136	121	145
Deferred income taxes and other noncash items	909	31	(572)
Stock-based compensation	154	144	133
Retirement plans mark-to-market adjustment	(24)	1,498	2,190
Gain from sale of investment	(35)	—	—
Impairment and other charges	—	—	246
Changes in assets and liabilities:			
Receivables	(556)	(199)	(392)
Other current assets	78	(234)	25
Pension and postretirement healthcare assets and liabilities, net	(1,688)	(346)	(692)
Accounts payable and other liabilities	103	467	659
Other, net	(139)	(225)	(37)
Cash provided by operating activities	4,930	5,708	5,366
<b>Investing Activities</b>			
Capital expenditures	(5,116)	(4,818)	(4,347)
Business acquisitions, net of cash acquired	—	(4,618)	(1,429)
Proceeds from asset dispositions and other	135	(10)	24
Cash used in investing activities	(4,981)	(9,446)	(5,752)
<b>Financing Activities</b>			
Principal payments on debt	(82)	(41)	(5)
Proceeds from debt issuances	1,190	6,519	2,491
Proceeds from stock issuances	337	183	320
Dividends paid	(426)	(277)	(227)
Purchase of treasury stock	(509)	(2,722)	(1,254)
Other, net	18	(51)	24
Cash provided by financing activities	528	3,611	1,349
Effect of exchange rate changes on cash	(42)	(102)	(108)
Net increase (decrease) in cash and cash equivalents	435	(229)	855
Cash and cash equivalents at beginning of period	3,534	3,763	2,908
Cash and cash equivalents at end of period	\$ 3,969	\$ 3,534	\$ 3,763

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