

## NOTE 20: SUMMARY OF QUARTERLY OPERATING RESULTS (UNAUDITED)

<i>(in millions, except per share amounts)</i>	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2017 <sup>(1)</sup>				
Revenues	\$ 14,663	\$ 14,931	\$ 14,997	\$ 15,728
Operating income	1,264	1,167	1,025	1,581
Net income	715	700	562	1,020
Basic earnings per common share <sup>(2)</sup>	2.69	2.63	2.11	3.81
Diluted earnings per common share <sup>(2)</sup>	2.65	2.59	2.07	3.75
2016 <sup>(3)</sup>				
Revenues	\$ 12,279	\$ 12,453	\$ 12,654	\$ 12,979
Operating income (loss)	1,144	1,137	864	(68)
Net income (loss)	692	691	507	(70)
Basic earnings (loss) per common share <sup>(2)</sup>	2.45	2.47	1.86	(0.26)
Diluted earnings (loss) per common share <sup>(2)</sup>	2.42	2.44	1.84	(0.26)

(1) The fourth quarter, third quarter, second quarter, and first quarter of 2017 include \$124 million, \$78 million, \$58 million and \$68 million, respectively, of TNT Express integration expenses and restructuring charges, and \$20 million, \$16 million, \$10 million and \$28 million, respectively, of increased intangible asset amortization as a result of the TNT Express acquisition. The fourth quarter of 2017 includes \$39 million of charges for legal reserves related to certain pending CBP matters involving FedEx Trade Networks, \$22 million of charges in connection with the settlement of and certain expected losses relating to independent contractor litigation matters at FedEx Ground and \$24 million related to the retirement plans MTM gain.

(2) The sum of the quarterly earnings per share may not equal annual amounts due to differences in the weighted-average number of shares outstanding during the respective periods.

(3) The fourth quarter of 2016 includes a \$1.5 billion retirement plans MTM loss and TNT Express transaction, financing and integration-planning expenses and immaterial financial results from the time of acquisition totaling \$79 million. In addition, the fourth quarter of 2016 includes a \$76 million favorable tax impact from an internal corporate legal entity restructuring to facilitate the integration of FedEx Express and TNT Express and \$11 million of expenses related to independent contractor litigation matters at FedEx Ground. The third quarter of 2016 includes provisions related to independent contractor litigation matters at FedEx Ground for \$204 million and expenses related to the settlement of a CBP notice of action in the amount of \$69 million (in each case, net of recognized immaterial insurance recovery), as well as TNT Express transaction, financing and integration-planning expenses of \$25 million. The second quarter of 2016 includes provisions related to independent contractor litigation matters at FedEx Ground for \$41 million and \$19 million of TNT Express transaction, financing and integration-planning expenses.