

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended May 31, 2002.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _to_ .

Commission file number 1-15829

FEDEX CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

62-1721435

(State or Other Jurisdiction of
Incorporation or Organization)

(I.R.S. Employer
Identification No.)

FEDEX CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS)

ASSETS	May 31,	
	2002	2001
CURRENT ASSETS		
Cash and cash equivalents	\$ 331	\$ 121
Receivables, less allowances of \$147 and \$137	2,491	2,506
Spare parts, supplies and fuel, less allowances of \$91 and \$78	251	269
Deferred income taxes	469	488
Prepaid expenses and other	123	117
Total current assets	3,665	3,501
PROPERTY AND EQUIPMENT, AT COST		
Aircraft and related equipment	5,843	5,313
Package handling and ground support equipment and vehicles	4,866	4,621
Computer and electronic equipment	2,816	2,637
Other	4,051	3,841
	17,576	16,412
Less accumulated depreciation and amortization	9,274	8,312
Net property and equipment	8,302	8,100
OTHER ASSETS		
Goodwill	1,063	1,052
Other assets	782	739
Total other assets	1,845	1,791
	\$ 13,812	\$ 13,392

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

FEDEX CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE DATA)

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	May 31,	
	2002	2001
CURRENT LIABILITIES		
Current portion of long-term debt	\$ 6	\$ 221
Accrued salaries and employee benefits	739	700
Accounts payable	1,133	1,256
Accrued expenses	1,064	1,073
Total current liabilities	2,942	3,250
LONG-TERM DEBT, LESS CURRENT PORTION	1,800	1,900
DEFERRED INCOME TAXES	599	508
OTHER LIABILITIES	1,926	1,834
COMMITMENTS AND CONTINGENCIES		
COMMON STOCKHOLDERS' INVESTMENT		
Common stock, \$.10 par value; 800,000,000 shares authorized; 298,573,387 shares issued for 2002 and 2001	30	30
Additional paid-in capital	1,144	1,120
Retained earnings	5,465	4,880
Accumulated other comprehensive income	(53)	(56)
Less treasury stock, at cost and deferred compensation	6,586	5,974
	41	74
Total common stockholders' investment	6,545	5,900
	\$ 13,812	13,392

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

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FEDEX CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
 (IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	Years ended May 31,		
	2002	2001	2000
REVENUES	\$ 20,607	\$ 19,629	\$ 18,257
OPERATING EXPENSES			
Salaries and employee benefits	9,099	8,263	7,598
Purchased transportation	1,825	1,713	1,675
Rentals and landing fees	1,780	1,650	1,538
Depreciation and amortization	1,364	1,276	1,155
Fuel	1,100	1,143	919
Maintenance and repairs	1,240	1,170	1,101
Airline stabilization compensation	(119)	—	—
Other	2,997	3,343	3,050
	19,286	18,558	17,036
OPERATING INCOME	1,321	1,071	1,221
OTHER INCOME (EXPENSE)			
Interest, net	(139)	(144)	(106)
Other, net	(22)	—	23
	(161)	(144)	(83)
INCOME BEFORE INCOME TAXES	1,160	927	1,138
PROVISION FOR INCOME TAXES	435	343	450
INCOME BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	725	584	688
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR GOODWILL, NET OF TAX BENEFIT OF \$10	(15)	—	—
NET INCOME	\$ 710	\$ 584	\$ 688
BASIC EARNINGS PER COMMON SHARE:			
Income before cumulative effect of change in accounting principle	\$ 2.43	\$ 2.02	\$ 2.36
Cumulative effect of change in accounting for goodwill	(.05)	—	—
BASIC EARNINGS PER COMMON SHARE	\$ 2.38	\$ 2.02	\$ 2.36
DILUTED EARNINGS PER COMMON SHARE:			
Income before cumulative effect of change in accounting principle	\$ 2.39	\$ 1.99	\$ 2.32
Cumulative effect of change in accounting for goodwill	(.05)	—	—
DILUTED EARNINGS PER COMMON SHARE	\$ 2.34	\$ 1.99	\$ 2.32

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