

FEDEX EXPRESS SUMMARY 2004 TRAFFIC
FORECAST BY MARKET GROUP
(In Thousands of Pounds)

Market	Historical CY 2001	Status Quo ¹	Forecast: Calendar Year 2004	
			With All Fifths Requested	Incremental Traffic
<u>A. Hong Kong Inbound</u>				
<u>Hong Kong O&D</u>				
Intra-Asia	31,340	39,247	88,965	49,718
Europe	<u>3,094</u>	<u>3,731</u>	<u>5,405</u>	<u>1,674</u>
Subtotal	34,434	42,978	114,690	51,392
U.S.	<u>27,211</u>	<u>34,111</u>	<u>34,111</u>	<u>--</u>
Total	61,645	77,089	128,481	51,392
<u>China O&D</u>				
Europe	<u>2,203</u>	<u>2,581</u>	<u>3,806</u>	<u>1,225</u>
<u>Other Asian Countries²</u>				
Europe – Other Asia	17,274	19,069	20,954	1,885
India – Asia	<u>74</u>	<u>79</u>	<u>79</u>	<u>--</u>
Subtotal	17,348	19,148	21,034	1,885
Total – All Markets ³	<u>81,196</u>	<u>98,818</u>	<u>153,320</u>	<u>54,502</u>
Percent Express / Freight	79% / 21%	84% / 16%	78% / 22%	68% / 32%

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B. Hong Kong Outbound				
Hong Kong O&D				
Intra-Asia	27,047	33,680	81,986	48,286
Europe	<u>4,690</u>	<u>7,941</u>	<u>14,684</u>	<u>6,743</u>
Subtotal	31,737	41,621	96,680	55,029
U.S. ⁴	<u>67,859</u>	<u>84,346</u>	<u>96,767</u>	<u>12,421</u>
Total	99,596	125,967	193,417	67,450
China O&D				
Europe	<u>1,560</u>	<u>4,298</u>	<u>12,634</u>	<u>8,336</u>
Other Asian Countries²				
Europe – Other Asia	4,899	8,041	9,327	1,286
India – Asia	--	--	--	--
Subtotal	<u>4,899</u>	<u>8,041</u>	<u>9,327</u>	<u>1,286</u>
Total – All Markets ³	<u>106,055</u>	<u>138,306</u>	<u>215,378</u>	<u>77,072</u>
Percent Express / Freight	72% / 28%	76% / 24%	80% / 20%	87% / 13%
C. Inbound & Outbound Combined				
Total All Markets	187,251	237,124	368,698	131,574
Percent Express / Freight	75% / 25%	79% / 21%	79% / 21%	79% / 21%

¹No additional Hong Kong 5th freedom frequencies.

²Traffic to/from Asian countries other than Hong Kong and China, excluding Europe to India traffic.

³In addition, FedEx Express carries traffic through its AsiaOne network that is not impacted by the frequency requests in this case.

⁴U.S. traffic to/from Hong Kong includes traffic moving on services unaffected by fifth freedom services/frequencies.