

FEDERAL EXPRESS CORP

Form 424B5

July 25, 2012

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-160953

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
2.625% Notes due 2022	\$ 500,000,000	99.746%	\$ 498,730,000	\$ 57,154.46
3.875% Notes due 2042	\$ 500,000,000	98.480%	\$ 492,400,000	\$ 56,429.04
Guarantees of 2.625% Notes due 2022	(2)	(2)	(2)	(3)
Guarantees of 3.875% Notes due 2042	(2)	(2)	(2)	(3)

- (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933. The total registration fee due for this offering is \$113,583.50.
- (2) No separate consideration will be received for the guarantees.
- (3) Pursuant to Rule 457(n) under the Securities Act of 1933, no separate filing fee is required for the guarantees.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated July 31, 2009)

\$1,000,000,000**\$500,000,000 2.625% Notes due 2022****\$500,000,000 3.875% Notes due 2042**

We will pay interest on the 2.625% Notes due 2022 (the 2022 Notes) semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2013. The 2022 Notes will bear interest at a rate of 2.625% per year and will mature on August 1, 2022.

We will pay interest on the 3.875% Notes due 2042 (the 2042 Notes and, collectively with the 2022 Notes, the notes) semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2013. The 2042 Notes will bear interest at a rate of 3.875% per year and will mature on August 1, 2042.

We may redeem the notes in whole or in part at any time at the redemption prices described under Description of the Notes Optional Redemption. The notes will not have the benefit of a sinking fund. If a change of control repurchase event occurs as described in this prospectus supplement, unless we have exercised our right of redemption, we will be required to offer to repurchase the notes at a repurchase price equal to 101% of the principal amount of the notes plus accrued interest to the repurchase date.

The notes will be unsecured and will rank equally with all of our existing and future unsecured and unsubordinated indebtedness. The notes will be fully and unconditionally guaranteed by our subsidiary guarantors named in this prospectus supplement. The notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

Investing in these notes involves risks that are described in the Risk Factors section of our Annual Report on Form 10-K for the fiscal year ended May 31, 2012 and beginning on page S-6 of this prospectus supplement.

	Per 2022 Note	Total	Per 2042 Note	Total
Public offering price(1)	99.746%	\$ 498,730,000	98.480%	\$ 492,400,000
Underwriting discount	0.650%	\$ 3,250,000	0.875%	\$ 4,375,000
Proceeds (before expenses) to FedEx Corporation(1)	99.096%	\$ 495,480,000	97.605%	\$ 488,025,000

(1) Plus accrued interest, if any, from July 27, 2012, if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect that the notes will be ready for delivery in book-entry form only through the facilities of The Depository Trust Company on or about July 27, 2012.

Joint Book-Running Managers

GOLDMAN, SACHS & Co.

BOFA MERRILL LYNCH

CITIGROUP

J.P. MORGAN

MIZUHO SECURITIES

Co-Managers

**BNP PARIBAS
RAMIREZ & Co., INC.
SUNTRUST ROBINSON HUMPHREY**

**DEUTSCHE BANK SECURITIES
RAYMOND JAMES MORGAN KEEGAN
THE WILLIAMS CAPITAL GROUP, L.P.**

**MORGAN STANLEY
SCOTIABANK
WELLS FARGO SECURITIES**

The date of this prospectus supplement is July 24, 2012.

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ABOUT THIS PROSPECTUS SUPPLEMENT AND ACCOMPANYING PROSPECTUS

This document consists of two parts. The first part is this prospectus supplement, which contains the specific terms of this offering of notes. The second part is the base prospectus dated July 31, 2009, which provides more general information about securities we may offer from time to time, some of which may not apply to this offering. This prospectus supplement and the information incorporated by reference in this prospectus supplement also adds to, updates and, where applicable, modifies and supersedes information contained or incorporated by reference in the accompanying prospectus. If information in this prospectus supplement or the information incorporated by reference in this prospectus supplement is inconsistent with the accompanying prospectus or the information incorporated by reference therein, then this prospectus supplement or the information incorporated by reference in this prospectus supplement will apply and will supersede the information in the accompanying prospectus.

We have not authorized any person to provide you with information other than that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are not, and the underwriters are not, making an offer to sell these notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

References in this prospectus supplement and the accompanying prospectus to we, us, our and FedEx are to FedEx Corporation.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary may not contain all the information that may be important to you. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

FedEx Corporation

FedEx provides a broad portfolio of transportation, e-commerce and business services through companies competing collectively, operating independently and managed collaboratively, under the respected FedEx brand. These companies are included in four business segments:

FedEx Express: Federal Express Corporation (FedEx Express) is the world's largest express transportation company, offering time-certain delivery within one to three business days and serving markets that comprise more than 90% of the world's gross domestic product. The FedEx Express segment also includes FedEx Trade Networks, Inc., which provides international trade services, specializing in customs brokerage and global ocean and air freight forwarding, and FedEx SupplyChain Systems, Inc., which offers a range of supply chain solutions.

FedEx Ground: FedEx Ground Package System, Inc. (FedEx Ground) is a leading North American provider of small-package ground delivery services. FedEx Ground provides low-cost, day-certain service to every business address in the United States and Canada, as well as residential delivery to nearly 100% of U.S. residences through its FedEx Home Delivery service. The FedEx Ground segment also includes FedEx SmartPost, Inc., which specializes in the consolidation and delivery of high volumes of low-weight, less time-sensitive business-to-consumer packages using the U.S. Postal Service for final delivery to any residential address or PO Box in the United States.

FedEx Freight: FedEx Freight, Inc. (formerly, FedEx Freight East, Inc.) (FedEx Freight) is a leading North American provider of less-than-truckload (LTL) freight services offering: FedEx Freight Priority, when speed is critical to meet supply chain needs; and FedEx Freight Economy, when time can be traded for cost savings. The FedEx Freight segment also offers freight delivery service throughout Canada and Mexico and includes FedEx Custom Critical, Inc., a leading North American provider of time-specific, critical shipment services.

FedEx Services: FedEx Corporate Services, Inc. (FedEx Services) provides our other companies with sales, marketing, information technology, communications and back-office support. The FedEx Services segment also includes FedEx TechConnect, Inc. (formerly, FedEx Customer Information Services, Inc.) (FedEx TechConnect), which is responsible for customer service, billings and collections for our U.S. customers and offers technical support services, and FedEx Office and Print Services, Inc. (FedEx Office), which provides an array of document and business services and retail access to FedEx Express and FedEx Ground shipping services.

For a description of our business, financial condition, results of operations and other important information regarding us, see our filings with the Securities and Exchange Commission (the SEC) incorporated by reference in this prospectus supplement and the accompanying prospectus. For instructions on how to find copies of our filings and the filings of FedEx Express incorporated by reference in this prospectus supplement and the accompanying prospectus, see [Where You Can Find More Information](#) below.

The mailing address of our principal executive offices is 942 South Shady Grove Road, Memphis, Tennessee 38120. Our main telephone number is (901) 818-7500.

The address of our Web site is www.fedex.com. The information on our Web site is not incorporated by reference in, and does not form a part of, this prospectus supplement or the accompanying prospectus.

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The Offering

Issuer	FedEx Corporation
Securities Offered	\$500,000,000 aggregate principal amount of 2.625% Notes due 2022 \$500,000,000 aggregate principal amount of 3.875% Notes due 2042
Maturity	The 2022 Notes will mature on August 1, 2022. The 2042 Notes will mature on August 1, 2042.
Interest	Interest on the 2022 Notes will accrue at the rate of 2.625% per year, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2013. Interest on the 2042 Notes will accrue at the rate of 3.875% per year, payable semi-annually in arrears on February 1 and August 1 of each year, commencing February 1, 2013.
Optional Redemption	The notes may be redeemed, at our option, in whole or in part at any time at the redemption prices described under Description of the Notes Optional Redemption. The notes will not have the benefit of a sinking fund.
Change of Control Repurchase Event	If a Change of Control Repurchase Event (as defined herein) occurs, unless we have exercised our right of redemption, we will be required to offer to repurchase the notes at a repurchase price equal to 101% of the principal amount of the notes plus accrued interest to the repurchase date. See Description of the Notes Change of Control Repurchase Event.
Ranking	The notes will be unsecured and will rank equally with all of our existing and future unsecured and unsubordinated indebtedness.
Subsidiary Guarantors	FedEx Express, FedEx Ground, FedEx Freight Corporation, FedEx Freight, FedEx Services, FedEx TechConnect, FedEx Office, Federal Express Europe, Inc., Federal Express Holdings S.A. and Federal Express International, Inc.
Guarantees	The subsidiary guarantors will fully and unconditionally guarantee payment of principal of and, premium, if any, and interest on the notes. The guarantees will rank equally with all other existing and future unsecured and unsubordinated obligations of the subsidiary guarantors.
Further Issues	

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We may issue additional notes of each series from time to time after this offering without the consent of holders of notes.

Use of Proceeds

We intend to use the proceeds of this offering, after deducting underwriting discounts and other expenses related to this offering, for working capital and general corporate purposes.

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Book-Entry Form

The notes will be issued in book-entry form only and will be represented by global notes deposited with, or on behalf of, The Depository Trust Company (DTC) and registered in the name of DTC or its nominee. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and these beneficial interests may not be exchanged for certificated notes, except in limited circumstances. See Description of Debt Securities and Guarantees Book-Entry Procedures in the accompanying prospectus.

Risk Factors

Investing in these notes involves risks that are described in the Risk Factors section of our Annual Report on Form 10-K for the fiscal year ended May 31, 2012 and beginning on page S-6 of this prospectus supplement.

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The following table sets forth certain selected consolidated financial and operating data for FedEx as of and for the five fiscal years ended May 31, 2012. This information should be read in conjunction with the detailed information and the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2012, which is incorporated by reference herein. See [Where You Can Find More Information](#) below.

	Fiscal Year Ended May 31,				
	2012 ⁽¹⁾	2011 ⁽²⁾	2010	2009 ⁽³⁾	2008 ⁽⁴⁾
(in millions, except per share amounts and other operating data)					
Operating Results					
Revenues	\$ 42,680	\$ 39,304	\$ 34,734	\$ 35,497	\$ 37,953
Operating income	3,186	2,378	1,998	747	2,075
Income before income taxes	3,141	2,265	1,894	677	2,016
Net income	2,032	1,452	1,184	98	1,125
Per Share Data					
Earnings per share:					
Basic	\$ 6.44	\$ 4.61	\$ 3.78	\$ 0.31	\$ 3.64
Diluted	\$ 6.41	\$ 4.57	\$ 3.76	\$ 0.31	\$ 3.60
Average shares of common stock outstanding	315	315	312	311	309
Average common and common equivalent shares outstanding	317	317	314	312	312
Cash dividends declared	\$ 0.52	\$ 0.48	\$ 0.44	\$ 0.44	\$ 0.30
Financial Position					
Property and equipment, net	\$ 17,248	\$ 15,543	\$ 14,385	\$ 13,417	\$ 13,478
Total assets	29,903	27,385	24,902	24,244	25,633
Long-term debt, less current portion	1,250	1,667	1,668	1,930	1,506
Common stockholders' investment	14,727	15,220	13,811	13,626	14,526
Other Operating Data					
FedEx Express aircraft fleet	660	688	667	654	677

- (1) Results for 2012 include a \$134 million (\$84 million, net of tax or \$0.26 per share) impairment charge resulting from the decision to retire 24 aircraft and related engines at FedEx Express and the reversal of a \$66 million legal reserve associated with the ATA Airlines lawsuit which was initially recorded in the second quarter of 2011.
- (2) Results for 2011 include charges of approximately \$199 million (\$104 million, net of tax and applicable variable incentive compensation impacts, or \$0.33 per diluted share) for the combination of our FedEx Freight and FedEx National LTL operations and a reserve associated with a legal matter at FedEx Express.
- (3) Results for 2009 include a charge of \$1.2 billion (\$1.1 billion, net of tax, or \$3.45 per diluted share) primarily for impairment charges associated with goodwill and aircraft. Additionally, common stockholders' investment includes an other comprehensive income charge of \$1.2 billion, net of tax, for the funded status of our retirement plans at May 31, 2009.
- (4) Results for 2008 include a charge of \$891 million (\$696 million, net of tax, or \$2.23 per diluted share) recorded during the fourth quarter, predominantly for impairment charges associated with intangible assets from the FedEx Office acquisition. Additionally, results for 2008 include several acquisitions in fiscal 2007.

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RISK FACTORS

Investing in the notes involves risks. In connection with any investment in the notes, you should consider carefully (i) the factors identified under the heading Risk Factors in Management's Discussion and Analysis of Results of Operations and Financial Condition in our Annual Report on Form 10-K for the fiscal year ended May 31, 2012, (ii) the factors set forth below related to the notes, and (iii) the other information set forth elsewhere in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus.

The Indenture Does Not Limit the Amount of Indebtedness That We May Incur

The indenture under which we will issue the notes and guarantees does not limit the amount of secured or unsecured indebtedness that we or our subsidiaries may incur. In addition, other than the provisions relating to a Change of Control Repurchase Event, the indenture, which is described below under Description of the Notes, also does not contain any debt covenants or provisions that afford holders of the notes protection in the event we participate in a highly leveraged transaction.

We Depend Upon Our Subsidiaries to Service Our Debt

We are a holding company and derive all of our operating income from our subsidiaries. Our only source of cash to pay principal of and premium, if any, and interest on the notes is from dividends and other payments from our subsidiaries. Our subsidiaries' ability to make such payments may be restricted by, among other things, applicable state and foreign corporate laws and other laws and regulations. In addition, our right and the rights of our creditors, including holders of the notes, to participate in the assets of any subsidiary upon its liquidation or reorganization would be subject to the prior claims of such subsidiary's creditors, except to the extent that we may ourselves be a creditor with recognized claims against such subsidiary. The notes will be guaranteed by certain subsidiary guarantors. See Description of the Notes General. If our subsidiaries do not provide us with enough cash to make payments on the notes when due, you may have to proceed directly against the subsidiary guarantors.

The Guarantees May Be Limited In Duration

If we sell, transfer or otherwise dispose of all of the capital stock or all or substantially all of the assets of a subsidiary guarantor to any person that is not an affiliate of FedEx, the guarantee of that subsidiary will terminate and holders of the notes will no longer have a direct claim against such subsidiary under the guarantee. See Description of Debt Securities and Guarantees Merger, Consolidation and Sale of Assets in the accompanying prospectus.

The Guarantees May Be Challenged as Fraudulent Conveyances

Federal, state and foreign bankruptcy, fraudulent conveyance, fraudulent transfer or similar laws could limit the enforceability of a guarantee. For example, creditors of a subsidiary guarantor could claim that, since the guarantees were incurred for the benefit of FedEx (and only indirectly for the benefit of a subsidiary guarantor), the obligation of a subsidiary guarantor was incurred for less than reasonably equivalent value or fair consideration. If any of our subsidiary guarantors is deemed to have received less than reasonably equivalent value or fair consideration for its guarantee and, at the time it gave the guarantee, that subsidiary guarantor:

was insolvent or rendered insolvent by giving its guarantee;

was engaged in a business or transaction for which its remaining assets constituted unreasonably small capital; or

intended to incur debts beyond its ability to pay such debts as they mature,

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then the obligations of such subsidiary guarantor under its guarantee could be voided or subordinated to its other debts. If a court voided a guarantee as a result of a fraudulent conveyance, then the holders of the notes would cease to have a claim against the subsidiary guarantor. To the extent that the claims of holders of the notes against any subsidiary guarantor were subordinated in favor of other creditors of such subsidiary, such other creditors would be entitled to be paid in full before any payment could be made on the notes. In this regard, in an attempt to limit the applicability of fraudulent transfer laws, the indenture limits the amount of each guarantee to the amount that will result in it not constituting a fraudulent transfer or conveyance. However, we cannot assure you as to what standard a court would apply in making a determination as to what would be the maximum liability of each guarantor or whether this limitation would be effective in protecting a guarantee from being voided under fraudulent transfer laws.

We May Not Be Able to Repurchase the Notes Upon a Change of Control Repurchase Event

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem the notes, we will be required to make an offer to each holder of the notes to repurchase all or any part of that holder's notes at a repurchase price in cash equal to 101% of the aggregate principal amount of such notes repurchased plus any accrued and unpaid interest on the notes repurchased to, but not including, the repurchase date.

It is possible that we will not have sufficient funds at the time of any Change of Control Repurchase Event to make the required repurchases of notes. In order to obtain sufficient funds to pay the purchase price of the outstanding notes, we may need to refinance the notes. We cannot assure you that we would be able to refinance the notes on reasonable terms, or at all. Our failure to offer to purchase all outstanding notes or to purchase all validly tendered notes would be an event of default under the indenture for the notes. Such an event of default may cause the acceleration of our other debt. In addition, the terms of our other debt agreements or applicable law may limit our ability to repurchase the notes for cash. Our future debt also may contain restrictions on repayment requirements with respect to specified events or transactions that constitute a change of control under the indenture.

Ratings of the Notes Could Be Lowered In the Future

We expect that the notes will be rated investment grade by one or more nationally recognized statistical rating organizations. A rating is not a recommendation to purchase, hold or sell the notes, since a rating does not predict the market price of a particular security or its suitability for a particular investor. A rating organization may lower our rating or decide not to rate our securities in its sole discretion. The rating of the notes will be based primarily on the rating organization's assessment of the likelihood of timely payment of interest when due on the notes and the ultimate payment of principal of the notes on the final maturity date. The reduction, suspension or withdrawal of the ratings of the notes will not, in and of itself, constitute an event of default under the indenture.

An Active Trading Market For the Notes May Not Develop

There is no established trading market for the notes since they are a new issue of securities. We do not intend to apply for the listing of the notes on a national securities exchange. We cannot assure you as to the liquidity of the public market for the notes or that any active public market for the notes will develop or continue. If an active public market does not develop or continue, the market price and liquidity of the notes may be adversely affected.

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We estimate that the net proceeds of this offering will be approximately \$982,100,000, after deducting underwriting discounts and other expenses related to this offering. We intend to use the net proceeds for working capital and general corporate purposes.

CAPITALIZATION

The following table sets forth our consolidated capitalization as of May 31, 2012 on an actual basis and on an as adjusted basis to give effect to this offering.

	Actual	As Adjusted
	(in millions)	
Current portion of long-term debt	\$ 417	\$ 417
Long-term debt, less current portion	1,250	2,250
Common stockholders' investment:		
Common stock	32	32
Additional paid-in capital	2,595	2,595
Retained earnings	17,134	17,134
Accumulated other comprehensive loss	(4,953)	(4,953)
Treasury stock, at cost	(81)	(81)
Total common stockholders' investment	\$ 14,727	\$ 14,727
Total capitalization	\$ 16,394	\$ 17,394

RATIO OF EARNINGS TO FIXED CHARGES

(unaudited)

Our ratio of earnings to fixed charges for each of the last five fiscal years is as follows:

	Fiscal Year Ended May 31,				
	2012	2011	2010	2009	2008