



Crisis Communications at FedEx Corporation

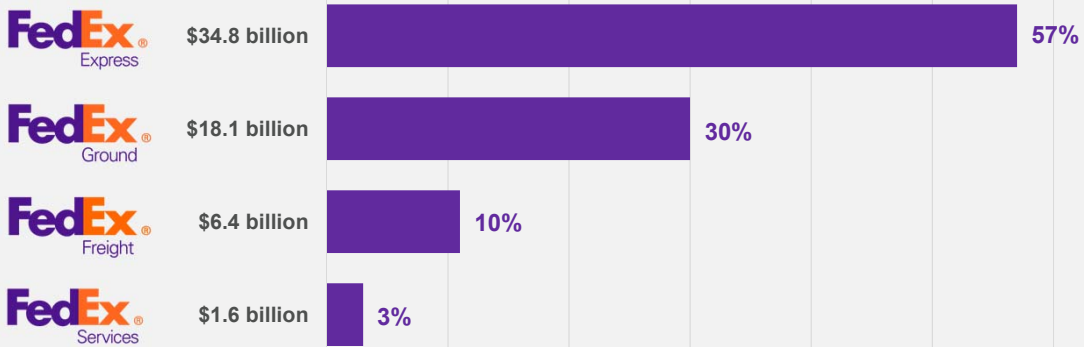
Stephen Hughes
 Director, Investor Relations
 October 17, 2017

Broad Portfolio of Services

FY17 Revenues: \$60.3 billion

Team Members: More than 400,000

Countries and Territories Served: More than 220



FedEx Express Group, FedEx Ground, FedEx Freight and FedEx Services show group/segment revenue. TNT Express segment revenue is included in the FedEx Express Group results. Not included in the chart is (\$0.6) billion other & eliminations revenue.

Investor Relations Team at FedEx

- Investor Relations Officer (reports to CFO)
- Three Staff Directors (each with NDR territory)
- Manager of Financial Communications
- Investor Relations Advisor
- Administrative Assistant



Crisis Communications at FedEx

- Multi-departmental approach:
 - Dedicated communications dept.
 - Legal
 - Investor Relations
- For critical events, we utilize a “war room”, staffed with key cross-departmental personnel

Crisis Issues

Amazon Is Testing Its Own Delivery Service to Rival FedEx and UPS

By Spencer Soper
 October 5, 2017, 4:00 AM CDT Updated on October 5, 2017, 11:34 AM CDT

— Online retailer would deliver from other merchants' warehouses
 — Trial program underway on West Coast before national expansion

Pilots Killed in Crash of FedEx Plane in Japan

By HIROKO SAKURAI and MARK McDONALD MARCH 28, 2019

TOKYO — A FedEx Express cargo plane burst into flames as it landed Monday morning at Narita International Airport outside Tokyo, and the company confirmed that the pilot and co-pilot had been killed.

Video of the crash showed a massive fireball erupting from the plane as its belly touched down, just after its nose had banged hard on the runway. The plane then veered to its left, flipped over and skidded off the runway in flames. Fire engines rushed to the scene and sprayed the plane with foam.

News & Events

News Release
TNT Express Operations Disrupted, All Other FedEx Services Operating Normally

MEMPHIS, Tenn., June 28, 2017 — FedEx Corp. announced that the worldwide operations of its TNT Express subsidiary have been significantly affected due to the initiation of an information system outage. While TNT Express operations and communications systems have been disrupted, no data breach is known to have occurred. The operations of all other FedEx companies are unaffected and services are being provided under normal terms and conditions.

6 Wounded in Shooting at FedEx Warehouse in Georgia

By ALAN BLINDER and EDNA C. FITZSIMMONS APRIL 26, 2014



Security NBCNEWS.com

Around the world, a race against time bombs in air

Details emerge of plot to blow up cargo planes inside the U.S.

By DAVID RIBING, EILEEN BULLIVANT, MATT APUIZZO
 Updated from
 original: 11/20/13/12/13

The woman stepped off Hadda Street into a pair of courier offices in Yemen's capital. In FedEx and UPS storefronts tucked among shopping centers and travel agencies in Sana'a, she mailed two Hewlett-Packard printers to the United States.

She used a fake name, address and phone number. She paid in cash. Then she disappeared.

Hidden inside each printer was a bomb powerful enough to down an airplane.

Cyberattack on TNT Express

- NotPetya malware, resulting from malicious nation-state targeting of Ukraine and companies that do business there
- Entered TNT's system by clinging to an update of Ukrainian tax preparation software (a "trusted" source)
- Once inside, spread rapidly within TNT Express via a vulnerability in Microsoft Windows





TNT Express Update Timeline

- Issued first press release on June 28, noting:
 - Significant disruption to TNT's operations and communications systems
 - The financial impact could be material

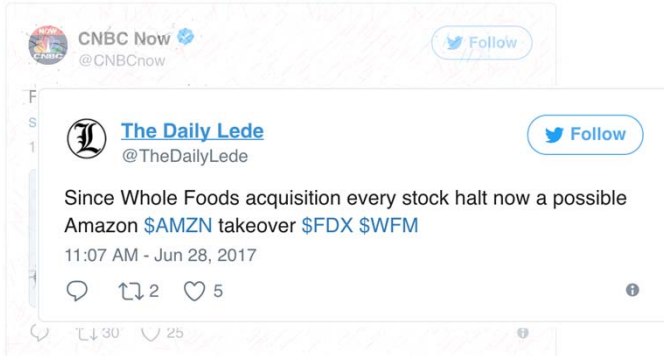
June 28 Press Release Issuance

CNBC Now @CNBCnow
FedEx shares halted for pending news. [cncb.com/quotes/?symbol...](https://www.cncb.com/quotes/?symbol...)
10:55 AM - Jun 28, 2017

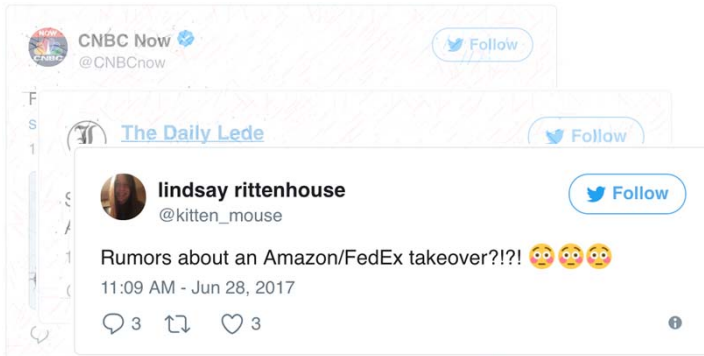
FDX: FedEx Corp - Stock Quote and News - ...
Get FedEx Corp (FDX:NYSE) real-time stock quotes, news and financial information from CNBC.
[cncb.com](https://www.cncb.com)

30 retweets, 25 likes

June 28 Press Release Issuance



June 28 Press Release Issuance



June 28 Press Release Issuance



June 28 Press Release Issuance



June 28 Press Release Issuance

CNBC Now @CNBCnow

The Daily Lede

lindsay rittehouse @kitten_mouse

Baz Hiralal @RizRaz

Paul R. La Monica @LaMonicaBuzz

The Ex in FedEx stands for Express. But it's time to actually deliver the news. \$FDX

11:33 AM - Jun 28, 2017

4 2 5

CNBC @CNBC

JUST IN: Fedex's TNT unit "significantly" affected by global ransomware virus, financial impact "could be material"
cnbc.com/quotes/?symbol...

11:38 AM - Jun 28, 2017

FDX: FedEx Corp - Stock Quote and News - ...

Get FedEx Corp (FDX:NYSE) real-time stock quotes, news and financial information from CNBC.
cnbc.com

2 48 23

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The Ex in FedEx stands for Express. But it's time to actually deliver the news.

11:33 AM - Jun 28, 2017

4 2 5

FT Financial Times @FinancialTimes

FedEx's TNT Express unit 'significantly affected' by computer virus
on.ft.com/2t19bBK

11:47 AM - Jun 28, 2017



FedEx's TNT Express unit 'significantly affected' by computer...

FedEx, the package delivery company, disclosed on Wednesday that its TNT Express unit was "significantly affected" as a result of an

ft.com

3 4

June 28 Press Release Issuance

This screenshot shows a Twitter thread from June 28, 2017, centered around the speculation of Amazon acquiring FedEx. The main tweet is from Brooke Sutherland (@blsuth) on the Financial Times, which includes a link to a Bloomberg article titled "Amazon-FedEx: Crazy or Worth Considering?". The article text states: "The e-commerce giant may have better options for building out a logistics network." Below the text is an image of several Amazon cardboard boxes. Other tweets in the thread include a quote from CNBC Now's "The Daily Lede" by Lindsay Rittenhouse, a tweet from Baz Hiralal (@RizRaz), and a tweet from Paul R. La Monica (@LaMonicaBuzz) stating "The Ex in FedEx stands time to actually deliver t...".

June 28 Press Release Issuance

This screenshot shows a Twitter thread from June 28, 2017, similar to the one above. The main tweet is from Mashable (@mashable), which includes a link to a Mashable article titled "For about 10 minutes, people thought Amazon might buy FedExon.mash.to/2s2RhQg". The article text states: "For about 10 minutes, people thought Amazon was going to b... It could still happen." Below the text is an image of a FedEx delivery truck. Other tweets in the thread include a quote from CNBC Now's "The Daily Lede" by Lindsay Rittenhouse, a tweet from Baz Hiralal (@RizRaz), and a tweet from Paul R. La Monica (@LaMonicaBuzz) stating "The Ex in FedEx stands time to actually deliver t...".



TNT Express Update Timeline

- Issued first press release on June 28, noting that the financial impact could be material
- Issued additional operational updates on June 30, July 6 and July 17



Detailed Cyberattack Update on Sept. 19 Earnings Call

- CFO, CIO and COO each provided details
- Systems and operations have returned to near-normal
- \$300 million (\$0.79 EPS) estimated earnings impact in the quarter, predominantly due to lost revenue; diminishing impact (\$0.41 EPS) expected for remainder of fiscal year
- Cyberattack highlighted opportunities to accelerate our TNT Express integration plans

Important Steps During a Crisis

- Be as transparent as possible.
- Return phone calls/emails promptly, even if you don't have perfect information. Being "radio silent" will cause investors to speculate and fear the worst.
- While speed is important, so is accuracy--stick with the facts (even if they are limited).
- If issuing a market-moving press release, tightly coordinate the issuance between your wire service and exchange.
- If the crisis was caused by corporate failure, take responsibility, apologize, commit to remedial actions.

Crisis Issues

Amazon Is Testing Its Own Delivery Service to Rival FedEx and UPS

By Spencer Soper
October 6, 2015, 4:00 AM CDT | Updated on October 6, 2015, 11:34 AM CDT

— Online retailer would deliver from other merchants' warehouses
— Trial program underway on West Coast before national expansion

ASIA PACIFIC

Pilots Killed in Crash of FedEx Plane in Japan

By HEIKO TASHIRO and MARK DONALD | MARCH 23, 2015

TOKYO — A FedEx Express cargo plane burst into flames as it landed Monday morning at Narita International Airport outside Tokyo, and the company confirmed that the pilot and co-pilot had been killed.

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News Release

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Japan Cargo Plane Crash

THE NEW YORK TIMES

U.S.

6 Wounded in Shooting at FedEx Warehouse in Georgia

By ALAN BLINDER and EDNA C. FITZGERALDS | APRIL 26, 2014



Security | NBCNEWS.com

Around the world, a race against time bombs in air

Details emerge of plot to blow up cargo planes inside the U.S.

By DAVID KESSEL, EILEEN BULLIVANT, MATT APUZIO

Associated Press

Updated 11:00 AM ET

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