

FedEx Completes Acquisition of Watkins Motor Lines
Logistics
Addition of Long-Haul Less-Than-Truckload (LTL) Units Expands Heavyweight Service Portfolio for Customers
FedEx completes acquisition of the LTL operations of Watkins Motor Lines and certain affiliates creating FedEx National LTL and FedEx Freight Canada. FedEx Corp. announced it has completed the \$780 million cash purchase of the LTL operations of Watkins Motor Lines and certain affiliates. A privately held company based in Lakeland, Fla., Watkins Motor Lines is a leading provider of long-haul LTL services with more than \$1 billion in annual revenue.

The operations of Watkins Motor Lines and Watkins Canada Express, Watkins' LTL carrier in Canada, which together include more than 140 service centers and more than 14,000 tractors and trailers, will be re-branded FedEx National LTL and FedEx Freight Canada, respectively. Re-branding of both operations will begin immediately.

"These strategic additions to the FedEx portfolio offer more flexibility and greater value to shippers in the less-than-truckload sector," said Frederick W. Smith, chairman, president and chief executive officer of FedEx Corp. "FedEx Freight, FedEx National LTL and FedEx Freight Canada create a reliable, single-source provider of one- and two-day regional as well as long-haul LTL services that customers have been requesting." Other benefits customers will enjoy include easy access to bundled transportation solutions available with other FedEx operating companies, specifically FedEx Express and FedEx Ground.

FedEx National LTL and FedEx Freight Canada each operate as a separate network within the FedEx Freight segment, which also includes FedEx Freight, FedEx Custom Critical and Caribbean Transportation Services. More than 470 service centers comprise the FedEx Freight, FedEx National LTL, and FedEx Freight Canada networks. The companies will operate nearly 54,000 tractors and trailers to meet customers' regional and long-haul LTL needs.

"FedEx National LTL and FedEx Freight Canada will provide the certainty and reliability of service that customers have come to expect from FedEx Freight," said Douglas G. Duncan, president and chief executive officer of FedEx Freight. "As integration moves forward, FedEx National LTL will strengthen its focus on providing core long-haul services, while FedEx Freight Canada begins identifying service enhancement opportunities as we work together to grow our LTL market share throughout North America."

With a workforce of nearly 9,000, FedEx National LTL will benefit from Watkins' rich heritage in the transportation industry and a strong workplace culture similar to that of FedEx. "Over the years, Watkins' teams have earned a stellar reputation for professionalism and dedication to customer service," added Duncan. "They share these customer-focused priorities with an engaged FedEx workforce, a factor that will facilitate a smooth integration process, help grow our business and guide our company toward an even brighter future."