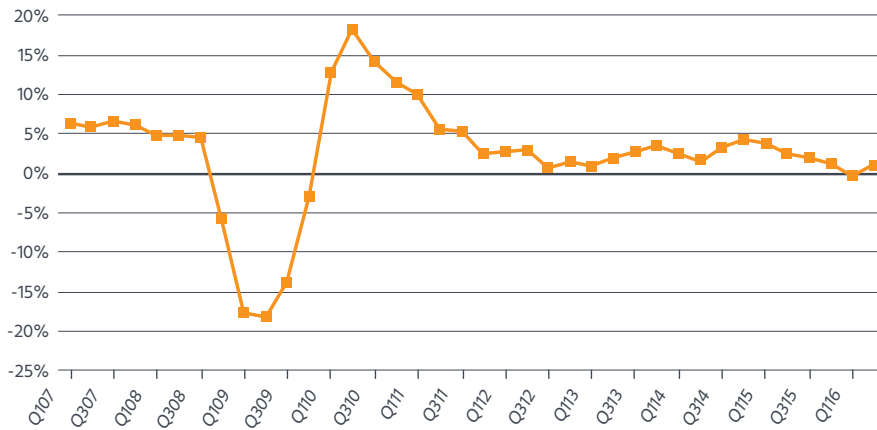




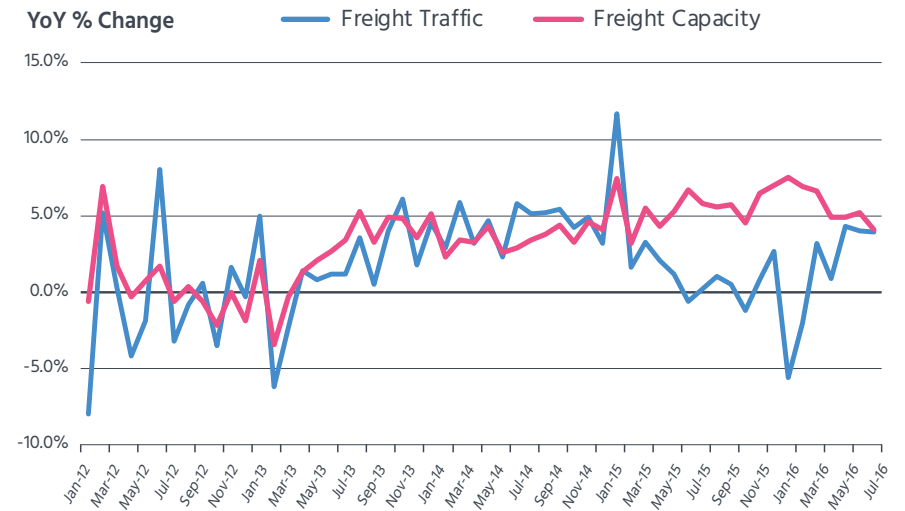
Analysis & Forecast of the Air Cargo Industry

Figure 1 | Growth in World Trade Volumes



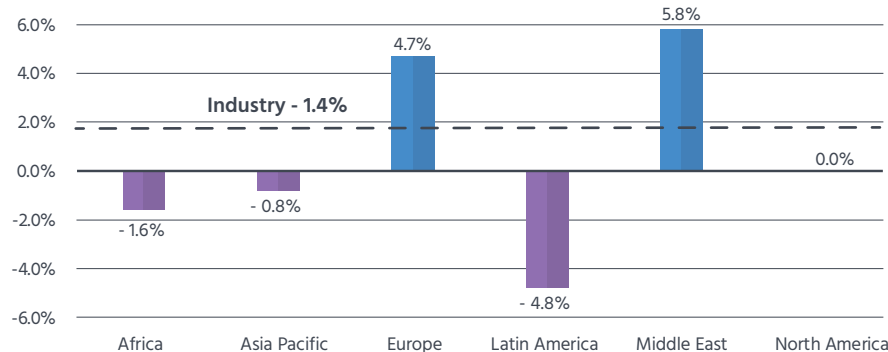
Source: World Trade Organization's Trade Statistics and Outlook (09/27/2016)

Figure 2 | Air Freight Traffic Unable to Meet Capacity



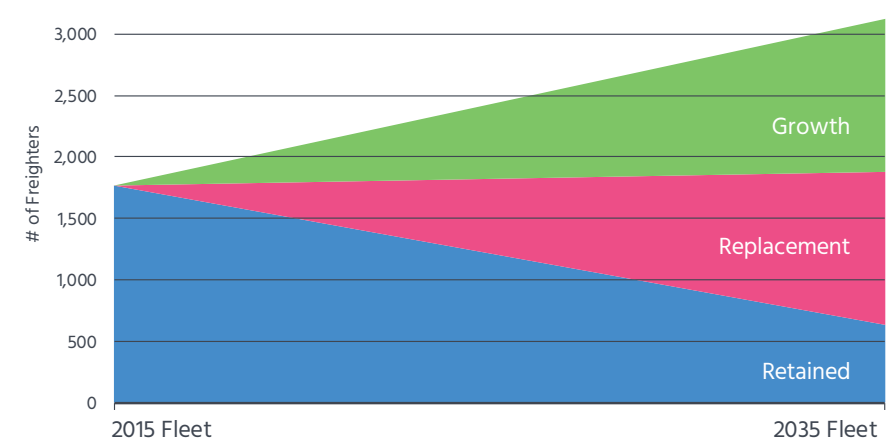
Source: IATA's Freight Market Analysis Reports

Figure 3 | YTD August 2016 Freight Traffic Growth



Source: IATA's Freight Market Analysis Reports

Figure 4 | 20-Year Freight Fleet Forecast



Source: 2016 Boeing Commercial Forecast

Figure 5 | Cargo Revenue Hurt by Low Demand/Falling Yields

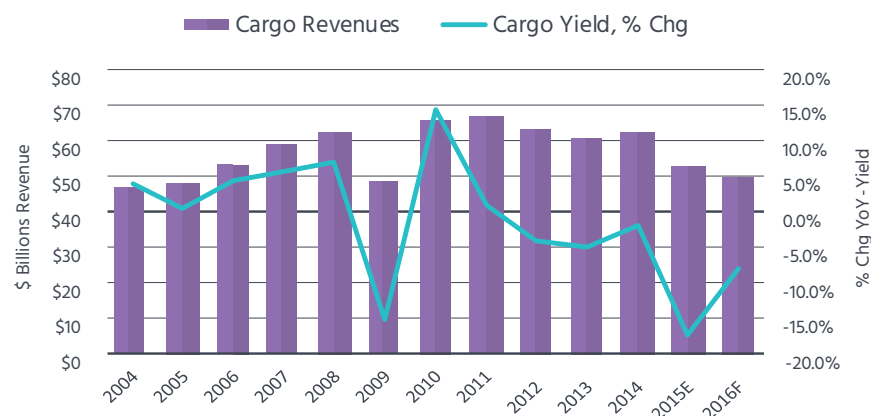


Figure 6 | Worldwide Retail E-Commerce

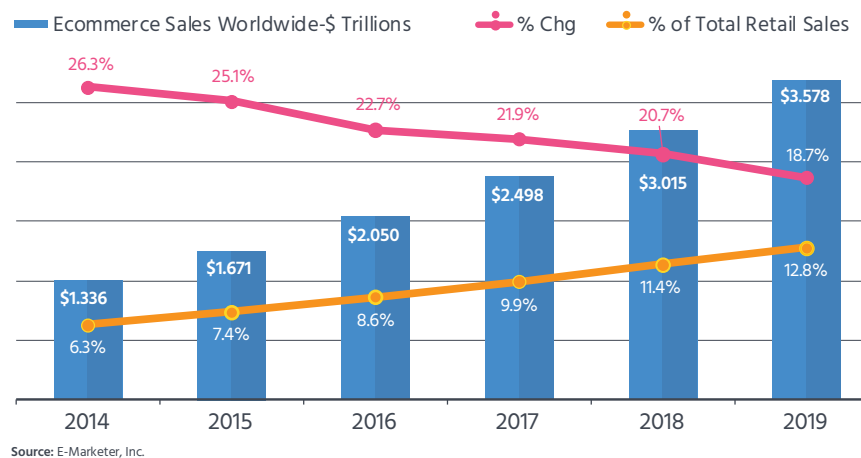
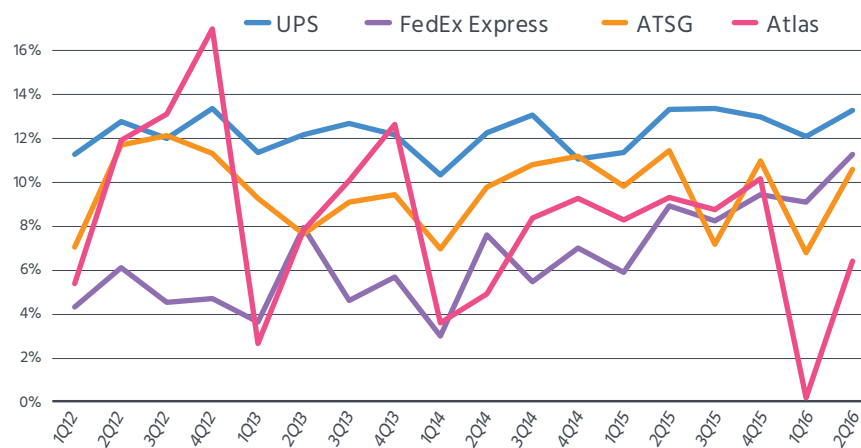


Figure 7 | U.S. Freight Companies' Pretax Profit Margins



Source: Company documents and ALPA E&FA analysis.
Data exclude special items and one-time events. FedEx results are operating margins for express segment.