THE STATE OF THE INDUSTRY

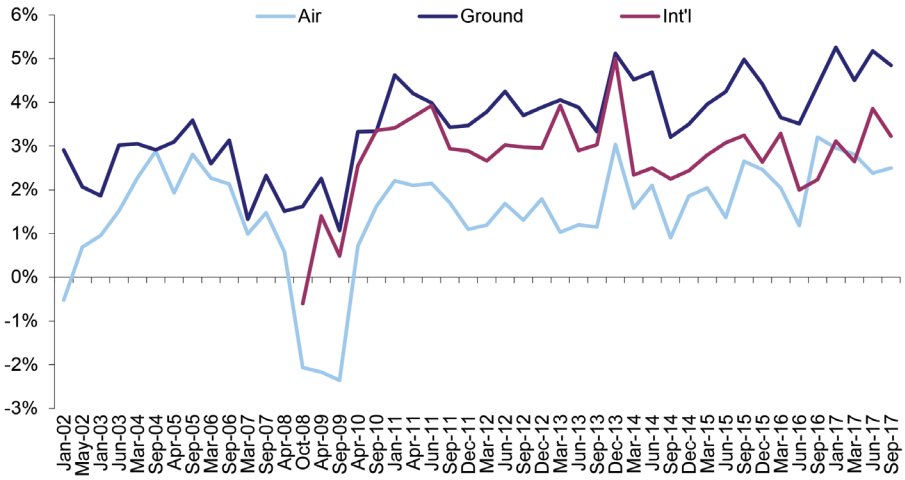
What does the future hold for international shipping? These results could give us some insight.

As always, we are thankful that Morgan Stanley allows us to share these results with our readers, as they provide a benchmark of where the industry is and where it is heading. We've pulled out the most relevant international statistics (although we did leave in some stats regarding domestic shipments so you can see how the two compare), but if you're interested in the full survey results, which are far too numerous to include here, you can visit PARCELindustry.com/MorganStanleyOctober2017.

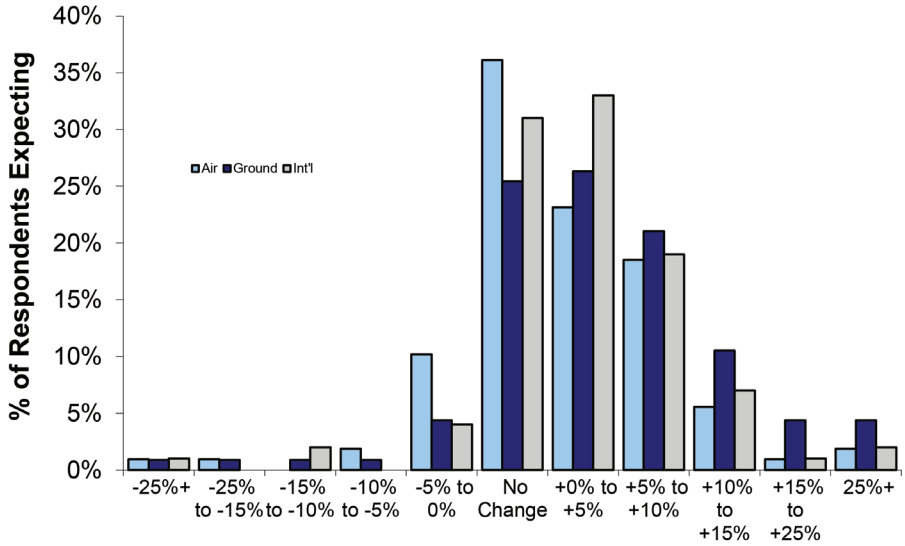
SOME HIGHLIGHTS FROM THE MOST RECENT RESULTS INCLUDE:

1. Ground and international volume growth outlook decline; slight increase in air
2. Shippers anticipate approximately a two percent average parcel base rate increase over next six months for air, ground, and international
3. Shippers' expectations for B2C as a percentage of total parcel shipment increase from prior survey

Volume Trends by Product: Volume Growth Expectations Over the Next Six Months vs. Last Year

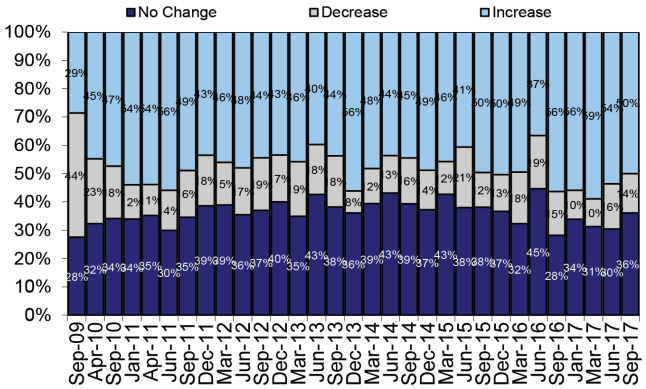


Volume Growth Skew — All Shippers: Volume Growth Expectations Over the Next Six Months vs. Same Period Last Year

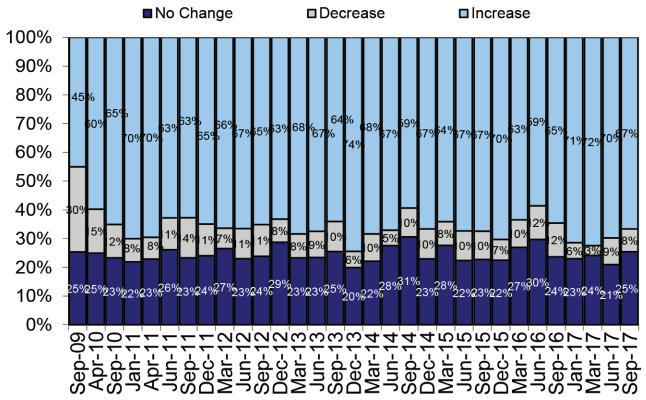


Parcel Volume Outlook Over the Next Six Months

Percentage of Shippers Expecting Air to:

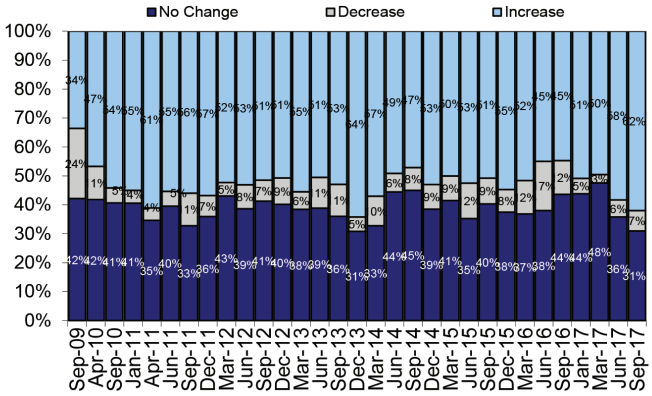


Percentage of Shippers Expecting Ground to:



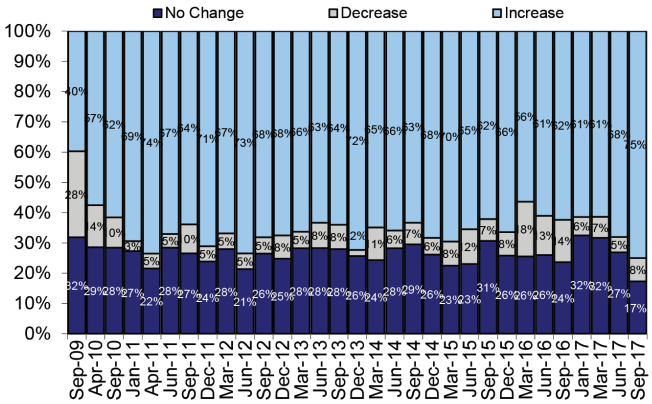
You can access the survey results in their entirety by visiting PARCELindustry.com/MorganStanleyOctober2017

Percentage of Shippers Expecting International to:



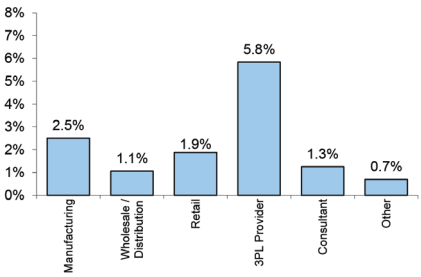
Parcel Spend Outlook Over the Next Six Months

Percentage of Shippers Expecting International to:

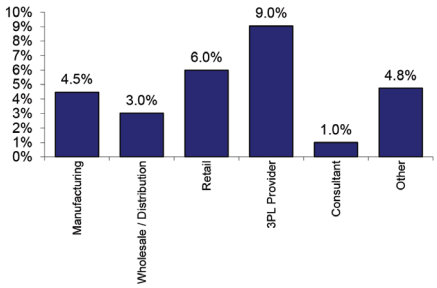


Volume Growth Outlook by Industry

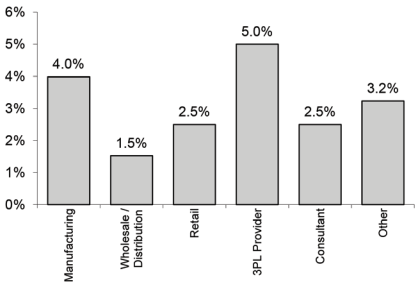
Air — Average Volume Change by Industry



Ground — Average Volume Change by Industry

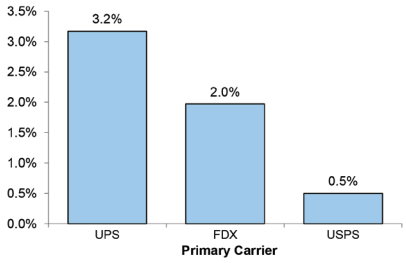


International — Average Volume Change by Industry

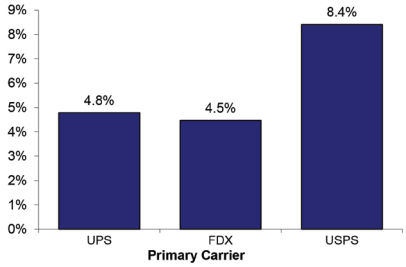


Volume Growth Outlook by Listed Primary Carrier

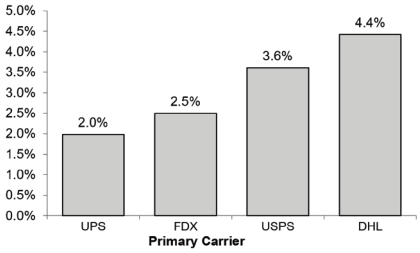
Air — Average Volume Change by Primary Carrier



Ground — Average Volume Change by Primary Carrier

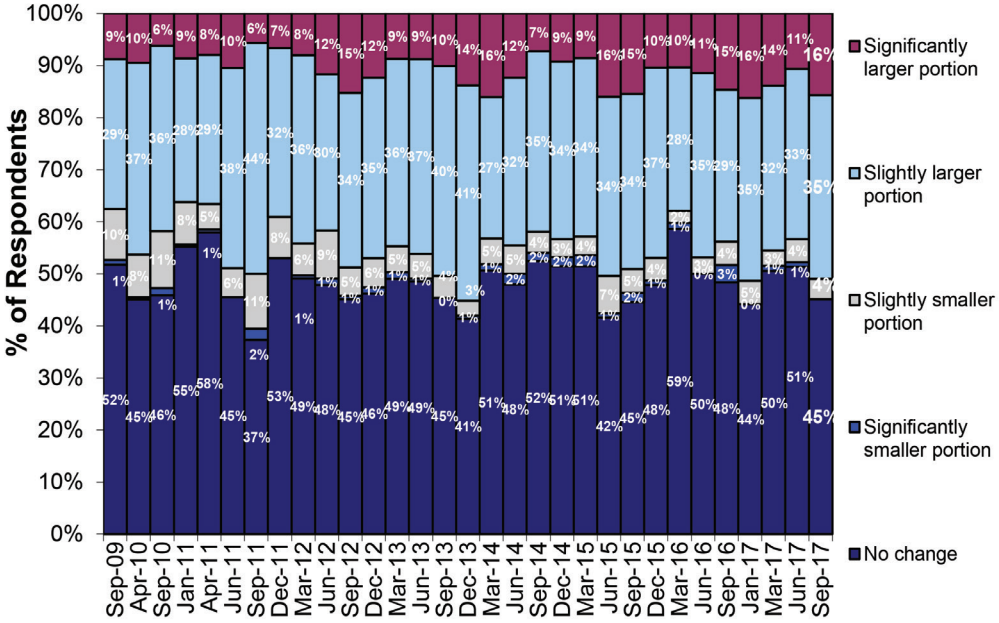


International — Average Volume Change by Primary Carrier



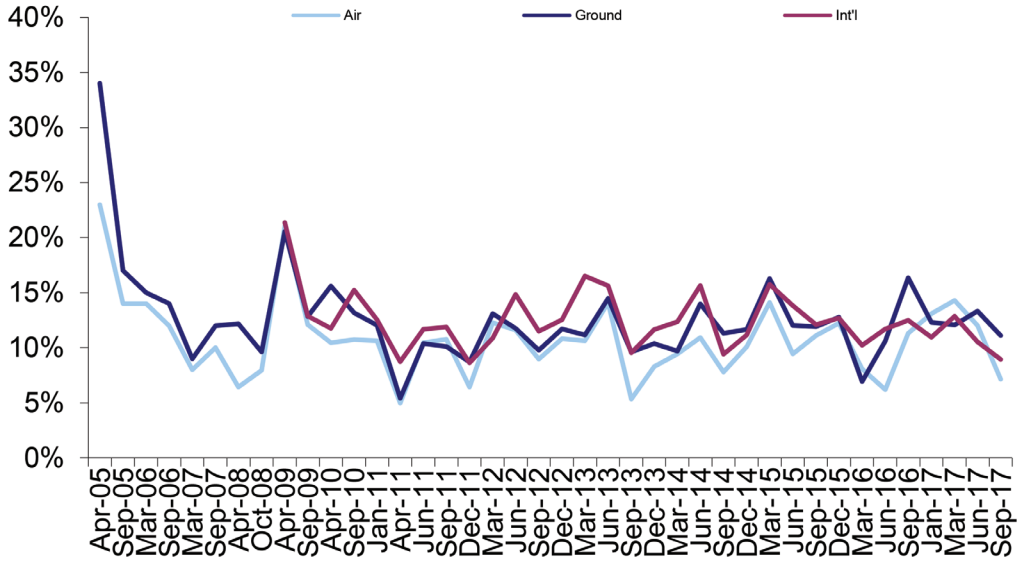
YoY Change in B2C as a Percentage of Total

The portion of respondents who think that there will be no change in the B2C arena has decreased fairly substantially compared to the June survey results.



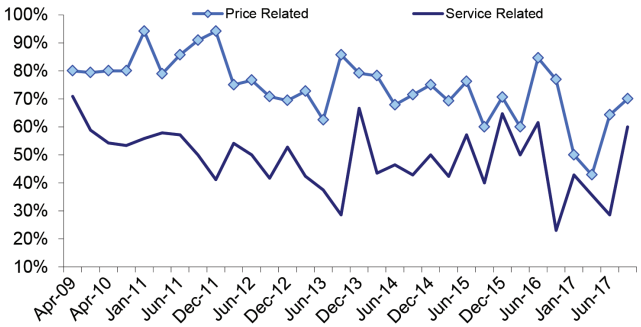
Percentage of Respondents Switching Primary Carriers Over the Past Six Months

All shipment modes have seen a decrease in the percentage of respondents switching carriers compared to the prior survey results.

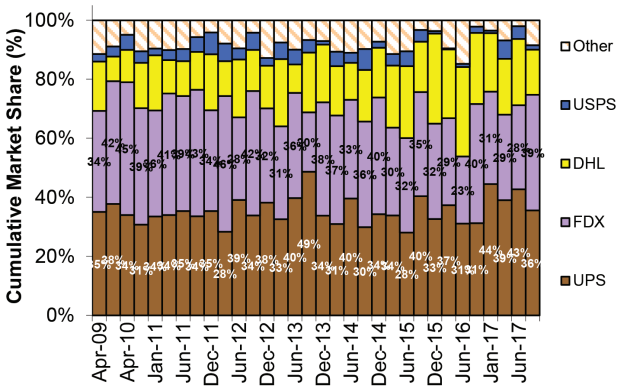


International Switching: Reasons for Switch and Primary Carrier

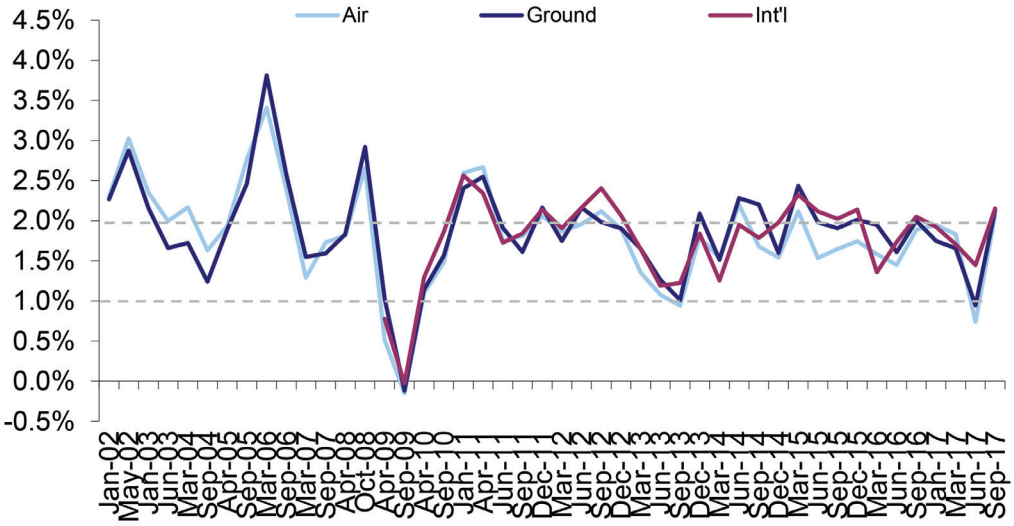
Reason for Switching Primary Carriers



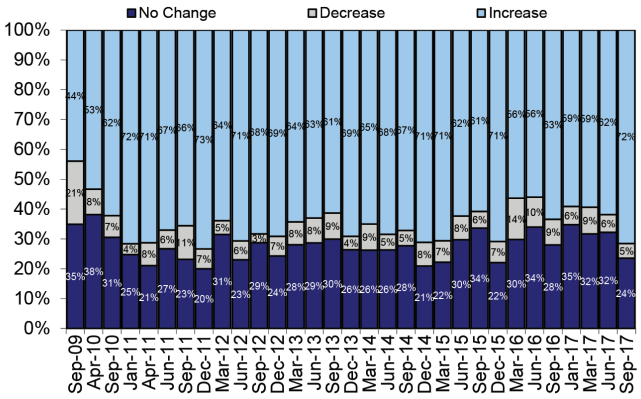
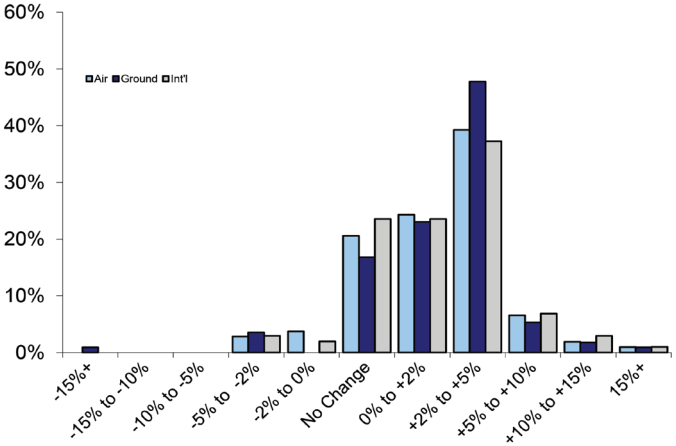
Dollar-weighted Market Share



Average Base Rate Expectations Over the Next Six Months vs. Last Year



Parcel Pricing Outlook Over the Next Six Months: Percentage of Shippers Expecting International to:



Base Rate Growth Expectations Over the Next Six Months vs. Same Period Last Year