

FEDEX CORP
Form 8-K
July 26, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

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Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): July 20, 2005

FEDEX CORPORATION

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(Exact name of registrant as specified in its charter)

Commission file number 1-15829

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Delaware
(State or other jurisdiction of
incorporation)

62-1721435
(I.R.S. Employer
Identification No.)

942 South Shady Grove Road, Memphis, Tennessee
(Address of principal executive offices)

38120
(ZIP Code)

Registrant's telephone number, including area code: **(901) 818-7500**

FEDERAL EXPRESS CORPORATION

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(Exact name of registrant as specified in its charter)

Commission file number 1-7806

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Delaware
(State or other jurisdiction of
incorporation)

71-0427007
(I.R.S. Employer
Identification No.)

3610 Hacks Cross Road, Memphis, Tennessee
(Address of principal executive offices)

38125
(ZIP Code)

Registrant's telephone number, including area code: **(901) 369-3600**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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SECTION 1. REGISTRANT'S BUSINESS AND OPERATIONS.

Item 1.01. Entry into a Material Definitive Agreement.

On July 20, 2005, FedEx Corporation (FedEx), as borrower, entered into a \$1 billion five-year credit agreement (the New Credit Agreement) with a syndicate of banks and other financial institutions (the Lenders), including JPMorgan Chase Bank, N.A., individually and as administrative agent, Bank of America, N.A., individually and as syndication agent, The Bank of Nova Scotia, Regions Bank, and The Royal Bank of Scotland PLC, each individually and as a co-documentation agent. The syndicate of Lenders was arranged by J.P. Morgan Securities Inc. and Banc of America Securities LLC, as joint lead arrangers and joint bookrunners.

The New Credit Agreement replaced and consolidated the \$750 million Five-Year Credit Agreement dated as of September 28, 2001, as amended, among FedEx, JPMorgan Chase Bank, N.A. (formerly known as The Chase Manhattan Bank), individually and as administrative agent, and certain lenders, and the \$250 million Amended and Restated 364-Day Credit Agreement dated as of September 27, 2002, as amended, among FedEx, JPMorgan Chase Bank, N.A., individually and as administrative agent, and certain lenders (together, the Terminated Agreements). The Terminated Agreements were terminated effective July 20, 2005.

The New Credit Agreement provides the terms under which the Lenders will make available to FedEx an unsecured revolving credit facility in an aggregate amount of up to \$1 billion. Borrowings under the New Credit Agreement may be used for FedEx's general corporate purposes, including commercial paper back-up and acquisitions. As of July 25, 2005, FedEx had not made any borrowings under the New Credit Agreement.

The Lenders' commitments under the New Credit Agreement will terminate on July 20, 2010, unless terminated earlier by FedEx or by the administrative agent upon an event of default. FedEx's obligations under the New Credit Agreement are guaranteed by the same FedEx subsidiaries that guarantee FedEx's outstanding public debt securities.

Loans under the New Credit Agreement will bear interest at a rate per year generally equal to, at FedEx's election, either:

the greater of (a) the administrative agent's announced prime rate, and (b) the federal funds effective rate plus 0.5%, plus the applicable margin for such loans (ABR Loans); or

the London Interbank Offered Rate (LIBOR) for the selected term, plus the applicable margin for such loans (Eurodollar Loans).

FedEx will also pay a facility fee. The applicable margin for loans and the facility fee will vary depending upon FedEx's senior unsecured non-credit-enhanced long-term debt ratings. For example, based upon FedEx's current ratings of BBB (Standard & Poor's) and Baa2 (Moody's)

Investors Service), the applicable margin for ABR Loans would be 0%, the applicable

margin for Eurodollar Loans would be 0.375%, and the facility fee is 0.125%. In addition, at any time when the loans outstanding under the New Credit Agreement exceed 50% of the aggregate commitments, FedEx will be required to pay a utilization fee of 0.125% on such outstanding loans.

The New Credit Agreement contains customary affirmative and negative covenants, including a maximum leverage ratio of 70%, as well as customary events of default.

Certain of the Lenders, as well as certain of the lenders under the Terminated Agreements, and their affiliates engage in transactions with, and perform services for, FedEx and its affiliates in the ordinary course of business and have engaged, and may in the future engage, in other commercial banking transactions and investment banking, financial advisory and other financial services transactions with FedEx and its affiliates.

The foregoing description of the New Credit Agreement is qualified in its entirety by reference to the full text of the New Credit Agreement, a copy of which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 1.02. Termination of a Material Definitive Agreement.

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 1.02.

SECTION 2. FINANCIAL INFORMATION.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

SECTION 9. FINANCIAL STATEMENTS AND EXHIBITS.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description
99.1	Five-Year Credit Agreement dated as of July 20, 2005 among FedEx Corporation, JPMorgan Chase Bank, N.A., individually and as administrative agent, and certain lenders.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned hereunto duly authorized.

FedEx Corporation

Date: July 25, 2005 By: /s/ JOHN L. MERINO
John L. Merino
Corporate Vice President and
Principal Accounting Officer

Federal Express Corporation

Date: July 25, 2005 By: /s/ JAY L. COFIELD
Jay L. Cofield
Vice President and
Worldwide Controller

EXHIBIT INDEX

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