



GENCO Healthcare Logistics: Improving Patient Outcomes Through An Enhanced Supply Chain

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GENCO at a Glance

FOUNDED IN
1898

130
OPERATIONS

300
CUSTOMERS

\$2.5B PRODUCT
LIQUIDATED ANNUALLY

11,000 TEAMMATES



Technology



Consumer



Industrial



Retail



Healthcare



FedEx Acquisition of GENCO

- The transaction was completed on January 30, 2015
- GENCO is now a subsidiary of FedEx Corporation.
- While we are part of the FedEx family of companies, GENCO is a separate operating company of FedEx.
- GENCO CEO Art Smuck reports to FedEx Ground CEO Henry Maier.
 - GENCO Healthcare Logistics is led by Vice President Kevin McPherson
- Teams from GENCO and FedEx are engaged in ongoing work to integrate and working together to identify additional opportunities for commercial synergy and customer value.



Why Is GENCO A Good Fit for FedEx?

- Strong Retail and eCommerce Solutions
- Leadership in Reverse Logistics
- Complete range of Product Lifecycle Logistics® services
- Similar corporate cultures and shared values
- Customer and prospect synergies

“ THE ACQUISITION OF GENCO
WILL TRANSFORM
OUR GLOBAL PORTFOLIO THROUGH
**THE ADDITION OF
NEW BEST-IN-CLASS
SUPPLY CHAIN
MANAGEMENT SERVICES.** ”

FREDERICK W. SMITH
CHAIRMAN AND CEO
FEDEX CORPORATION

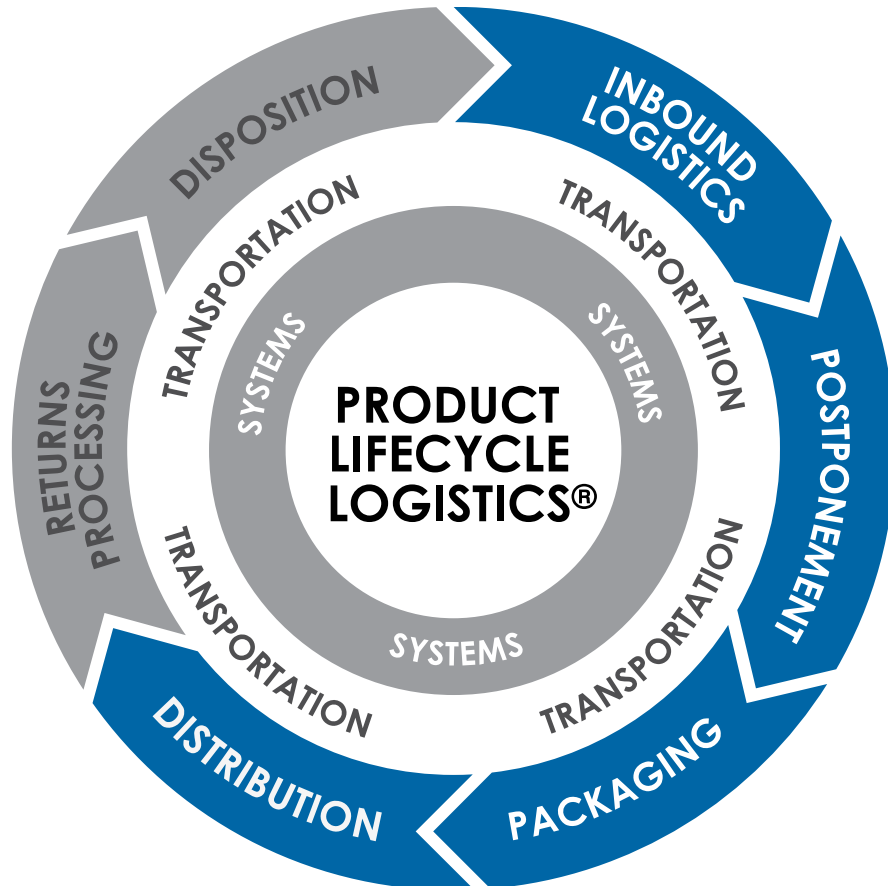


GENCO Healthcare Logistics Focus

Pharma/BioPharma



Diagnostics
& Reagents



Rx Med
Device

Implantables

CRDM/Cardiovascular • Ortho • Spine • Breast



6 of the Top 10 Healthcare Companies...

70+ CUSTOMERS

3.5 | **1,059** | **27,000**
MILLION SQUARE FEET | TEAMMATES | PHARMACIES

1 COLD CHAIN FACILITY

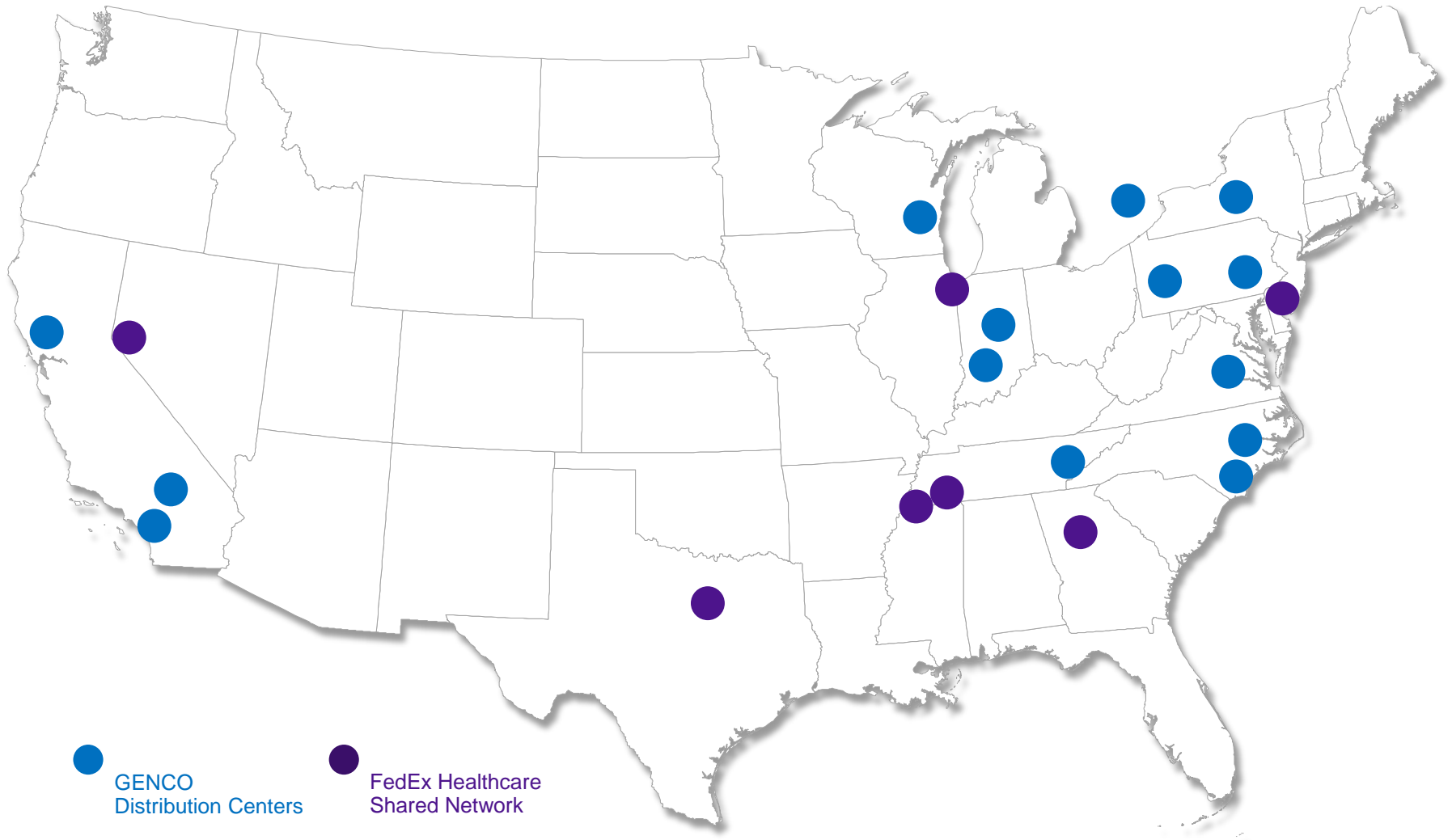
15 FACILITIES

2 MULTI-CLIENT 13 DEDICATED

...Are Focusing on **Their** Core Competencies



Healthcare Logistics Locations



GENCO 2015 Highlights – Bio-Pharma

- Cold Chain Profile
 - 75K sq. ft. 2-8C space for outbound distribution
 - 65M units of product handled
 - \$9M in supply spend
 - Corrugate, Pack-out, Sensors
- FLU Season 2015
 - 37M doses of flu handled between 2 DCs
 - 54K cases of flu shipped
 - 246% increase YOY
 - Expecting another 100% increase in 2016
 - Direct Model
- Cold Chain Samples to Sales Rep
 - 600K units shipped
 - Rep mobile refrigerated unit distribution, tracking, and calibration



FedEx® Healthcare Shared Network Key Capabilities

FedEx® Healthcare Shared Network:

Premium, day-definite, temperature-controlled delivery service to the pharmaceutical and diagnostic product industries. It incorporates a US network of six refrigerated cross-docks, 57 refrigerated trailers, and 30 refrigerated straight trucks with real-time monitoring by FedEx

- Cross-dock temperatures proactively maintained and validated to meet 2-8° C temperature band
- Temperature-validated vehicles
- Real-time track and trace capabilities, with temperature logging and historical records available
- Proactive monitoring and notifications throughout the entire transportation cycle

HSN Customer Value Proposition

HSN plays a critical role within our customers supply chain and offers significant value by:

- Eliminating the need for expensive cold chain packaging and refrigerant
- Significantly reducing labor costs – palletizing versus multiple small pack shipments sent to the same destination
- Reducing waste – high cost of disposal of Styrofoam shippers
- Improving efficiency through predictable delivery scheduled with appointment deliveries
- Effective cost controls using LTL cost per pound model
- Understanding the Pharma industry focus on quality and security
- Flexibly handling various size loads (86-10,000 lbs.)
- Providing value-add features including inside delivery, appointments, hazardous material capabilities, proactive delay notification, monthly metrics, and shipment temperature reporting (up to seven years)

Bio-Logistics: Future Challenges

- Omni Channel
- Regulatory and Quality Challenges – FDA, DQSA, UDI
- Mother Nature
- Time to Market – Commodity Vaccines (FLU), Product Launch Capabilities
- Changes in the Distributor Network
- Increasing Supply Costs
- Inventory Visibility – Supply Chain Intelligence “Control Tower”, Turn vs. Value
- Transportation – Security, Small Pack Service, TL Reefer Capacity

