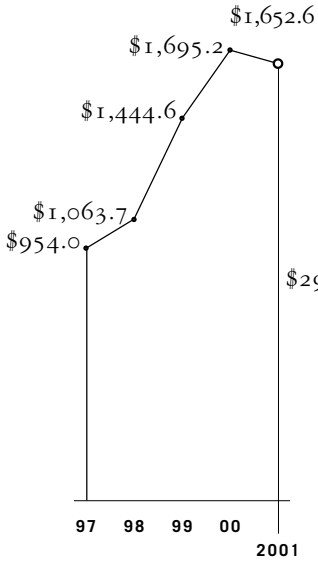


EXPD 01 RESULTS

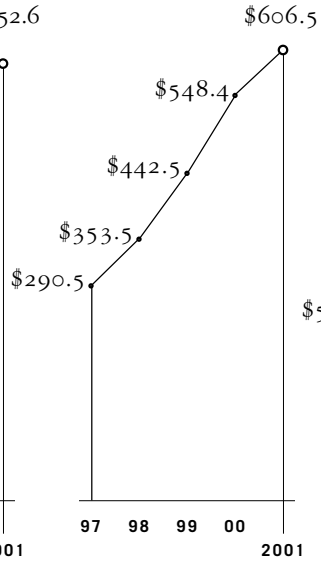
FINANCIAL CHARTS

DOLLARS IN MILLIONS 1997-2001

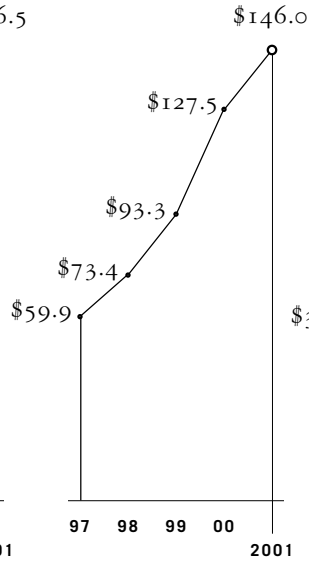
REVENUES



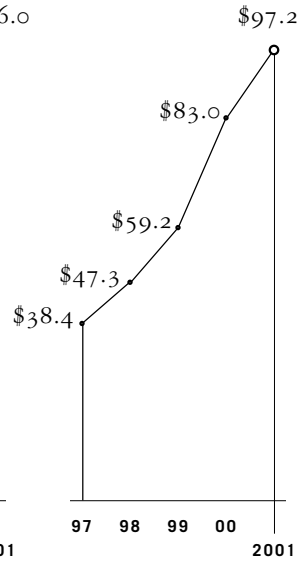
NET REVENUES



OPERATING INCOME



NET EARNINGS



FINANCIAL HIGHLIGHTS

IN THOUSANDS EXCEPT PER SHARE DATA

	2001	2000	1999	1998	1997
Revenues	\$1,652,633	1,695,181	1,444,575	1,063,707	954,002
Net earnings	97,243	83,035	59,175	47,274	38,411
Basic earnings per share	1.87	1.62	1.18	.96	.79
Diluted earnings per share	1.77	1.52	1.10	.89	.73
Cash dividends paid per share	.20	.14	.10	.07	.05
Working capital	237,443	222,829	149,633	94,601	87,252
Total assets	688,437	661,740	535,461	419,493	337,288
Shareholders' equity	414,623	361,784	282,385	217,198	171,854
Basic weighted average shares outstanding	52,080	51,153	50,137	49,234	48,858
Diluted weighted average shares outstanding	54,871	54,679	53,828	53,058	52,647

All share and per share information have been adjusted to reflect a 2-for-1 stock split effected in May, 1999.

CONSOLIDATED BALANCE SHEETS

IN THOUSANDS EXCEPT SHARE DATA

DECEMBER 31,	2001	2000
CURRENT ASSETS:		
Cash and cash equivalents	\$ 218,677	169,005
Short-term investments	57	1,884
Accounts receivable, less allowance for doubtful accounts of \$10,410 in 2001 and \$11,825 in 2000	283,414	347,114
Other	<u>9,109</u>	<u>4,782</u>
Total current assets	<u>511,257</u>	<u>522,785</u>
PROPERTY AND EQUIPMENT:		
Buildings and leasehold improvements	89,179	77,226
Furniture, fixtures, and equipment	111,585	92,277
Vehicles	<u>3,685</u>	<u>4,669</u>
	204,449	174,672
Less accumulated depreciation and amortization	<u>100,611</u>	<u>83,640</u>
	103,838	91,032
Land	<u>20,007</u>	<u>15,615</u>
Net property and equipment	123,845	106,647
Deferred Federal and state income taxes	12,156	8,830
Other assets, net	<u>41,179</u>	<u>23,478</u>
	<u>\$ 688,437</u>	<u>661,740</u>

DECEMBER 31,	2001	2000
CURRENT LIABILITIES:		
Short-term debt	\$ 1,706	4,671
Accounts payable	195,826	229,534
Accrued expenses, primarily salaries and related costs	59,843	42,801
Deferred Federal and state income taxes	7,651	5,699
Federal, state, and foreign income taxes	8,788	17,251
Total current liabilities	<u>273,814</u>	<u>299,956</u>
SHAREHOLDERS' EQUITY:		
Preferred stock, par value \$.01 per share		
Authorized 2,000,000 shares; none issued	-	-
Common stock,		
par value \$.01 per share		
Authorized 160,000,000 shares;		
issued and outstanding 51,611,854		
shares at December 31, 2001 and 51,451,163		
shares at December 31, 2000	516	515
Additional paid-in capital	16,104	37,386
Retained earnings	411,992	333,049
Accumulated other comprehensive loss	(13,989)	(9,166)
Total shareholders' equity	<u>414,623</u>	<u>361,784</u>
Commitments and contingencies		
	<u>\$ 688,437</u>	<u>661,740</u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS

IN THOUSANDS EXCEPT SHARE DATA

YEARS ENDED DECEMBER 31,	2001	2000	1999
REVENUES:			
Airfreight	\$ 930,998	1,014,375	916,832
Ocean freight and ocean services	508,482	472,853	356,205
Customs brokerage and import services	<u>213,153</u>	<u>207,953</u>	<u>171,538</u>
Total revenues	<u>1,652,633</u>	<u>1,695,181</u>	<u>1,444,575</u>
OPERATING EXPENSES:			
Airfreight consolidation	676,496	788,947	733,065
Ocean freight consolidation	369,601	357,879	269,024
Salaries and related costs	325,545	290,581	240,740
Rent and occupancy costs	36,294	29,253	26,389
Depreciation and amortization	23,544	22,481	20,819
Selling and promotion	20,163	20,231	16,896
Other	<u>54,973</u>	<u>58,285</u>	<u>44,319</u>
Total operating expenses	<u>1,506,616</u>	<u>1,567,657</u>	<u>1,351,252</u>
Operating income	<u>146,017</u>	<u>127,524</u>	<u>93,323</u>

YEARS ENDED DECEMBER 31,	2001	2000	1999
OTHER INCOME (EXPENSE):			
Interest income	9,201	6,327	2,253
Interest expense	(521)	(432)	(1,070)
Other, net	(403)	(71)	139
Other income, net	<u>8,277</u>	<u>5,824</u>	<u>1,322</u>
Earnings before income taxes	154,294	133,348	94,645
Income tax expense	<u>57,051</u>	<u>50,313</u>	<u>35,470</u>
Net earnings	<u>\$ 97,243</u>	<u>83,035</u>	<u>59,175</u>
Basic earnings per share	<u>\$ 1.87</u>	<u>1.62</u>	<u>1.18</u>
Diluted earnings per share	<u>\$ 1.77</u>	<u>1.52</u>	<u>1.10</u>
Weighted average basic shares outstanding	<u>52,079,752</u>	<u>51,152,620</u>	<u>50,137,045</u>
Weighted average diluted shares outstanding	<u>54,870,670</u>	<u>54,679,018</u>	<u>53,827,817</u>

See accompanying notes to consolidated financial statements.

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
AND COMPREHENSIVE INCOME**

IN THOUSANDS EXCEPT SHARE DATA

YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL
	SHARES	PAR VALUE				
Balance at December 31, 1998	49,363,682	\$ 494	17,273	203,050	(3,619)	217,198
Exercise of stock options	1,323,405	13	4,572	—	—	4,585
Issuance of shares under stock purchase plan	251,391	3	4,139	—	—	4,142
Shares repurchased under provisions of stock repurchase plan	(294,071)	(3)	(8,989)	—	—	(8,992)
Tax benefits from employee stock plans	—	—	12,734	—	—	12,734
Comprehensive income						
Net earnings	—	—	—	59,175	—	59,175
Foreign currency translation adjustments, net of deferred tax credit of \$770	—	—	—	—	(1,430)	(1,430)
Total comprehensive income	—	—	—	—	—	57,745
Dividends paid (\$.10 per share)	—	—	—	(5,027)	—	(5,027)
Balance at December 31, 1999	50,644,407	\$ 507	29,729	257,198	(5,049)	282,385
Exercise of stock options	855,805	9	4,833	—	—	4,842
Issuance of shares under stock purchase plan	204,018	2	5,397	—	—	5,399
Shares repurchased under provisions of stock repurchase plan	(253,067)	(3)	(11,499)	—	—	(11,502)
Tax benefits from employee stock plans	—	—	8,926	—	—	8,926
Comprehensive income						
Net earnings	—	—	—	83,035	—	83,035
Foreign currency translation adjustments, net of deferred tax credit of \$2,217	—	—	—	—	(4,117)	(4,117)
Total comprehensive income	—	—	—	—	—	78,918
Dividends paid (\$.14 per share)	—	—	—	(7,184)	—	(7,184)
Balance at December 31, 2000	51,451,163	\$ 515	37,386	333,049	(9,166)	361,784
Exercise of stock options	1,274,413	12	8,075	—	—	8,087
Issuance of shares under stock purchase plan	170,914	2	7,190	—	—	7,192
Shares repurchased under provisions of stock repurchase plans	(1,284,636)	(13)	(52,410)	(7,891)	—	(60,314)
Tax benefits from employee stock plans	—	—	15,863	—	—	15,863
Comprehensive income						
Net earnings	—	—	—	97,243	—	97,243
Foreign currency translation adjustments, net of deferred tax credit of \$2,597	—	—	—	—	(4,823)	(4,823)
Total comprehensive income	—	—	—	—	—	92,420
Dividends paid (\$.20 per share)	—	—	—	(10,409)	—	(10,409)
Balance at December 31, 2001	51,611,854	\$ 516	16,104	411,992	(13,989)	414,623

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

IN THOUSANDS

YEARS ENDED DECEMBER 31,	2001	2000	1999
OPERATING ACTIVITIES:			
Net earnings	\$ 97,243	83,035	59,175
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Provision for losses on			
accounts receivable	297	4,043	2,966
Depreciation and amortization	23,544	22,481	20,819
Deferred income tax expense	2,377	1,203	3,433
Tax benefits from employee stock plans	15,863	8,926	12,734
Amortization of cost in excess of net assets of acquired businesses	1,074	920	748
Changes in operating assets and liabilities:			
Decrease (increase) in accounts receivable	64,772	(34,399)	(81,316)
Increase (decrease) in accounts payable, accrued expenses and taxes payable	(32,774)	57,805	41,646
Other	(4,782)	10,444	(6,894)
Net cash provided by operating activities	<u>167,614</u>	<u>154,458</u>	<u>53,311</u>
INVESTING ACTIVITIES:			
Decrease (increase) in short-term investments	1,698	(818)	(750)
Purchase of property and equipment	(37,382)	(25,582)	(26,582)
Cash paid for note receivable secured by real estate	(10,208)	-	-
Other	(6,965)	(3,081)	(4,381)
Net cash used in investing activities	<u>(52,857)</u>	<u>(29,481)</u>	<u>(31,713)</u>

YEARS ENDED DECEMBER 31,	2001	2000	1999
FINANCING ACTIVITIES:			
Borrowings (repayments) of short-term debt, net	(2,632)	(14,501)	7,328
Proceeds from issuance of common stock	15,279	10,241	8,727
Repurchases of common stock	(60,314)	(11,502)	(8,992)
Dividends paid	(10,409)	(7,184)	(5,027)
Net cash (used in) provided by financing activities	(58,076)	(22,946)	2,036
Effect of exchange rate changes on cash	(7,009)	(4,209)	(1,880)
Increase in cash and cash equivalents	49,672	97,822	21,754
Cash and cash equivalents at beginning of year	169,005	71,183	49,429
Cash and cash equivalents at end of year	\$ 218,677	169,005	71,183
INTEREST AND TAXES PAID:			
Interest	\$ 524	208	989
Income taxes	41,825	19,442	19,345

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

Expeditors International of Washington, Inc. (“the Company”) is a global logistics company operating through a worldwide network of offices, international service centers and exclusive or non-exclusive agents. The Company’s customers include retailing and wholesaling, electronics, and manufacturing companies around the world. The Company grants credit upon approval to customers.

International trade is influenced by many factors, including economic and political conditions in the United States and abroad, currency exchange rates, and United States and foreign laws and policies relating to tariffs, trade restrictions, foreign investments and taxation. Periodically, governments consider a variety of changes to current tariffs and trade restrictions. The Company cannot predict which, if any, of these proposals may be adopted, nor can the Company predict the effects adoption of any such proposal will have on the Company’s business. Doing business in foreign locations also subjects the Company to a variety of risks and considerations not normally encountered by domestic enterprises. In addition to being affected by governmental policies concerning international trade, the Company’s business may also be affected by political developments and changes in government personnel or policies in the nations in which it does business.

The consolidated financial statements include the accounts of the Company and its subsidiaries. In addition, the accounts of exclusive agents have been consolidated in those circumstances where the Company maintains unilateral control over the agents’ assets and operations, notwithstanding a lack of technical majority ownership of the agents’ common stock.

All significant intercompany accounts and transactions have been eliminated in consolidation.

All dollar amounts in the notes are presented in thousands except for share data.

B. SHORT-TERM INVESTMENTS

Short-term investments are designated as available-for-sale and cost approximates market at December 31, 2001 and 2000.

C. LONG-LIVED ASSETS, DEPRECIATION AND AMORTIZATION

Property and equipment are recorded at cost and are depreciated or amortized on the straight-line method over the shorter of the assets' estimated useful lives or lease terms. Useful lives for major categories of property and equipment are as follows:

Buildings	28 to 40 years
Furniture, fixtures and equipment	3 to 5 years
Vehicles	3 to 5 years

Expenditures for maintenance, repairs, and renewals of minor items are charged to earnings as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in income for the period.

The excess of the cost over the fair value of the net assets of acquired businesses (included in other assets, net) is amortized on the straight-line method over periods up to 40 years.

In accordance with Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and for Assets to Be Disposed Of," long-lived assets (property and equipment) and certain intangible assets (excess costs over the fair value of the net assets of acquired businesses) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-term assets is measured by a comparison of the carrying amount of such assets against the undiscounted future cash flows expected to be generated by the assets. If such assets are determined to be impaired, the impairment to be recognized is measured as the amount by which the assets' carrying amounts exceeds the assets' discounted future cash flows.

In July 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, "Business Combinations" effective July 1, 2001, and SFAS No. 142, "Goodwill and Other Intangible Assets" effective for fiscal years beginning after December 15, 2001. Under the new rules, purchased goodwill and intangible assets with indefinite useful lives will no longer be amortized but will be subject to annual impairment tests in accordance with the provisions of the statements. Intangible assets with estimable useful lives will continue to be amortized over their respective useful lives, and reviewed for impairment in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Assets to Be Disposed Of". The Company will apply the new rules on accounting for goodwill and intangible assets beginning in the first quarter of 2002. Application of the non-amortization provisions of the statement is not expected to have a material effect on the Company's financial statements. The Company performed the required impairment tests of goodwill as of January 1, 2002 and determined there is no impact on the earnings and financial position of the Company.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations" which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and for the associated asset retirement costs. The standard applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction or development and/or normal use of the asset. The Company is required and plans to adopt the provisions of SFAS No. 143 beginning in the first quarter of 2003.

In October 2001, SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" was issued which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While this standard supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of", it retains many of the fundamental provisions of that standard. SFAS No. 144 also supersedes the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations – Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions", for the disposal of a segment of a business. The Company is required and plans to adopt the provisions of SFAS No. 144 beginning in the first quarter of 2002.

Management does not anticipate that adoption of SFAS No. 143 and No. 144 will result in a significant impact on the Company's consolidated financial condition or results of operations.

D. REVENUES AND REVENUE RECOGNITION

Airfreight revenues include the charges to the Company for carrying the shipments when the Company acts as a freight consolidator. Ocean freight revenues include the charges to the Company for carrying the shipments when the Company acts as a Non-Vessel Operating Common Carrier (NVOCC). Revenues realized in other capacities include only the commissions and fees earned.

Revenues related to shipments are recognized at the time the freight is tendered to a direct carrier at origin. All other revenues, including breakbulk services, local transportation, customs formalities, distribution services and logistics management, are recognized upon performance.

E. INCOME TAXES

Income taxes are accounted for under the asset and liability method of accounting. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, the tax effect of loss carryforwards and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

F. NET EARNINGS PER COMMON SHARE

Diluted earnings per share is computed using the weighted average number of common shares and dilutive potential common shares outstanding. Dilutive potential common shares represent outstanding stock options. Basic earnings per share is calculated using the weighted average of common shares outstanding without taking into consideration dilutive potential common shares outstanding.

G. FOREIGN CURRENCY

Foreign currency amounts attributable to foreign operations have been translated into U.S. Dollars using year-end exchange rates for assets and liabilities, historical rates for equity, and average annual rates for revenues and expenses. Unrealized gains or losses arising from fluctuations in the year-end exchange rates are generally recorded as components of other comprehensive income as adjustments from foreign currency translation. Currency fluctuations are a normal operating factor in the conduct of the Company's business and exchange transaction gains and losses are generally included in freight consolidation expenses.

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" established accounting standards for derivative and hedging transactions. The Statement became effective for fiscal years beginning after June 15, 2000. Adoption of this standard by the Company on January 1, 2001, had no material impact on the Company's consolidated financial statements. The Company follows a policy of accelerating international currency settlements to manage its foreign exchange exposure. Accordingly, the Company enters into foreign currency hedging transactions only in limited locations where there are regulatory or commercial limitations on the Company's ability to move money freely around the world. Such hedging activity during 2001, 2000 and 1999 was insignificant. Net foreign currency loss realized during 2001 was \$366. Net foreign currency gains realized during 2000 and 1999 were \$309 and \$196, respectively.

H. CASH EQUIVALENTS

All highly liquid investments with a maturity of three months or less at date of purchase are considered to be cash equivalents.

I. COMPREHENSIVE INCOME

Comprehensive income consists of net income and other gains and losses affecting shareholders' equity that, under generally accepted accounting principles in the United States, are excluded from net income. For the Company, these consist of foreign currency translation gains and losses, net of related income tax effects.

J. SEGMENT REPORTING

The Company is organized functionally in geographic operating segments. Accordingly, management focuses its attention on revenues, net revenues, operating income, identifiable assets, capital expenditures, depreciation and amortization and equity generated in each of these geographical areas when evaluating effectiveness of geographic management. The Company charges its subsidiaries and affiliates for services rendered in the United States on a cost recovery basis. Transactions among the Company's various offices are conducted using the same arms-length pricing methodologies the Company uses when its offices transact business with independent agents.

K. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

L. RECLASSIFICATION

Certain prior year amounts have been reclassified to conform with the 2001 presentation.

2

CREDIT ARRANGEMENTS

The majority of the Company's foreign subsidiaries maintain bank lines of credit for short-term working capital purposes. These credit lines are supported by standby letters of credit issued by a United States bank, or guarantees issued by the Company to the foreign banks issuing the credit line. Lines of credit totaling \$9,396 and \$11,054 at December 31, 2001 and 2000, respectively, bear interest at .5% to 1.5% over the foreign banks' equivalent prime rates. At December 31, 2001 and 2000, the Company was liable for \$1,706 and \$4,671, respectively, of borrowings under these lines, and at December 31, 2001 was contingently liable for approximately \$28,614 under outstanding standby letters of credit and guarantees related to these lines of credit and other obligations.

In addition, at December 31, 2001 the Company had a \$7,294 credit facility with a United Kingdom bank (U.K. facility), secured by a corporate guarantee. The Company was contingently liable under the U.K. facility at December 31, 2001 for \$7,294 used to secure customs bonds issued by foreign governments.

At December 31, 2001, the Company was in compliance with all restrictive covenants of these credit lines and the associated credit facilities, including maintenance of certain minimum asset, working capital and equity balances and ratios.

3

INCOME TAXES

Income tax expense for 2001, 2000 and 1999 includes the following components:

	FEDERAL	STATE	FOREIGN	TOTAL
2001				
Current	\$ 9,921	2,806	26,084	38,811
Deferred	<u>16,511</u>	<u>1,729</u>	<u>—</u>	<u>18,240</u>
	<u>\$ 26,432</u>	<u>4,535</u>	<u>26,084</u>	<u>57,051</u>
2000				
Current	\$ 9,717	2,802	27,665	40,184
Deferred	<u>7,975</u>	<u>2,154</u>	<u>—</u>	<u>10,129</u>
	<u>\$ 17,692</u>	<u>4,956</u>	<u>27,665</u>	<u>50,313</u>
1999				
Current	\$ 3,823	1,331	14,149	19,303
Deferred	<u>14,098</u>	<u>2,069</u>	<u>—</u>	<u>16,167</u>
	<u>\$ 17,921</u>	<u>3,400</u>	<u>14,149</u>	<u>35,470</u>

Income tax expense differs from amounts computed by applying the U.S. Federal income tax rate of 35% to earnings before income taxes as a result of the following:

	2001	2000	1999
Computed "expected" tax expense	\$ 54,003	46,672	33,126
Increase (reduction) in income taxes resulting from:			
State and local income taxes, net of Federal income tax benefit	2,948	3,221	2,210
Decrease in valuation allowance for deferred tax assets	(7)	(68)	(147)
Other, net	<u>107</u>	<u>488</u>	<u>281</u>
	<u>\$ 57,051</u>	<u>50,313</u>	<u>35,470</u>

The components of earnings before income taxes are as follows:

	2001	2000	1999
United States	\$ 46,684	34,176	30,403
Foreign	<u>107,610</u>	<u>99,172</u>	<u>64,242</u>
	<u>\$ 154,294</u>	<u>133,348</u>	<u>94,645</u>

The tax effects of temporary differences, tax credits and operating loss carryforwards that give rise to significant portions of deferred tax assets and deferred tax liabilities at December 31, 2001 and 2000 are as follows:

YEARS ENDED DECEMBER 31,	2001	2000
DEFERRED TAX ASSETS:		
Foreign tax credits related to unremitted foreign earnings	\$ 49,957	43,596
Accrued intercompany and third party charges, deductible for taxes upon economic performance (i.e. actual payment)	2,867	3,274
Foreign currency translation adjustment	7,766	5,169
Provision for doubtful accounts receivable	2,115	2,371
Excess of financial statement over tax depreciation	3,826	3,150
Other	<u>1,112</u>	<u>1,129</u>
Total gross deferred tax assets	67,643	58,689
Less valuation allowance	<u>(1)</u>	<u>(8)</u>
	<u>67,642</u>	<u>58,681</u>
DEFERRED TAX LIABILITIES:		
Unremitted foreign earnings	(55,887)	(50,476)
Other	<u>(7,250)</u>	<u>(5,074)</u>
Total gross deferred tax liabilities	\$ (63,137)	(55,550)
Net deferred tax assets	\$ 4,505	3,131
Plus current deferred tax liabilities	\$ 7,651	5,699
Noncurrent deferred tax assets	<u>\$ 12,156</u>	<u>8,830</u>

At December 31, 2001, the Company has net operating loss carryforwards for foreign income tax purposes of \$4 which are available over an indefinite period to offset future foreign taxable income.

The Company has not provided U.S. Federal income taxes on undistributed earnings of foreign subsidiaries accumulated through December 31, 1992 since the Company intends to reinvest such earnings indefinitely or to distribute them in a manner in which no significant additional taxes would be incurred. Such undistributed earnings are approximately \$41,900 and the additional Federal and state taxes payable in a hypothetical distribution of such accumulated earnings would approximate \$10,100. Since 1993, the Company has been providing for Federal and state income tax expense on foreign earnings without regard to whether such earnings will be permanently reinvested outside the United States.

4

SHAREHOLDERS' EQUITY

A. DIVIDENDS

On May 5, 1999, the Board of Directors declared a 2-for-1 stock split, effected in the form of a stock dividend of one share of common stock for every share outstanding, and increased the authorized common stock to 160,000,000 shares. The stock dividend was distributed on May 31, 1999 to shareholders of record on May 17, 1999. All share and per share information, except par value, has been adjusted for all years to reflect the stock split.

B. STOCK REPURCHASE PLANS

The Company has a Non-Discretionary Stock Repurchase Plan under which management is authorized to repurchase up to 5,000,000 shares of the Company's common stock in the open market with the proceeds received from the exercise of Employee and Director Stock Options. As of December 31, 2001, the Company had repurchased and retired 2,346,196 shares of common stock at an average price of \$20.82 per share over the period from 1994 through 2001.

In September 2001, the Board of Directors approved a Discretionary Stock Repurchase Plan to repurchase and retire 1,000,000 shares of common stock. As of October 11, 2001, all 1,000,000 shares had been repurchased and retired under the plan at an average price of \$45.12 per share. In November 2001, the Board of Directors expanded the Company's Discretionary Stock Repurchase Plan to allow for the repurchase of such shares as may be necessary to reduce the issued and outstanding stock to 50,000,000 shares of common stock. As of December 31, 2001, no shares had been repurchased under the amended discretionary plan.

C. STOCK OPTION PLANS

The Company has two stock option plans (the “1985 Plan” and the “1997 Plan”) for employees under which the Board of Directors may grant officers and key employees options to purchase common stock at prices equal to or greater than market value on the date of grant. The 1985 Plan provides for non-qualified grants at exercise prices equal to or greater than the market value on the date of grant. Outstanding options generally vest and become exercisable over periods up to five years from the date of grant and expire no more than 10 years from the date of grant. The 1997 Plan provides for qualified and non-qualified grants of options to purchase shares, limited to not more than 100,000 per person per year. Grants less than or equal to 20,000 shares in any fiscal year, are granted at or above common stock prices on the date of grant. Any 1997 Plan grants in excess of the initial 20,000 shares granted per person per year (“Excess Grants”) require an exercise price of not less than 120% of the common stock price on the date of grant. Excess Grants expire no later than 5 years from the date of grant. Excess Grants under the 1997 Plan vested completely, 3 years from the date of grant.

The Company also has a stock option plan (“Directors’ Plan”) under which non-employee directors elected at each annual meeting are granted non-qualified options to purchase 8,000 shares of common stock on the first business day of the month following the meeting.

Upon the exercise of non-qualified stock options, the Company derives a tax deduction measured by the excess of the market value over the option price at the date of exercise. The related tax benefit is credited to additional paid-in capital.

Details regarding the plans are as follows:

	UNOPTIONED SHARES			OUTSTANDING OPTIONS	
	1985 PLAN	1997 PLAN	DIRECTORS' PLAN	NUMBER OF SHARES	WEIGHTED AVERAGE PRICE PER SHARE
Balance at December 31, 1998	244,478	2,404,600	80,000	6,197,110	\$ 8.49
Options granted	(100,000)	(908,900)	(24,000)	1,032,900	\$ 31.98
Options exercised	—	—	—	(1,323,405)	\$ 3.47
Options canceled	43,750	138,000	—	(181,750)	\$ 20.04
Balance at December 31, 1999	188,228	1,633,700	56,000	5,724,855	\$ 13.47
Options granted	(95,000)	(781,250)	(32,000)	908,250	\$ 38.07
Options exercised	—	—	—	(855,805)	\$ 5.66
Options canceled	68,500	136,925	—	(205,425)	\$ 23.73
Balance at December 31, 2000	161,728	989,375	24,000	5,571,875	\$ 18.30
Options authorized	—	2,500,000	200,000	—	—
Options granted	(110,000)	(1,030,400)	(32,000)	1,172,400	\$ 50.10
Options exercised	—	—	—	(1,274,413)	\$ 6.35
Options canceled	—	135,600	—	(135,600)	\$ 33.27
Balance at December 31, 2001	51,728	2,594,575	192,000	5,334,262	\$ 27.77

The Company applies APB Opinion No. 25 and related interpretations in accounting for its stock option and its employee stock purchase rights plans. Accordingly, no compensation cost has been recognized for its fixed stock option or employee stock purchase rights plans. Had compensation cost for the Company's three stock based compensation and employee stock purchase rights plans been determined consistent with SFAS No. 123, the Company's net earnings, basic earnings per share and diluted earnings per share would have been decreased to the pro forma amounts indicated below:

	2001	2000	1999
Net earnings – as reported	\$ 97,243	83,035	59,175
Net earnings – pro forma	\$ 83,783	73,258	51,811
Basic earnings per share – as reported	\$ 1.87	1.62	1.18
Basic earnings per share – pro forma	\$ 1.63	1.44	1.05
Diluted earnings per share – as reported	\$ 1.77	1.52	1.10
Diluted earnings per share – pro forma	\$ 1.55	1.34	.97

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants:

	2001	2000	1999
Dividend yield	.38%	.48%	.23%
Volatility	51%	51%	47%
Risk-free interest rates	3.6 – 5.4%	5.1 – 6.4%	5.1 – 5.9%
Expected life (years) – stock option plans	5.2 – 8.5	5.6	5.5 – 7
Expected life (years) – stock purchase rights plan	1	1	1
Weighted average fair value of stock options granted during the year	\$ 25.36	19.61	17.55
Weighted average fair value of stock purchase rights	\$ 17.57	17.90	10.39

The following table summarizes information about fixed-price stock options outstanding at December 31, 2001:

RANGE OF EXERCISE PRICE	NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
\$ 3.19 – 7.75	1,156,115	3 years	\$ 5.42	1,156,115	\$ 5.42
\$ 12.54 – 21.94	1,286,797	5.5 years	\$ 18.12	755,847	\$ 17.07
\$ 27.50 – 32.09	888,300	7.3 years	\$ 32.00	16,000	\$ 29.25
\$ 37.90 – 47.50	850,200	8.3 years	\$ 38.05	32,000	\$ 41.38
\$ 47.90 – 63.85	1,152,850	9.3 years	\$ 50.11	32,000	\$ 63.85
\$ 3.19 – 63.85	5,334,262	6.5 years	\$ 27.77	1,991,962	\$ 11.55

D. BASIC AND DILUTED EARNINGS PER SHARE

The following table reconciles the numerator and the denominator of the basic and diluted per share computations for earnings per share in 2001, 2000 and 1999.

	NET EARNINGS	WEIGHTED AVERAGE SHARES	EARNINGS PER SHARE
2001			
Basic earnings per share	\$ 97,243	52,079,752	\$ 1.87
Effect of dilutive potential common shares	—	2,790,918	—
Diluted earnings per share	<u>\$ 97,243</u>	<u>54,870,670</u>	<u>\$ 1.77</u>
2000			
Basic earnings per share	\$ 83,035	51,152,620	\$ 1.62
Effect of dilutive potential common shares	—	3,526,398	—
Diluted earnings per share	<u>\$ 83,035</u>	<u>54,679,018</u>	<u>\$ 1.52</u>
1999			
Basic earnings per share	\$ 59,175	50,137,045	\$ 1.18
Effect of dilutive potential common shares	—	3,690,772	—
Diluted earnings per share	<u>\$ 59,175</u>	<u>53,827,817</u>	<u>\$ 1.10</u>

E. STOCK PURCHASE PLAN

The Company's 1988 Employee Stock Purchase Plan provides for 2,800,000 shares of the Company's common stock to be reserved for issuance upon exercise of purchase rights granted to employees who elect to participate through regular payroll deductions beginning August 1 of each year. The purchase rights are exercisable on July 31 of the following year at a price equal to the lesser of (1) 85% of the fair market value of the Company's stock on July 31 or (2) 85% of the fair market value of the Company's stock on the preceding August 1. At December 31, 2001, 2000 and 1999, an aggregate of 2,544,167 shares, 2,373,253 shares, and 2,169,235 shares, respectively, had been issued under the plan, and at December 31, 2001, \$4,337 had been withheld in connection with the plan year ending July 31, 2002.

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FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments, other than cash, consist primarily of cash equivalents, short-term investments, accounts receivable, short-term debt, accounts payable and accrued expenses, and stock purchase rights. The fair values of these financial instruments, excluding stock purchase rights, approximate their carrying amounts based upon market interest rates or their short-term nature. The fair value of the stock purchase rights, which have a carrying value of zero, has been determined using market prices for the related stock, and is approximately \$610 as of December 31, 2001.

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COMMITMENTS

A. LEASES

The Company occupies office and warehouse facilities under terms of operating leases expiring up to 2009. Total rent expense for 2001, 2000 and 1999 was \$24,323, \$19,390 and \$17,768, respectively. At December 31, 2001, future minimum annual lease payments under all leases are as follows:

2002	\$ 26,422
2003	19,983
2004	13,291
2005	7,979
2006	3,484
Thereafter	<u>7,149</u>
	<u>\$ 78,308</u>

B. EMPLOYEE BENEFITS

The Company has employee savings plans under which the Company provides a discretionary matching contribution. In 2001, 2000, and 1999, the Company's contributions under the plans were \$2,937, \$2,596, and \$2,663, respectively.

C. OTHER

At December 31, 2001, the Company had entered into an agreement to fund the completion of a third-party distribution center, for which the Company would be the exclusive tenant under a lease with a minimum term of 5 years and an option to renew for an additional 5 year period ending October 2011. The Company had funded \$10,200 of a total \$15,300 commitment at December 31, 2001. The Company's requirement to pay the remainder of this commitment is contingent upon the performance of specific services on the part of the developer.

The amounts outstanding under this commitment will be accounted for as a long-term (10 year) note receivable, bearing interest at 6%. The note provides for monthly interest-only payments until October 2011 when the outstanding balance is due.

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CONTINGENCIES

The Company is ordinarily involved in claims and lawsuits which arise in the normal course of business, none of which currently, in management's opinion, will have a significant effect on the Company's financial condition.

8

BUSINESS SEGMENT INFORMATION

Financial information regarding the Company's 2001, 2000, and 1999 operations by geographic area are as follows:

	UNITED STATES	OTHER NORTH AMERICA	FAR EAST	EUROPE	AUSTRALIA / NEW ZEALAND	LATIN AMERICA	MIDDLE EAST	ELIMINATIONS	CONSOLIDATED
2001									
Revenues from unaffiliated customers	\$ 413,706	41,830	862,435	226,309	13,554	20,974	73,825	—	1,652,633
Transfers between geographic areas	22,222	1,573	5,747	9,672	3,406	3,073	2,920	(48,613)	—
Total revenues	\$ 435,928	43,403	868,182	235,981	16,960	24,047	76,745	(48,613)	1,652,633
Net revenues	\$ 250,472	29,121	174,259	106,824	11,465	10,330	24,065	—	606,536
Operating income (loss)	\$ 41,466	4,506	70,546	19,793	2,555	(197)	7,348	—	146,017
Identifiable assets at year end	\$ 403,550	21,244	112,627	118,170	11,101	8,027	20,412	(6,694)	688,437
Capital expenditures	\$ 12,194	1,486	2,717	17,009	654	1,087	2,235	—	37,382
Depreciation and amortization	\$ 13,264	1,416	3,381	3,290	527	663	1,003	—	23,544
Equity	\$ 414,623	5,303	96,664	31,031	8,369	334	7,971	(149,672)	414,623
2000									
Revenues from unaffiliated customers	\$ 434,136	35,315	922,057	210,294	13,740	14,060	65,579	—	1,695,181
Transfers between geographic areas	22,437	1,255	3,866	9,649	3,235	2,772	3,025	(46,239)	—
Total revenues	\$ 456,573	36,570	925,923	219,943	16,975	16,832	68,604	(46,239)	1,695,181
Net revenues	\$ 241,844	24,172	138,671	103,725	11,289	8,331	20,323	—	548,355
Operating income	\$ 38,569	3,210	53,595	23,682	2,321	1,422	4,725	—	127,524
Identifiable assets at year end	\$ 352,737	21,215	119,056	115,631	11,040	9,531	19,676	12,854	661,740
Capital expenditures	\$ 13,075	1,925	3,591	3,876	550	1,037	1,528	—	25,582
Depreciation and amortization	\$ 12,529	1,106	3,712	3,187	542	342	1,063	—	22,481
Equity	\$ 361,784	4,582	98,713	31,371	7,117	897	5,997	(148,677)	361,784
1999									
Revenues from unaffiliated customers	\$ 358,454	21,407	821,977	175,794	12,995	8,224	45,724	—	1,444,575
Transfers between geographic areas	18,150	1,049	3,347	7,364	3,227	2,001	1,950	(37,088)	—
Total revenues	\$ 376,604	22,456	825,324	183,158	16,222	10,225	47,674	(37,088)	1,444,575
Net revenues	\$ 206,198	14,699	101,790	89,043	10,974	4,983	14,799	—	442,486
Operating income	\$ 29,647	2,279	38,879	17,535	2,127	442	2,414	—	93,323
Identifiable assets at year end	\$ 273,391	14,280	94,652	98,030	9,183	7,587	17,288	21,050	535,461
Capital expenditures	\$ 14,109	1,347	3,740	3,733	693	272	2,688	—	26,582
Depreciation and amortization	\$ 11,511	618	3,429	3,302	614	251	1,094	—	20,819
Equity	\$ 282,385	2,814	81,956	24,888	6,558	(179)	2,931	(118,968)	282,385

The Company charges its subsidiaries and affiliates for services rendered in the United States on a cost recovery basis.

No single country outside the United States represented more than 10% of the Company's total revenue in any period presented with the exception of Hong Kong which represented 12%, 14% and 19% and Taiwan which represented 12%, 13% and 13% in 2001, 2000 and 1999, respectively. No single country outside of the United States represented more than 10% of the Company's total identifiable assets in any period presented.

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QUARTERLY RESULTS (UNAUDITED)

	1ST	2ND	3RD	4TH
2001				
Revenues	\$ 405,281	390,679	427,088	429,585
Net revenues	145,686	147,767	157,819	155,264
Net earnings	21,158	21,599	27,369	27,117
Basic earnings per share	.41	.41	.52	.53
Diluted earnings per share	.38	.39	.50	.50
2000				
Revenues	\$ 349,044	404,496	475,363	466,278
Net revenues	115,472	128,114	151,325	153,444
Net earnings	13,356	18,099	25,642	25,938
Basic earnings per share	.26	.35	.50	.50
Diluted earnings per share	.25	.33	.47	.47

Net revenues are determined by deducting freight consolidation costs from total revenues. The sum of quarterly per share data may not equal the per share total reported for the year.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Expeditors International of Washington, Inc.:

We have audited the consolidated balance sheets of Expeditors International of Washington, Inc. and subsidiaries as of December 31, 2001 and 2000, and related consolidated statements of earnings, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Expeditors International of Washington, Inc. and subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

Seattle, Washington
March 1, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Expeditors International of Washington, Inc. is engaged in the business of global logistics management, including international freight forwarding and consolidation, for both air and ocean freight. The Company acts as a customs broker in all domestic offices, and in many of its international offices. The Company also provides additional services for its customers including value added distribution, purchase order management, vendor consolidation and other logistics solutions. The Company offers domestic forwarding services only in conjunction with international shipments. The Company does not compete for overnight courier or small parcel business. The Company does not own or operate aircraft or steamships.

International trade is influenced by many factors, including economic and political conditions in the United States and abroad, currency exchange rates, and United States and foreign laws and policies relating to tariffs, trade restrictions, foreign investments and taxation. Periodically, governments consider a variety of changes to current tariffs and trade restrictions. The Company cannot predict which, if any, of these proposals may be adopted, nor can the Company predict the effects adoption of any such proposal will have on the Company's business. Doing business in foreign locations also subjects the Company to a variety of risks and considerations not normally encountered by domestic enterprises. In addition to being affected by governmental policies concerning international trade, the Company's business may also be affected by political developments and changes in government personnel or policies in the nations in which it does business.

The Company's ability to provide services to its customers is highly dependent on good working relationships with a variety of entities including airlines, ocean steamship lines, and governmental agencies. The Company considers its current working relationships with these entities to be satisfactory. However, changes in space allotments available from carriers, governmental deregulation efforts, "modernization" of the regulations governing customs brokerage, and/or changes in governmental quota restrictions could affect the Company's business in unpredictable ways.

Historically, the Company's operating results have been subject to a seasonal trend when measured on a quarterly basis. The first quarter has traditionally been the weakest and the third and fourth quarters have traditionally been the strongest. This pattern is the result of, or is influenced by, numerous factors including climate, national holidays, consumer demand, economic conditions and a myriad of other similar and subtle forces. In addition, this historical quarterly trend has been influenced by the growth and diversification of the Company's international network and service offerings. The Company cannot accurately forecast many of these factors nor can the Company estimate accurately the relative influence of any particular factor and, as a result, there can be no assurance that historical patterns, if any, will continue in future periods.

A significant portion of the Company's revenues are derived from customers in retail industries whose shipping patterns are tied closely to consumer demand, and from customers in industries whose shipping patterns are dependent upon just-in-time production schedules. Therefore, the timing of the Company's revenues are, to a large degree, impacted by factors out of the Company's control, such as a sudden change in consumer demand for retail goods and/or manufacturing production delays. Additionally, many customers ship a significant portion of their goods at or near the end of a quarter, and therefore, the Company may not learn of a shortfall in revenues until late in a quarter. To the extent that a shortfall in revenues or earnings was not expected by securities analysts, any such shortfall from levels predicted by securities analysts could have an immediate and adverse effect on the trading price of the Company's stock.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management believes that the nature of the Company's business is such that there are few, if any, complex challenges in accounting for operations. While judgments and estimates are a necessary component of any system of accounting, the Company's use of estimates is limited primarily to the areas of accounts receivable valuation, the useful lives of long-term assets and the accrual of costs related to ancillary services the Company provides – areas that in the aggregate are not a major component of the Company's statement of earnings. Management believes that the methods utilized in all of these areas are non-aggressive in approach and consistent in application. Management believes that there are limited, if any, alternative accounting principles or methods which could be applied to the Company's transactions. While the use of estimates means that actual future results may be different from those contemplated by the estimates, the Company believes that alternative principles and methods used for making such estimates would not produce materially different results than those reported.

RESULTS OF OPERATIONS

The following table shows the consolidated net revenues (revenues less transportation expenses) attributable to the Company's principal services and the Company's expenses for 2001, 2000 and 1999, expressed as percentages of net revenues. With respect to the Company's services other than freight consolidation, net revenues are identical to revenues. Management believes that net revenues are a better measure than total revenues of the relative importance of the Company's principal services since total revenues earned by the Company as a freight consolidator include the carriers' charges to the Company for carrying the shipment whereas revenues earned by the Company in its other capacities include only the commissions and fees actually earned by the Company.

IN THOUSANDS	2001		2000		1999	
	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES	AMOUNT	PERCENT OF NET REVENUES
NET REVENUES:						
Airfreight	\$254,502	42%	225,428	41%	183,767	41%
Ocean freight and ocean services	138,881	23	114,974	21	87,181	20
Customs brokerage and import services	213,153	35	207,953	38	171,538	39
Net revenues	<u>606,536</u>	<u>100</u>	<u>548,355</u>	<u>100</u>	<u>442,486</u>	<u>100</u>
OPERATING EXPENSES:						
Salaries and related costs	325,545	54	290,581	53	240,740	54
Other	<u>134,974</u>	<u>22</u>	<u>130,250</u>	<u>24</u>	<u>108,423</u>	<u>25</u>
Total operating expenses	<u>460,519</u>	<u>76</u>	<u>420,831</u>	<u>77</u>	<u>349,163</u>	<u>79</u>
Operating income	146,017	24	127,524	23	93,323	21
Other income, net	<u>8,277</u>	<u>1</u>	<u>5,824</u>	<u>1</u>	<u>1,322</u>	<u>0</u>
Earnings before income taxes	154,294	25	133,348	24	94,645	21
Income tax expense	<u>57,051</u>	<u>9</u>	<u>50,313</u>	<u>9</u>	<u>35,470</u>	<u>8</u>
Net earnings	<u>\$ 97,243</u>	<u>16%</u>	<u>83,035</u>	<u>15%</u>	<u>59,175</u>	<u>13%</u>

2001 COMPARED WITH 2000

Airfreight net revenues in 2001 increased 13% compared with 2000 primarily due to the Company's ability to expand airfreight margins despite the lower airfreight tonnages, experienced in 2001 compared with 2000. Airfreight margins expanded approximately 5% during 2001 as compared with 2000 despite a 9% drop in worldwide airfreight tonnage in 2001. Efficient consolidations of dense and fluffy (volumetric) freight allowed the Company to optimize purchased transportation costs while still offering competitive rates to customers. The Company's North American export airfreight net revenues increased 4% in 2001 compared to 2000. Airfreight net revenues from the Far East and from Europe increased 24% and 5%, respectively, for 2001 compared with 2000. Airfreight rates on Far East to North American trade lanes, the Company's most dominant lane, remained strong throughout 2001.

Ocean freight and ocean services net revenues increased 21% in 2001 compared to 2000. Ocean freight demand remained strong throughout 2001 and ocean freight rates from the Far East, the Company's largest trade lane, increased in the last half of the year. During 2001, management continued to expand market share, increase ocean tonnage, and increase net ocean freight revenues while offering competitive market rates to customers. Changes in the regulatory environment in the United States created new opportunities for the Company's NVOCC operations to provide services to customers who had previously dealt directly with the ocean carriers. Margins increased 3% in 2001 as compared with 2000 reflecting the Company's ability to offer competitive rates to customers at the retail level, while leveraging freight volumes to obtain favorable rates from carriers at the wholesale level. Expeditors Cargo Management Systems (ECMS), a PC-based ocean freight consolidation management and purchase order tracking service, continued to be instrumental in attracting new business. The Company's North American export ocean freight net revenues increased 10% in 2001 compared to 2000. This increase was a result of the Company handling more ocean shipments moving from North America to the Far East and, to a lesser extent, from North America to Europe. Ocean freight net revenues from the Far East and from Europe increased 23% and 30%, respectively, for 2001 compared with 2000.

Customs brokerage and import services revenues increased 3% in 2001 as compared with 2000 as a result of (1) the Company's growing reputation for providing high quality service, (2) consolidation within the customs brokerage market as customers seek out customs brokers with more sophisticated computerized capabilities critical to an overall logistics management program, and (3) the growing importance of distribution services as a separate and distinct service offered to existing and potential customers. Distribution services accounted for nearly 36% of the increase in customs brokerage and import services revenues for 2001 compared with 2000.

Salaries and related costs increased in 2001 compared to 2000 as a result of (1) the Company's increased hiring of sales, operations, and administrative personnel in existing and new offices to accommodate increases in business activity and (2) increased compensation levels. Salaries and related costs increased 1% as a percentage of net revenues. The relatively consistent relationship between salaries and net revenues is the result of a compensation philosophy that has been maintained since the inception of the Company: offer a modest base salary and the opportunity to share in a fixed and determinable percentage of the operating profit of the business unit controlled by each key employee. Using this compensation model, changes in individual compensation will occur in proportion to changes in Company profits. Management believes that the growth in revenues, net revenues and net earnings for 2001 are a result of the incentives inherent in the Company's compensation program.

Other operating expenses increased in 2001 as compared with 2000 as rent expense, communications expense, quality and training expenses, and other costs expanded to accommodate the Company's growing operations. Other operating expenses as a percentage of net revenues decreased 2% in 2001 as compared with 2000. Management believes that this decrease was significant as it reflects the successful achievement of cost containment objectives initiated at the branch level. The ability to sustain these savings into future periods is contingent upon branch level management's ability to adhere to these objectives.

Other income, net, increased in 2001 as compared to 2000 primarily due to interest income earned on higher cash balances and short-term investments in 2001. Management attributes higher cash balances, in large part, to the success of cash management and billing improvement initiatives.

The Company pays income taxes in the United States and other jurisdictions, as well as other taxes which are typically included in costs of operations. The Company's consolidated effective income tax rate in 2001 was 37%, down marginally from the 37.7% rate experienced in the prior year. The .7% decrease was caused primarily by a reduction in state tax expense required to be paid by the Company.

2000 COMPARED WITH 1999

Airfreight net revenues in 2000 increased 23% compared with 1999 primarily due to (1) increased airfreight shipments and tonnages handled by the Company from the Far East to North America and Europe, (2) increased prices charged by the airlines which were passed along to customers, and (3) increased export airfreight shipments and tonnages from North America and Europe. Airfreight margins expanded approximately 2% during 2000 as compared with 1999. Higher freight volumes and efficient consolidations of dense and fluffy (volumetric) freight allowed the Company to optimize purchased transportation costs while still offering competitive rates to customers. The Company's North American export airfreight net revenues increased 21% in 2000 compared to 1999. Airfreight net revenues from the Far East and from Europe increased 31% and 9%, respectively, for 2000 compared with 1999. Airfreight rates on Far East to North American trade lanes, the Company's most dominant lane, remained strong throughout 2000.

Ocean freight and ocean services net revenues increased 32% in 2000 compared to 1999. Ocean freight demand remained strong throughout 2000 and ocean freight rates from the Far East, the Company's largest trade lane, increased in the last half of the year. During 2000, management continued to expand market share, increase ocean tonnage, and increase net ocean freight revenues while offering competitive market rates to customers. Changes in the regulatory environment in the United States created new opportunities for the Company's NVOCC operations to provide services to customers who had previously dealt directly with the ocean carriers. Margins remained nearly constant in 2000 as compared with 1999. ECMS continued to be instrumental in attracting new business. The Company's North American export ocean freight net revenues increased 26% in 2000 compared to 1999. This increase was a result of the Company handling more ocean shipments moving from North America to the Far East and, to a lesser extent, from North America to Europe. Ocean freight net revenues from the Far East and from Europe increased 38% and 26%, respectively, for 2000 compared with 1999.

Customs brokerage and import services revenues increased 21% in 2000 as compared with 1999 as a result of (1) the Company's growing reputation for providing high quality service, (2) consolidation within the customs brokerage market as customers seek out customs brokers with more sophisticated computerized capabilities critical to an overall logistics management program, and (3) the growing importance of distribution services as a separate and distinct service offered to existing and potential customers. Distribution services accounted for nearly 22% of the increase in customs brokerage and import services revenues for 2000 compared with 1999.

Salaries and related costs increased in 2000 compared to 1999 as a result of (1) the Company's increased hiring of sales, operations, and administrative personnel in existing and new offices to accommodate increases in business activity and (2) increased compensation levels. Salaries and related costs decreased 1% as a percentage of net revenues. Management believes that this decrease is due to the Company's ability to service larger freight volumes with a relatively smaller group of people. Management attributes this to technological enhancement and operational process improvement initiatives. The relatively consistent relationship between salaries and net revenues is the result of a compensation philosophy that has been maintained since the inception of the Company: offer a modest base salary and the opportunity to share in a fixed and determinable percentage of the operating profit of the business unit controlled by each key employee. Using this compensation model, changes in individual compensation will occur in proportion to changes in Company profits. Management believes that the growth in revenues, net revenues and net earnings for 2000 are a result of the incentives inherent in the Company's compensation program.

Other operating expenses increased in 2000 as compared with 1999 as rent expense, communications expense, quality and training expenses, and other costs expanded to accommodate the Company's growing operations. Other operating expenses as a percentage of net revenues decreased 1% in 2000 as compared with 1999.

Other income, net, increased in 2000 as compared to 1999 primarily due to interest income earned on higher cash balances and short-term investments in 2000. Management attributes higher cash balances, in large part, to the success of cash management and billing improvement initiatives.

The Company pays income taxes in the United States and other jurisdictions, as well as other taxes which are typically included in costs of operations. The Company's consolidated effective income tax rate remained relatively constant in 2000 at 37.7%.

CURRENCY AND OTHER RISK FACTORS

International air/ocean freight forwarding and customs brokerage are intensively competitive and are expected to remain so for the foreseeable future. There are a large number of entities competing in the international logistics industry; however, the Company's primary competition is confined to a relatively small number of companies within this group. While there is currently a marked trend within the industry toward consolidation into large firms with multinational offices and agency networks, regional and local broker/forwarders remain a competitive force.

Historically, the primary competitive factors in the international logistics industry have been price and quality of service, including reliability, responsiveness, expertise, convenience, and scope of operations. The Company emphasizes quality service and believes that its prices are competitive with those of others in the industry. Customers have exhibited a trend towards more sophisticated and efficient procedures for the management of the logistics supply chain by embracing strategies such as just-in-time inventory management. Accordingly, sophisticated computerized customer service capabilities and a stable worldwide network have become significant factors in attracting and retaining customers.

Developing these systems and a worldwide network has added a considerable indirect cost to the services provided to customers. Smaller and middle-tier competitors, in general, do not have the resources available to develop customized systems and a worldwide network. As a result, there is a significant amount of consolidation currently taking place in the industry. Management expects that this trend toward consolidation will continue for the short- to medium-term.

The nature of the Company's worldwide operations necessitates the Company dealing with a multitude of currencies other than the U.S. Dollar. This results in the Company being exposed to the inherent risks of the international currency markets and governmental interference. Some of the countries where the Company maintains offices and/or agency relationships have strict currency control regulations which influence the Company's ability to hedge foreign currency exposure. The Company tries to compensate for these exposures by accelerating international currency settlements among its offices or agents. The Company enters into foreign currency hedging transactions only in limited locations where there are regulatory or commercial limitations on the Company's ability to move money freely around the world or the short-term financial outlook in any country is such that hedging is the most time-sensitive way to avoid short-term exchange losses. Any such hedging activity during 2001, 2000 and 1999 was insignificant. Net foreign currency losses realized in 2001 were \$366,000. Net foreign currency gains realized during 2000 and 1999 were \$309,000 and \$196,000, respectively. The current year losses were recognized primarily as a result of intercompany obligations with the Company's subsidiaries in Brazil, Taiwan, Indonesia and Turkey.

The Company has traditionally generated revenues from airfreight, ocean freight and customs brokerage and import services. In light of the customer-driven trend to provide customer rates on a door-to-door basis, management foresees the potential, in the medium-to long-term, for fees normally associated with customs house brokerage to be de-emphasized and included as a component of other services offered by the Company.

On January 1, 1999, eleven of fifteen member countries of the European Union, later joined by Greece in January 2001, established fixed conversion rates between their existing currencies (“legacy currencies”) and a new common currency - the Euro. The Euro trades on currency exchanges and may be used in business transactions. The conversion to the Euro eliminates currency exchange rate risk between the member countries. Beginning in January 2002, new Euro-denominated bills and coins were issued and legacy currencies began to be withdrawn from circulation. The Company has worked diligently to address the issues raised by the Euro currency conversion including the need to adapt computer systems and business processes to accommodate Euro-denominated transactions. The conversion costs were not material. Due to numerous uncertainties, the Company is evaluating the effects one common European currency will have on pricing. The Company is unable to predict the resulting impact, if any, on the Company’s consolidated financial statements. The Company has not experienced any significant disruption as a result of this phased conversion.

SOURCES OF GROWTH

Historically, growth through aggressive acquisition has proven to be a challenge for many of the Company’s competitors and typically involves the purchase of significant “goodwill”, the value of which can be realized in large measure only by retaining the customers and profit margins of the acquired business. As a result, the Company has pursued a strategy emphasizing organic growth supplemented by certain strategic acquisitions, where future economic benefit significantly exceeds the “goodwill” recorded in the transaction.

OFFICE ADDITIONS

The Company opened 7 start-up offices and one office through an acquisition during 2001. The office added through an acquisition is followed by an asterisk.

EUROPE	SOUTH AMERICA	AFRICA	NORTH AMERICA
UNITED KINGDOM: Belfast, Northern Ireland Bristol, England	BRAZIL: Curitiba	MADAGASCAR: Antananarivo	USA: Nashville, Tennessee
GERMANY: Nuremberg	VENEZUELA: Caracas*		
SWITZERLAND: Chiasso			

INTERNAL GROWTH

Management believes that a comparison of “same store” growth is critical in the evaluation of the quality and extent of the Company’s internally generated growth. This “same store” analysis isolates the financial contributions from offices that have been included in the Company’s operating results for at least one full year. The table below presents “same store” comparisons on a year-over-year basis for the years ended December 31, 2001, 2000 and 1999.

Same store comparisons for the years ended December 31,

	2001	2000	1999
Net revenues	7%	23%	22%
Operating income	13%	36%	24%

LIQUIDITY AND CAPITAL RESOURCES

The Company’s principal source of liquidity is cash generated from operating activities. Net cash provided by operating activities for the year ended December 31, 2001 was approximately \$168 million, as compared with \$154 million for 2000. This \$14 million increase is principally due to increased net earnings, decreased accounts receivable and increased accounts payable, accrued expenses and taxes payable.

The Company’s business is subject to seasonal fluctuations. Cash flow fluctuates as a result of this seasonality. Historically, the first quarter shows an excess of customer collections over customer billings. This results in positive cash flow. The increased activity associated with peak season (typically commencing late second or early third quarter) causes an excess of customer billings over customer collections. This cyclical growth in customer receivables consumes available cash. In the past, the Company has utilized short-term borrowings to satisfy normal operating expenditures when temporary cash outflows exceed cash inflows. These short-term borrowings have been repaid when the trend reverses and customer collections exceed customer billings. During 2001, short-term borrowings were not required in the United States; the market where cash flow pressures are most intense due to funds advanced in association with customs brokerage activity.

As a customs broker, the Company can make significant 5-10 business day cash advances for the payment of duties and freight. These advances are made as an accommodation for a select group of credit-worthy customers. Cash advances are a “pass through” and are not recorded as a component of revenue and expense, but are accounted for as a direct increase in accounts receivable and accounts payable. As a result of these “pass through” billings, the conventional Days Sales Outstanding or DSO calculation does not directly measure collection efficiency.

Cash used in investing activities for the year ended December 31, 2001 was \$53 million, as compared with \$29 million during the same period of 2000. The largest use of cash in investing activities is cash paid for capital expenditures. For the year ended December 31, 2001, the Company made capital expenditures of \$37 million as compared with \$26 million for the same period in 2000. Capital expenditures in 2001 and in 2000 related primarily to investments in technology and office furniture and equipment.

Cash used in financing activities for the year ended December 31, 2001 was \$58 million as compared with cash used in financing activities of \$23 million for the same period in 2000. In 2001, the Company paid down \$3 million on short-term debt, as compared with \$15 million for the same period of 2000. The Company uses the proceeds from stock option exercises to repurchase the Company’s stock on the open market. The differences shown at year end of 2000 and 1999 between proceeds from the issuance of common stock and the amounts paid to repurchase common stock represent a timing difference in the receipt of proceeds and the subsequent repurchase of outstanding shares. During the third quarter of 2001, the Board of Directors authorized management to repurchase 1,000,000 shares of the Company’s common stock. The difference shown at the end of 2001 between proceeds from the issuance of common stock and the amounts paid to repurchase common stock is primarily due to the repurchase of stock under the discretionary plan authorized by the Board of Directors in September 2001. The repurchase of all 1,000,000 shares was completed on October 11, 2001 at an average price of \$45.12 per share. In November 2001, the Board of Directors expanded the Company’s Discretionary Stock Repurchase Program to allow for the repurchase of such shares as may be necessary to reduce the issued and outstanding stock to 50,000,000 shares of common stock. As of December 31, 2001, no shares had been repurchased under the amended discretionary plan.

At December 31, 2001, working capital was \$237 million, including cash and short-term investments of \$219 million. The Company had no long-term debt at December 31, 2001. While the nature of its business does not require an extensive investment in property and equipment, the Company cannot eliminate the possibility that it could acquire an equity interest in property in certain geographic locations. The Company currently expects to spend approximately \$40 million on property and equipment in 2002. In addition to normal capital expenditures for leasehold improvements, warehouse equipment, computer hardware and furniture and fixtures, this total includes estimates for a building project in Egypt. The Company expects to finance capital expenditures in 2002, with cash.

The Company borrows internationally under unsecured bank lines of credit. The international bank lines of credit totaled \$9.4 million. In addition, the Company maintains a bank facility with its U.K. bank for \$7.3 million. At December 31, 2001, the Company was directly liable for \$1.7 million drawn on these lines of credit and was contingently liable for an additional \$28.6 million from standby letters of credit and guarantees related to those lines of credit and other obligations.

At December 31, 2001, the Company's contractual obligations and other commitments are as follows:

IN THOUSANDS	TOTAL	PAYMENTS DUE BY PERIOD			
		LESS THAN 1 YEAR	1 - 3 YEARS	4 - 5 YEARS	AFTER 5 YEARS
CONTRACTUAL OBLIGATIONS					
Operating Leases	\$ 78,308	26,422	33,274	11,463	7,149
Unconditional Purchase Obligations	518	518	—	—	—
Other Obligations (See Note 6C.)	5,100	5,100	—	—	—
Total Contractual Cash Obligations	\$ 83,926	32,040	33,274	11,463	7,149

IN THOUSANDS	TOTAL AMOUNTS COMMITTED	AMOUNT OF COMMITMENT EXPIRATION PER PERIOD			
		LESS THAN 1 YEAR	1 - 3 YEARS	4 - 5 YEARS	AFTER 5 YEARS
OTHER COMMITMENTS					
Lines of Credit	\$ 9,396	9,396	—	—	—
Credit Facility	7,294	7,294	—	—	—
Standby Letters of Credit Guarantees	26,563	26,483	80	—	—
	2,051	—	—	—	2,051
Total Commitments	\$ 45,304	43,173	80	—	2,051

The Company has a Non-Discretionary Stock Repurchase Plan to repurchase shares from the proceeds of stock option exercises. As of December 31, 2001, the Company had repurchased and retired 2,346,196 shares of common stock at an average price of \$20.82 per share over the period from 1994 through 2001.

The Company also has a Discretionary Stock Repurchase Plan under which it retired 1,000,000 shares of common stock as of October 11, 2001, at an average price of \$45.12 per share. In November 2001, this plan was expanded to allow for the repurchase of such shares as may be necessary to reduce the issued and outstanding stock to 50,000,000 shares of common stock. As of December 31, 2001, no shares had been repurchased under the amended discretionary plan.

Management believes that the Company's current cash position, bank financing arrangements, and operating cash flows will be sufficient to meet its capital and liquidity requirements for the foreseeable future.

In some cases, the Company's ability to repatriate funds from foreign operations may be subject to foreign exchange controls. At December 31, 2001, cash and cash equivalent balances of \$96 million were held by the Company's non-U.S. subsidiaries, of which \$35 million was held in banks in the United States. In addition, certain undistributed earnings of the Company's subsidiaries accumulated through December 31, 1992 would, under most circumstances, be subject to some additional United States income tax if distributed to the Company. The Company has not provided for this additional tax because the Company intends to reinvest such earnings to fund the expansion of its foreign activities, or to distribute them in a manner in which no significant additional taxes would be incurred.

IMPACT OF INFLATION

To date, the Company's business has not been adversely affected by inflation, nor has the Company experienced significant difficulty in passing carrier rate increases on to its customers by means of price increases. Direct carrier rate increases could occur over the short-to medium-term period. Due to the high degree of competition in the market place, these rate increases might lead to an erosion in the Company's margins. However, as the Company is not required to purchase or maintain extensive property and equipment and has not otherwise incurred substantial interest rate-sensitive indebtedness, the Company currently has no direct exposure to increased costs resulting from increases in interest rates.

The forward-looking statements contained in this document involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from these statements include, but are not limited to: risks associated with foreign operations, elimination of intercompany transactions, matching of expenses with the associated revenue, seasonality, shifts in consumer demand, the effect that the implementation of the Euro as the primary currency of 12 member states of the European Union might have on the global economy and the Company's international and domestic customers, other accounting estimates and other risk factors disclosed from time to time in the Company's public reports.

DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS

PETER J. ROSE

Chairman of the Board
and Chief Executive Officer,
Director

R. JORDAN GATES

Executive Vice President –
Chief Financial Officer
and Treasurer, Director

MICHAEL J. MALONE

Director
Chairman,
DMX Music, Inc.

JAMES L. K. WANG

President – Asia,
Director

JAMES J. CASEY

Director

JOHN W. MEISENBACH

Director
President, MCM Financial
A Financial Services Company

DAN P. KOURKOUHELIS

Director

EXECUTIVE OFFICERS

GLENN M. ALGER

President and
Chief Operating Officer

EUGENE K. ALGER

Sr. Vice President –
North America

ROSANNE ESPOSITO

Sr. Vice President –
Global Customs

SANDY K. Y. LIU

Chief Operating
Officer – Asia

L. MANFRED AMBERGER

Sr. Vice President –
Continental Europe

ROGER IDIART

Sr. Vice President –
Air Cargo

TIMOTHY C. BARBER

Executive Vice President –
Global Sales

JEAN CLAUDE CARCAILLET

Sr. Vice President –
Australasia

JEFFREY J. KING

Sr. Vice President –
General Counsel
and Secretary

ROMMEL C. SABER

Executive Vice President –
Europe, Africa and Near/
Middle East

WILLIAM J. COOGAN

Sr. Vice President –
Ocean Cargo

DAVID M. LINCOLN

Sr. Vice President
and Chief Information
Officer

ROBERT L. VILLANUEVA

Executive Vice President –
The Americas

PHILIP M. COUGHLIN

Sr. Vice President –
North America

CHARLES J. LYNCH

Vice President –
Corporate Controller

ADDITIONAL PRODUCT, SERVICE AND GEOGRAPHIC MANAGERS

GLOBAL PRODUCT AND SERVICES

RICK BALLANTYNE
Vice President – Global
Distribution Services

ERIN THOMASSON
Vice President –
Insurance

LARRY WU
Sr. Vice President –
E.C.M.S.

FAR EAST

JOHNNY CHANG
Vice President –
Air Product – Asia

SIMON CHANG
General Manager –
Northern China

ANDY HSIA
Managing Director –
China

J. I. KIM
Managing Director –
Korea

JACOBUS HSIEH
Regional Director –
South Asia

MATT CHING
General Manager –
Central China

DAVID HSIEH
Managing Director –
Taiwan

SARWAN KUMAR
General Manager –
Ocean – Indonesia

T. H. CHIU
Regional Sales
Director – Asia

PAUL DUAN
General Manager –
Vietnam

MICHAEL LEUNG
General Manager –
Penang, Malaysia

E. J. ONG
Managing Director –
Malaysia

SYED ERSHAD AHMED
Managing Director –
Bangladesh

ANDRE FERNANDO
Managing Director –
Sri Lanka

LANCE LIOU
Managing Director –
Singapore

NIXEN TANEX
General Manager –
Air – Indonesia

ARISTOTLE ANICETO
Managing Director –
Philippines

KEVIN FUNG
General Manager –
Southern China

MARK KATO
Managing Director –
Japan

**DUMRONGSAK
THANAWALEEKUL**
General Manager –
Ocean – Thailand

WILSON YANG
General Manager –
Air – Thailand

NORTH AMERICA

JOE COOGAN
Regional Vice
President – U.S.

KARL FRANCISCO
Regional Vice
President – U.S.

TROY RYLEY
Country Manager –
Mexico

JEFF MUSSER
Regional Vice
President – U.S.

DENNIS EGAN
Regional Vice
President – U.S.

J. ROSS HURST
Managing Director –
Canada

BRYAN LILLY
Regional Vice
President – U.S.

RICHARD ROSTAN
Regional Vice
President – U.S.

JOSE UBEDA
Regional Vice
President – U.S.

EUROPE AND AFRICA

JAMES M. ANDERSON
Regional Vice President –
Ireland, U.K., South
Africa and Mauritius

CARLOS A. J. DA CONCEICAO
Regional Vice President –
Italy, Spain, Portugal
and North Africa

HENRIK HEDENSIO
Regional Vice President –
Scandinavia

MAGDOLNA ACS
Managing Director –
Hungary

BARRY L. BARON
Managing Director –
United Kingdom

JOHN F. BIRMINGHAM
Managing Director –
Ireland

HANS JOACHIM BUCHHOLZ
Managing Director –
Germany

STEPHANE P. CARLIER
Managing Director –
Belgium

THOMAS EGBERS
Managing Director –
The Netherlands

RENE GRABMULLER
Managing Director –
Czech Republic

GILLES KERGOAT
Managing Director –
Madagascar

RICHARD P. MALLABONE
Managing Director –
South Africa

ANTONIO REY
Managing Director –
Spain

CHRISTOPHE C. RICHARD
Managing Director –
France

GUNTER SOUCEK
Managing Director –
Austria

NEAR / MIDDLE EAST AND INDIAN SUB-CONTINENT

KURT MEISTER
Regional Vice President –
Gulf States, Pakistan
and India

HAMD I ISMAIL ALI
Managing Director –
Egypt

ELIAS AT SAROS
Managing Director –
Greece

SAMIR GHAOUI
Managing Director –
Beirut

AFSAR MAHMOOD
Managing Director –
Pakistan

K. MURALI
Managing Director –
India

AMIN SABER
Managing Director –
U.A.E. – Dubai

SULEYMAN TURE
Managing Director –
Turkey

LATIN AMERICA

BRUCE KREBS
Regional Vice President –
Brazil and
Managing Director –
Mexico

GUILLERMO AYERBE
Regional Director –
South Cone

JOHN FORMAN
Country Manager –
Colombia

EUGENIO MEJIAS
Country Manager –
Chile

CARLOS NOVOA
Country Manager –
Venezuela

RICARDO NUNES
Country Manager –
Brazil

CORPORATE INFORMATION

TRANSFER AGENT AND REGISTRAR, DIVIDEND DISBURSING AGENT

EquiServe Trust
Company, N.A.
P.O. Box 2500
Jersey City, NJ
07303

SHAREHOLDER SERVICES

(800) 756-8200

HEARING IMPAIRED / TDD

(201) 222-4955

WEBSITE

<http://www.equiserve.com>

INDEPENDENT AUDITORS

KPMG LLP
3100 Two Union Square
601 Union Street
Seattle, WA 98101-2327

CORPORATE HEADQUARTERS

Expeditors International
of Washington, Inc.
1015 Third Avenue
12th Floor
Seattle, WA 98104

Information is available
on the World Wide
Web at <http://www.expeditors.com>

OFFICES AND AGENTS

Major cities of the world

ANNUAL MEETING

The annual meeting of
shareholders is Wednesday,
May 8, 2002, at 2:00 pm at:

Expeditors'
Corporate Headquarters
1015 Third Avenue
Seattle, Washington

FORM 10-K

The Company files an
Annual Report with the
Securities and Exchange
Commission on Form 10-K.
Shareholders may obtain a
copy of this report without
charge by writing:

Jeffrey J. King, Secretary
Expeditors International
of Washington, Inc.
1015 Third Avenue
12th Floor
Seattle, WA 98104

STOCK PRICE AND SHAREHOLDER DATA

The following table sets
forth the high and low sale
prices in the over-the-
counter market for the
Company's Common Stock as
reported by The NASDAQ
National Market System
under the symbol EXPD.

COMMON STOCK

QUARTER	HIGH	LOW
2001		
First	60.75	43.50
Second	65.92	44.60
Third	62.26	41.95
Fourth	59.00	43.47
2000		
First	45.50	32.63
Second	48.00	34.75
Third	51.31	42.25
Fourth	60.13	39.63

There were 2,683 shareholders
of record as of December 31,
2001. Management estimates
that there were approximately
16,000 beneficial shareholders
at that date.

In 2000 and 2001, the
Board of Directors declared
a semi-annual dividend of \$.07
per share and \$.10 per share,
respectively which was paid
as follows:

2001	15 June 17 December
2000	15 June 15 December