



To our shareholders

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here are so many people to thank – employees, customers, suppliers and shareholders. Thank you for a great year, one without too many anomalies. And to be sure we never get distracted by events we can't control, we continue our focus on those things we can influence.

As mentioned last year, when it comes to experienced management we have a huge amount of bench strength. And so it was easy to pick Glenn Alger's replacement. Starting in 2008 Expeditors' new President and COO will be Jordan Gates, our former CFO. He was the logical choice, one welcomed by everyone in the Company. Jordan will still look after the CFO responsibilities until a suitable replacement is named. Also promoted was Tim Barber to President – Global Sales and Marketing. Because of Tim's leadership we have been able to garner and retain lots of good business.

Further, we have nominated two new individuals to serve on our Board of Directors. Mark Emmert, President of the University of Washington and Bob Wright, President and CEO of Matthew G. Norton Co.; a real estate investment firm, subject to shareholder approval, will join Expeditors' Board of Directors on the 7th of May, 2008. We are delighted with the addition of these two fine gentlemen and welcome their expertise, and look forward to their contribution.

We also lose two great Jim's. Jim Anderson, formerly our Regional Vice President for Ireland, the United Kingdom, South Africa, Mauritius and Madagascar, was with us for 20 of his 40-year career and will be sorely missed. Jim Koenig, based in San Francisco, retires after 25 years in sales and sales training. His career spanned more than 3 decades.

Both these men retire after long and distinguished careers – and we wish them both well. As we get older we will

continue to lose talent of this caliber, but the young people coming up will be more than adequate replacements in large part due to the mentoring of Jim and Jim and their peers. Thank you each for all that you have done.

Every year has its surprises and the one big anomaly for 2007 concerns the Department of Justice (DOJ) investigation of airline collusion in price fixing fuel surcharges — collusion which allegedly expanded into integrators, forwarders, brokers and logistics companies.

Expeditors has been included in this investigation. Be assured that we're fully cooperating with the DOJ's requests and believe we have nothing to fear. Unfortunately, as one would expect, situations of this nature are very time consuming and congruently expensive. As the year progresses

we will keep everyone informed of the status of this investigation and how it affects Expeditors.

Still, we had another great year overall and we look forward to the opportunities of 2008 with great zeal. Once again, thank you one and all.

A handwritten signature in green ink that reads "Peter J. Rose". The signature is written in a cursive style with a large initial 'P'.

Peter J. Rose, Chairman and Chief Executive Officer