February 14, 2013

UPS Increases Dividend

Board Approves Stock Repurchase Authorization; John Thompson Announces Intent not to Stand for Re-election

ATLANTA--(BUSINESS WIRE)-- The UPS (NYSE: UPS) Board of Directors today declared a regular quarterly dividend of $0.62 per share on all outstanding Class A and Class B shares, an increase of 8.8%. The dividend is payable on Mar. 12, 2013 to shareholders of record on Feb. 25, 2013.

“This dividend increase reflects the power of the UPS business model to deliver consistent returns to shareowners,” said Scott Davis, UPS Chairman and CEO. “During 2012 we generated almost $5.4 billion in free cash flow, enabling reinvestment for growth and greater shareowner distributions, which are a top priority at UPS.”

UPS has a long history of its commitment to cash dividends. For more than four decades it has either increased or maintained its dividend. Since 2000 its dividend has more than tripled.

Reflecting confidence in UPS’s capital efficiency, the board also reauthorized the company’s share repurchase program for $10 billion. The new share repurchase authorization has no expiration date and replaces the one approved in 2012. On January 31, UPS announced an increase in its 2013 share repurchase plans from $1.5 billion to $4.0 billion.

In other action, the board disclosed it has been advised by John Thompson, CEO of Virtual Instruments Corporation and the former Chairman and CEO of Symantec, he will not stand for re-election when his term expires in May. “I joined the board of UPS because it was the leading logistics company, delivering value to its customers, communities and shareholders around the world,” said Thompson. “It was my privilege to work with such a great team to expand its global footprint and drive innovation, especially in its technology. I’ve truly enjoyed serving during 12 years of tremendous growth for one of the world’s greatest brands.”

Thompson has served on the board since 2000, making him the second longest serving board member. Davis said, “John's strategic counsel helped guide the development of new technologies, which led to multiple innovations in the way we serve customers and manage the business. His insights were invaluable and his contribution can’t be underestimated.”

UPS (NYSE:UPS) is a global leader in logistics, offering a broad range of solutions including the transportation of packages and freight; the facilitation of international trade, and the deployment of advanced technology to more efficiently manage the world of business. Headquartered in Atlanta, UPS serves more than 220 countries and territories worldwide. The company can be found on the Web at UPS.com and its corporate blog can be found at blog.ups.com. To get UPS news direct, visit pressroom.ups.com/RSS.

Except for historical information contained herein, the statements made in this release constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements, including statements regarding the intent, belief or current expectations of UPS and its management regarding the company's strategic directions, prospects and future results, involve certain risks and uncertainties. Certain factors may cause actual results to differ materially from those contained in the forward-looking statements, including economic and other conditions in the markets in which we operate, our competitive environment, increased security requirements, strikes, work stoppages and slowdowns, changes in energy prices, governmental regulations and other risks discussed in the company's Form 10-K and other filings with the Securities and Exchange Commission, which discussions are incorporated herein by reference.

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Source: UPS