

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): JANUARY 28, 2003

United Parcel Service, Inc.

(Exact name of registrant as specified in its charter)

<TABLE>			
<CAPTION>			
	Delaware	001-15451	58-2480149
<S>	<S>	<C>	<C>
	(State of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

<TABLE>		
<CAPTION>		
	55 Glenlake Parkway, N.E.	30328
	Atlanta, Georgia	
<S>	<S>	<C>
	(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (404) 828-6000

Not Applicable

(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

Press Release. On January 28, 2003, the registrant ("UPS") announced its fourth quarter and annual results for the three months and year ended December 31, 2002. The press release was as follows:

FOR IMMEDIATE RELEASE
Contacts: Norman Black, Public Relations
404-828-7593
Kurt Kuehn, Investor Relations
404-828-6977

UPS FOURTH QUARTER RESULTS
PACED BY INTERNATIONAL SEGMENT

ATLANTA, Jan. 28, 2003 - Paced by record international performance, UPS (NYSE:UPS) today reported solid gains in both revenue and net income for the fourth quarter.

The quarter also saw several non-recurring items, the most notable of which involved the final settlement of a tax dispute with the Internal Revenue Service.

For the quarter ended Dec. 31, 2002, revenue totaled \$8.26 billion, up 3.3% from the \$8 billion reported during the prior-year period. Including non-recurring items, consolidated operating profit improved 13.2% to \$1.2 billion and net income increased 133% to \$1.5 billion. Diluted earnings per share totaled \$1.32 for the quarter.

Adjusted to exclude non-recurring items, consolidated operating profit

improved 4.4% to \$1.08 billion compared to the \$1.03 billion reported in 2001, and net income increased 3.9% to \$670 million from \$645 million. Earnings per diluted share increased 3.5% to \$0.59 versus \$0.57 recorded during the period in 2001.

Operating profit for the international segment more than doubled as export revenue climbed 20% compared to the prior year. Revenue and operating profit for the non-package segment increased substantially after excluding non-recurring items. As expected, the weak American economy continued to impact U.S. domestic package operations, but the 1.3% volume decline during the quarter still reflected growing momentum compared with the prior two quarters.

"While we have not seen signs of an economic rebound in the United States, our international business is showing strong growth and our non-package initiatives are paying off," said Scott Davis, UPS's chief financial officer. "Within the U.S., the holiday peak season started slowly and then surged at the end, providing a test that our new UPS Worldport(SM) air hub passed with flying colors.

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"On the international front, the fourth quarter was our second consecutive record quarter," Davis continued. "Our expanded network in Asia, coupled with increased service through more than 100 additional Asian flights during the West coast dock disruption, contributed substantially. In addition, the European export market continued to demonstrate significant double-digit growth."

In the international segment, revenue jumped 17% during the fourth quarter to \$1.3 billion compared to the \$1.1 billion reported during the period in 2001. Including non-recurring items, international operating profit totaled \$165 million. Excluding non-recurring items, operating profit jumped 133% to \$154 million compared to \$66 million the prior year. Export volume continued very strong, climbing 13% in Europe and 24% in Asia.

In the U.S. domestic segment, revenue totaled \$6.22 billion for the fourth quarter, essentially flat compared to \$6.23 billion a year ago. Including non-recurring items, operating profit was \$1 billion. Excluding non-recurring items, operating profit declined 9.1% to \$831 million from the \$914 million reported in 2001. Average daily package volume in the United States declined 1.3% for the quarter to 13.2 million.

In the non-package segment, revenue increased 12.4% to \$735 million. The business units within this segment that comprise Supply Chain Solutions, UPS Logistics Group and UPS Freight Services, saw their combined revenues increase 12.2% to \$544 million during the quarter. Including non-recurring items, the non-package segment did not show an operating profit. Excluding non-recurring items, non-package operating profit increased to \$95 million from \$54 million. The Logistics arm of Supply Chain Solutions showed substantial improvements in profitability in the quarter.

Also during the fourth quarter, apart from the IRS settlement, several other tax issues were favorably resolved. The overall impact was to reduce the annual tax rate to 37.8% and the quarter's tax rate to 36%. The tax rate for 2003 is projected to be 37.5%.

There were several non-recurring items during the fourth quarter, affecting both income and expense. First, UPS and the IRS recently finalized their tentative settlement of all outstanding tax issues related to excess value package insurance. As a result of the settlement, UPS recorded income, before taxes, of \$1.02 billion during the fourth quarter. The credits and refunds associated with this settlement are expected to occur over the next several years.

A second fourth-quarter item involved the manner in which employees earn vacation pay. UPS modified its vacation plan to specify that vacation time is earned during the year, as opposed to automatically being credited when the new year begins. The change estimated a \$197 million accrued liability as UPS closed its books on 2002.

Finally, the company recorded \$106 million in restructuring and related charges in the non-package segment. This stems from the consolidation of

numerous acquisitions and streamlining the Supply Chain Solutions unit to more efficiently provide service to customers. The charge covers a reduction in personnel and integration of facilities and information technology. The company anticipates an additional \$21 million in charges to complete this process, primarily in the first half of 2003. Once completed, it should result in annual savings of approximately \$75 million.

In addition to the preceding non-recurring items, which affected the fourth quarter, the company recorded a goodwill impairment charge of \$72 million on its Mail Technologies unit retroactive to 2002's first quarter and the adoption of FASB Statement No. 142.

For the full year ended Dec. 31, revenue totaled \$31.3 billion, up 3.1% compared to the \$30.3 billion reported during 2001. Including non-recurring items, operating profit was \$4.1 billion; net income was \$3.18 billion, and diluted earnings per share were \$2.81. Excluding non-recurring items, operating profit rose 1.1% to \$4 billion while net income was flat at \$2.42 billion and diluted earnings per share totaled \$2.14 for the full year, up 1% from the \$2.12 recorded in 2001.

As to future guidance, Davis said the company expects 2003 first quarter earnings in a range between \$0.48 to \$0.53 per diluted share compared to \$0.50 in 2002. While the company expects its volume growth momentum to improve as 2003 unfolds, volume in the first quarter likely will be flat compared to 2002.

Davis said the company should see an increase in earnings per share for the full year between 10% and 15%. Results should strengthen through the course of the year, starting in the second quarter. This should be driven both by an economic recovery and more favorable comparisons to the periods in 2002 when labor negotiations slowed the U.S. package business. Capital expenditures for 2003 should total about \$2 billion.

"In the United States, the timing of the economic recovery is definitely the biggest unknown," Davis said. "Outside the U.S., we expect to see continued strong export growth, particularly in Asia and Europe, and an increase in international profitability of 20% or more. And with the realignment of Supply Chain Solutions, we're anticipating steady margin expansion over the coming year."

UPS is the world's largest global transportation company, offering the most extensive range of e-commerce and supply chain solutions for the movement of goods, information and funds. Headquartered in Atlanta, Ga., UPS serves more than 200 countries and territories worldwide. UPS stock trades on the New York Stock Exchange (NYSE) and the company can be found on the Web at www.ups.com.

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DETAILED FINANCIAL SCHEDULES ARE AVAILABLE ON THE COMPANY'S WEB SITE.

EDITOR'S NOTE: UPS CFO Scott Davis will discuss fourth quarter results with investors and analysts during a conference call later today at 10:00 am (EST). That conference call is open to listeners through a live webcast at www.ups.com. To access the call through the Website, click on "Investor Relations" and then click on "Earnings Webcast."

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 involve certain risks and uncertainties, including statements regarding the intent, belief or current expectations of UPS and its management regarding the company's strategic directions, prospects and future results. 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, governmental regulations, our competitive environment, strikes, work stoppages and slowdowns (or customer behavior in anticipation of such events), increases in aviation and motor fuel prices, cyclical and seasonal fluctuations in our operating results, 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.

UNITED PARCEL SERVICE, INC.
SELECTED FINANCIAL DATA - FOURTH QUARTER

<TABLE>
<CAPTION>

	QUARTER ENDED DECEMBER 31,		
	2002	NON-RECURRING	2002
	AS REPORTED	TRANSACTIONS	AS ADJUSTED
	2001		
CHANGE			
\$			
%			

<S>	<C>	<C>	<C>	<C>
(financial data in millions, except per share amounts)				
STATEMENT OF INCOME DATA:				
Revenue:				
U.S. domestic package	\$6,224	\$ --	\$6,224	\$6,234
\$(10) -0.2%				
International package	1,298	--	1,298	1,109
189 17.0%				
Non-package	735	--	735	654
81 12.4%				

Total revenue	8,257	--	8,257	7,997
260 3.3%				
Operating expenses:				
Compensation and benefits(1)	4,540	197	4,737	4,571
166 3.6%				
Other(2)	2,546	(106)	2,440	2,392
48 2.0%				

Total operating expenses	7,086	91	7,177	6,963
214 3.1%				
Operating profit:				
U.S. domestic package	1,006	(175)	831	914
(83) -9.1%				
International package	165	(11)	154	66
88 133.3%				
Non-package	--	95	95	54
41 75.9%				

Total operating profit	1,171	(91)	1,080	1,034
46 4.4%				
Other income (expense):				
Investment income	19	--	19	33
(14) -42.4%				
Interest expense	(52)	--	(52)	(48)
(4) 8.3%				
Tax assessment reversal(3)	1,023	(1,023)	--	--
-- N/A				

Total other income (expense)	990	(1,023)	(33)	(15)
(18) N/A				

Income before income taxes	2,161	(1,114)	1,047	1,019
28 2.7%				
Income taxes	659	(282)	377	374
3 0.8%				

Net income	\$1,502	\$ (832)	\$ 670	\$ 645
\$ 25 3.9%				
=====				
Net income as a percentage of revenue	18.2%		8.1%	8.1%
Per share amounts				
Basic earnings per share	\$ 1.34		\$ 0.60	\$ 0.57
Diluted earnings per share	\$ 1.32		\$ 0.59	\$ 0.57
Weighted average shares outstanding				
Basic	1,124		1,124	1,124
Diluted	1,135		1,135	1,137

(1) UPS adopted a change in our vacation policy whereby vacation time is now earned during the year of entitlement. This resulted in the elimination of a \$197 million liability, with a credit to expense in the following segments: U.S. domestic package: \$175 million; International package: \$11 million; and Non-package: \$11 million.

(2) UPS recorded \$106 million in restructuring and related charges in

connection with the reorganization of our Non-package operations.

- (3) UPS recorded a \$1,023 million credit to expense related to the difference between an original tax assessment expense charge recorded in 1999, and the estimated settlement amount that has now been approved.

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

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UNITED PARCEL SERVICE, INC.
SELECTED OPERATING DATA - FOURTH QUARTER

<TABLE>
<CAPTION>

	QUARTER ENDED DECEMBER 31,		CHANGE	
	2002	2001	\$	%
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 1,356	\$ 1,357	\$ (1)	-0.1%
Deferred	801	802	(1)	-0.1%
Ground	4,067	4,075	(8)	-0.2%

Total U.S. domestic package	6,224	6,234	(10)	-0.2%
International package:				
Domestic	254	242	12	5.0%
Export	910	758	152	20.1%
Cargo	134	109	25	22.9%

Total International package	1,298	1,109	189	17.0%
Non-package:				
UPS Logistics Group	298	235	63	26.8%
UPS Freight Services	246	250	(4)	-1.6%
Other	191	169	22	13.0%

Total Non-package	735	654	81	12.4%

Consolidated	\$ 8,257	\$ 7,997	\$ 260	3.3%
	=====			
Memo: Gross revenue				
UPS Logistics Group	\$ 371	\$ 294	\$ 77	26.2%
UPS Freight Services	\$ 577	\$ 501	\$ 76	15.2%

Consolidated volume (in millions)	885	896	(11)	-1.2%
Operating weekdays	61	61		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. domestic package:				
Next day air	1,180	1,172	8	-0.7%
Deferred	1,072	1,089	(17)	-1.6%
Ground	10,938	11,099	(161)	-1.5%

Total U.S. domestic package	13,190	13,360	(170)	-1.3%
International package:				
Domestic	831	874	(43)	-4.9%
Export	479	441	38	8.6%

Total International package	1,310	1,315	(5)	-0.4%

Consolidated	14,500	14,675	(175)	-1.2%
	=====			
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 18.84	\$ 18.98	\$ (0.14)	-0.7%
Deferred	12.25	12.07	0.18	1.5%
Ground	6.10	6.02	0.08	1.3%
Total U.S. domestic package	7.74	7.65	0.09	1.2%
International package:				
Domestic	5.01	4.54	0.47	10.4%
Export	31.14	28.18	2.96	10.5%
Total International package	14.57	12.47	2.10	16.8%
Consolidated	\$ 8.35	\$ 8.08	\$ 0.27	3.3%
	=====			

</TABLE>

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

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UNITED PARCEL SERVICE, INC.
SELECTED FINANCIAL DATA - YEAR-TO-DATE

<TABLE>
<CAPTION>

CHANGE	YEAR-ENDED DECEMBER 31,				----- \$
	2002	NON-RECURRING	2002	2001	
----- %	AS REPORTED	TRANSACTIONS	AS ADJUSTED		
---	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
(financial data in millions, except per share amounts)					
STATEMENT OF INCOME DATA:					
Revenue:					
U.S. domestic package	\$ 23,924	\$ --	\$ 23,924	\$ 23,997	\$ (73)
-0.3%					
International package	4,680	--	4,680	4,245	435
10.2%					
Non-package	2,668	--	2,668	2,079	589
28.3%					

-					
Total revenue	31,272	--	31,272	30,321	951
3.1%					
Operating expenses:					
Compensation and benefits (1)	17,944	197	18,141	17,397	744
4.3%					
Other (2)	9,232	(106)	9,126	8,962	164
1.8%					

-					
Total operating expenses	27,176	91	27,267	26,359	908
3.4%					
Operating profit:					
U.S. domestic package	3,576	(175)	3,401	3,620	(219)
-6.0%					
International package	322	(11)	311	125	186
148.8%					
Non-package	198	95	293	217	76
35.0%					

-					
Total operating profit	4,096	(91)	4,005	3,962	43
1.1%					
Other income (expense)					
Investment income	63	--	63	159	
(96) -60.4%					
Interest expense	(173)	--	(173)	(184)	11
-6.0%					
Tax assessment reversal (3)	1,023	(1,023)	--	--	--
N/A					

-					
Total other income (expense)	913	(1,023)	(110)	(25)	(85)
N/A					

-					
Income before income taxes	5,009	(1,114)	3,895	3,937	(42)
-1.1%					
Income taxes	1,755	(282)	1,473	1,512	
(39) -2.6%					

-					
Income before cumulative effect adjustments	3,254	(832)	2,422	2,425	
(3) -0.1%					
Cumulative effect adjustments (4)	(72)	--	(72)	(26)	(46)
N/A					

-					
Net income	\$ 3,182	\$ (832)	\$ 2,350	\$ 2,399	\$
(49)	-2.0%				
=====					
Net income as a percentage of revenue	10.2%		7.5%	7.9%	
Per share amounts					
Basic earnings per share	\$ 2.84		\$ 2.10	\$ 2.13	
Diluted earnings per share	\$ 2.81		\$ 2.07	\$ 2.10	
As adjusted per share amounts					
Basic earnings per share	\$ 2.16		\$ 2.16	\$ 2.15	
Diluted earnings per share	\$ 2.14		\$ 2.14	\$ 2.12	
Weighted average shares outstanding					
Basic	1,120		1,120	1,126	
Diluted	1,134		1,134	1,144	

</TABLE>

- (1) UPS adopted a change in our vacation policy whereby time is now earned during the year of entitlement. This resulted in the elimination of a \$197 million liability, with a credit to expense in the following segments: U.S. domestic package: \$175 million; International package: \$11 million; and Non-package: \$11 million.
- (2) UPS recorded \$106 million in restructuring and related charges in connection with the reorganization of our Non-package operations.
- (3) UPS recorded a \$1,023 million credit to expense related to the difference between an original tax assessment expense charge recorded in 1999, and the estimated settlement amount that has now been approved.
- (4) The cumulative effect of adopting FAS 133 was recorded in the first quarter of 2001. The adoption of FAS 142 produced a goodwill impairment charge for the Mail Technologies unit of our Non-package segment in the first quarter of 2002.

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

3
UNITED PARCEL SERVICE, INC.
SELECTED OPERATING DATA - YEAR-TO-DATE

<TABLE>
<CAPTION>

	QUARTER ENDED DECEMBER 31,			CHANGE
	2002	2001	\$	
%				
<S>				
REVENUE (IN MILLIONS):	<C>	<C>	<C>	<C>
U.S. domestic package:				
Next day air	\$ 5,349	\$ 5,433	\$ (84)	
-1.5%				
Deferred	2,868	2,893	(25)	
-0.9%				
Ground	15,707	15,671	36	
0.2%				
Total U.S. domestic package	23,924	23,997	(73)	-
0.3%				
International package:				
Domestic	943	907	36	
4.0%				
Export	3,276	2,931	345	
11.8%				
Cargo	461	407	54	
13.3%				
Total International package	4,680	4,245	435	
10.2%				
Non-package:				
UPS Logistics Group	1,024	738	286	
38.8%				
UPS Freight Services	945	741	204	
27.5%				

Other 16.5%	699	600	99	

Total Non-package 28.3%	2,668	2,079	589	

Consolidated 3.1%	\$ 31,272	\$ 30,321	\$ 951	
=====				
Memo: Gross revenue				
UPS Logistics Group 31.0%	\$ 1,269	\$ 969	\$ 300	
UPS Freight Services 52.0%	\$ 2,004	\$ 1,318	\$ 686	

Consolidated volume (in millions) 1.6%	3,362	3,418	(56)	-
Operating weekdays	252	252		

AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS)				
U.S. domestic package:				
Next day air -0.4%	1,111	1,116	(5)	
Deferred -2.4%	895	917	(22)	
Ground -2.0%	10,112	10,317	(205)	

Total U.S. domestic package 1.9%	12,118	12,350	(232)	-

International package:				
Domestic -3.2%	779	805	(26)	
Export 8.6%	443	408	35	

Total International package 0.7%	1,222	1,213	9	

Consolidated -1.6%	13,340	13,563	(223)	
=====				
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air -1.1%	\$ 19.11	\$ 19.32	\$ (0.21)	
Deferred 1.6%	12.72	12.52	0.20	
Ground 2.2%	6.16	6.03	0.13	
Total U.S. domestic package 1.6%	7.83	7.71	0.12	
International package:				
Domestic 7.4%	4.80	4.47	0.33	
Export 2.9%	29.35	28.51	0.84	
Total International package 9.1%	13.70	12.56	1.14	
Consolidated 2.8%	\$ 8.37	\$ 8.14	\$ 0.23	
=====				

</TABLE>

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 21, 2003

UNITED PARCEL SERVICE, INC.

By: /s/ D. SCOTT DAVIS

Name: D. Scott Davis
Title: Senior Vice President, Chief
Financial Officer and Treasurer

