

UNITED STATES
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):
July 22, 2003

United Parcel Service, Inc.

(Exact name of registrant as specified in its charter)

Delaware	001-15451	58-2480149
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

55 Glenlake Parkway, N.E. Atlanta, Georgia	30328
-----	-----
(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 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Press Release dated July 22, 2003.

Item 12. Results of Operations and Financial Condition.

On July 22, 2003, United Parcel Service, Inc. issued a press release containing information about the Company's results of operations for the quarter ended June 30, 2003. A copy of the press release is attached hereto as Exhibit 99.1.

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.

UNITED PARCEL SERVICE, INC.

Date: July 29, 2003

By: /s/ D. Scott Davis

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

EXHIBIT INDEX

99.1 Press Release dated July 22, 2003.

UPS REPORTS STRONG 2Q FINANCIAL PERFORMANCE

PRESS RELEASE

UPS REPORTS STRONG 2Q FINANCIAL PERFORMANCE

UPS REPORTS 13% EARNINGS INCREASE ON 7% REVENUE GAIN

GROWTH IN ALL SEGMENTS PACES QUARTER

ATLANTA, July 22, 2003 - UPS (NYSE:UPS) today reported strong financial performance for the second quarter, with all segments showing growth despite a lackluster economy in the United States and much of the world.

Highlights for the quarter included:

- Earnings per diluted share increased 13% to \$0.61 from \$0.54 last year.
- U.S. package volume increased 1.2%, paced by a 9.1% increase in Next Day Air(R) volume.
- International profitability increased more than 150%.
- Non-package profits climbed 34%.

"We're quite pleased with our results this quarter as all units met our expectations," said Scott Davis, UPS's chief financial officer. "We're also seeing each business segment contribute to the success of the other units as we deploy integrated solutions across the supply chain."

For the quarter ended June 30, 2003, revenue totaled \$8.23 billion, up 7.1% from the \$7.68 billion reported during the same period in 2002. Consolidated operating profit increased 5.1% to \$1.08 billion. Net income totaled \$692 million, an increase of 13.3% over the prior year's \$611 million.

The international segment led the company's results, with revenue increasing 19.8% to \$1.37 billion and operating profit surging 154.8% to \$158 million. Operating margin for the segment was 11.5%, making this the third consecutive quarter with international operating margins over 10%. Worldwide export volume climbed 6.2%, led by a 15% gain in Asia.

The company attributed its strong international performance to increasing customer acceptance of its broad portfolio of services, favorable currency trends and strong revenue management. During the first quarter, UPS also introduced several new services such as Trade Direct Cross BorderSM, Exchange CollectSM and UPS World EaseSM to help customers simplify their cross-border business.

Within the U.S. domestic segment, revenue increased 3.7% over the prior-year period to \$6.12 billion while domestic operating profit fell 7.5% to \$832 million. Profits declined mainly due to significant increases in health care and pension costs. Domestic operating margins, while lower than last year, improved over the previous quarter. U.S. volume increased 1.2% to an average of 11.8 million packages per day. Next Day Air volume increased 9.1% to an average of 1.2 million deliveries per day, driven largely by strength in the home mortgage sector. Ground and Deferred package volume also increased over last year.

Davis said the company is encouraged by the momentum in its U.S. business. This is being driven by expanded customer relationships, such as with eBay; technology solutions like CampusShip (a web-based shipping solution that simplifies multiple-location shipping), and improved customer access through The UPS Store network.

The non-package segment saw revenues climb 16% to \$731 million and operating profits increase 34% to \$90 million compared to the \$67 million reported in 2002. The improvement was largely driven by the UPS Supply Chain Solutions unit, which reported revenue of \$530 million. During the quarter, this unit

announced several significant contracts to help customers manage and synchronize their global supply chains. These included new customers, such as Birkenstock, as well as existing customers, for example Lucent and Silicon Graphics, which expanded services from UPS into new geographies.

Non-package results for the quarter were impacted by the sale of the company's Mail Technologies unit. The transaction reduced this segment's operating income by \$24 million, which was more than offset by a \$38 million tax benefit, leading to a net gain of \$14 million, or \$0.01 per diluted share.

"Looking to the third quarter, we expect to see additional improvement in our U.S. domestic segment, with volume growth in the range of 2-to-3%," Davis said.

"We also anticipate our international business will continue to show solid growth and the positive trends in our non-package segment should continue."

Davis also said the company expects third quarter earnings to be in the range of \$0.58 to \$0.62 per diluted share compared to the \$0.51 recorded during the period last year. The company remains on track to achieve its targeted earnings growth of 10-to-15% for the full year.

UPS is the world's largest package delivery company and a global leader in supply chain services, offering an extensive range of options for synchronizing the movement of goods, information and funds. Headquartered in Atlanta, Ga., UPS serves more than 200 countries and territories worldwide. UPS's stock trades on the New York Stock Exchange (NYSE) and the company can be found on the Web at 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 second quarter results with investors and analysts during a conference call later today at 10:00 a.m. (EDT). That conference call is open to listeners through a live webcast at www.shareholder.com/ups. To access the call, click on "UPS Q2 Earnings Call."

FOR MORE INFORMATION, CONTACT:

- - Norman Black
Public Relations
404-828-7593
- - Kurt Kuehn
Investor Relations
404-828-6977

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, governmental regulations, our competitive environment, strikes, work stoppages and slowdowns, 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 - SECOND QUARTER

<TABLE>
<CAPTION>

	QUARTER ENDED JUNE 30,		CHANGE	
	2003	2002	\$	%
(financial data in millions, except per share amounts)				
STATEMENT OF INCOME DATA:				
Revenue:				
<S>	<C>	<C>	<C>	<C>
U.S. domestic package	\$ 6,124	\$ 5,908	\$ 216	3.7%
International package	1,371	1,144	227	19.8%
Non-package	731	630	101	16.0%
Total revenue	8,226	7,682	544	7.1%
Operating expenses:				
Compensation and benefits	4,754	4,426	328	7.4%
Other	2,392	2,228	164	7.4%
Total operating expenses	7,146	6,654	492	7.4%
Operating profit:				
U.S. domestic package	832	899	(67)	-7.5%
International package	158	62	96	154.8%
Non-package	90	67	23	34.3%
Total operating profit	1,080	1,028	52	5.1%

Other income (expense):				
Investment income	10	12	(2)	-16.7%
Interest expense	(38)	(48)	10	-20.8%
	-----	-----	-----	
Total other income (expense)	(28)	(36)	8	22.2%
	-----	-----	-----	
Income before income taxes	1,052	992	60	6.0%
Income taxes	360	381	(21)	-5.5%
	-----	-----	-----	
Net income	\$ 692	\$ 611	\$ 81	13.3%
	=====	=====	=====	
Net income as a percentage of revenue	8.4%	8.0%		
Per share amounts				
Basic earnings per share	\$ 0.61	\$ 0.55		
Diluted earnings per share	\$ 0.61	\$ 0.54		
Weighted average shares outstanding				
Basic	1,127	1,118		
Diluted	1,136	1,131		

</TABLE>

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

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

<TABLE>
<CAPTION>

	QUARTER ENDED JUNE 30,		CHANGE	
	2003	2002	\$	%
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 1,387	\$ 1,336	\$ 51	3.8%
Deferred	716	695	21	3.0%
Ground	4,021	3,877	144	3.7%
	-----	-----	-----	
Total U.S. domestic package	6,124	5,908	216	3.7%
International package:				
Domestic	274	229	45	19.7%
Export	992	803	189	23.5%
Cargo	105	112	(7)	-6.3%
	-----	-----	-----	
Total International package	1,371	1,144	227	19.8%
Non-package:				
UPS Supply Chain Solutions	530	457	73	16.0%
Other	201	173	28	16.2%
	-----	-----	-----	
Total Non-package	731	630	101	16.0%
	-----	-----	-----	
Consolidated	\$ 8,226	\$ 7,682	\$ 544	7.1%
	=====	=====	=====	
Memo: Gross revenue				
UPS Supply Chain Solutions	\$ 981	\$ 765	\$ 216	28.2%
Consolidated volume (in millions)	833	823	10	1.2%
Operating weekdays	64	64		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. domestic package:				
Next day air	1,179	1,081	98	9.1%
Deferred	862	844	18	2.1%
Ground	9,776	9,749	27	0.3%
	-----	-----	-----	
Total U.S. domestic package	11,817	11,674	143	1.2%
International package:				
Domestic	742	755	(13)	-1.7%
Export	461	434	27	6.2%
	-----	-----	-----	
Total International package	1,203	1,189	14	1.2%
	-----	-----	-----	

Consolidated	13,020	12,863	157	1.2%
	=====	=====	=====	
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 18.38	\$ 19.31	\$ (0.93)	-4.8%
Deferred	12.98	12.87	0.11	0.9%
Ground	6.43	6.21	0.22	3.5%
Total U.S. domestic package	8.10	7.91	0.19	2.4%
International package:				
Domestic	5.77	4.74	1.03	21.7%
Export	33.62	28.91	4.71	16.3%
Total International package	16.44	13.56	2.88	21.2%
Consolidated	\$ 8.87	\$ 8.43	\$ 0.44	5.2%
	=====	=====	=====	

</TABLE>

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

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

<TABLE>			
<CAPTION>			
	SIX MONTHS ENDED JUNE 30,		
CHANGE	-----		
	2003	2002	\$
%	-----	-----	-----
(financial data in millions, except per share amounts)			
<S>	<C>	<C>	<C>
<C>			
STATEMENT OF INCOME DATA:			
Revenue:			
U.S. domestic package	\$ 12,144	\$ 11,811	\$ 333
2.8%			
International package	2,673	2,198	475
21.6%			
Non-package	1,424	1,252	172
13.7%			
	-----	-----	-----
Total revenue	16,241	15,261	980
6.4%			
Operating expenses:			
Compensation and benefits	9,462	8,880	582
6.6%			
Other	4,754	4,406	348
7.9%			
	-----	-----	-----
Total operating expenses	14,216	13,286	930
7.0%			
Operating profit:			
U.S. domestic package	1,536	1,761	(225)
-12.8%			
International package	292	92	200
217.4%			
Non-package	197	122	75
61.5%			
	-----	-----	-----
Total operating profit	2,025	1,975	50
2.5%			
Other income (expense):			
Investment income (loss)	(28)	24	(52)
-216.7%			
Interest expense	(63)	(91)	28
-30.8%			
	-----	-----	-----
Total other income (expense)	(91)	(67)	(24)
-35.8%			

Income before income taxes 1.4%	1,934	1,908	26
Income taxes -14.0%	631	734	(103)
FAS 142 cumulative adjustment, net N/A	--	(72)	72
-----	-----	-----	-----
Net income 18.2%	\$ 1,303	\$ 1,102	\$ 201
=====	=====	=====	=====
Non-recurring items:			
FAS 142 cumulative adjustment, net N/A	--	72	(72)
-----	-----	-----	-----
As adjusted net income exclusive of non-recurring items 11.0%	\$ 1,303	\$ 1,174	\$ 129
=====	=====	=====	=====
As adjusted net income as a percentage of revenue	8.0%	7.7%	
Per share amounts			
Basic earnings per share	\$ 1.16	\$ 0.99	
Diluted earnings per share	\$ 1.15	\$ 0.97	
As adjusted per share amounts			
Basic earnings per share	\$ 1.16	\$ 1.05	
Diluted earnings per share	\$ 1.15	\$ 1.04	
Weighted average shares outstanding			
Basic	1,126	1,118	
Diluted	1,136	1,132	

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

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

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30,		CHANGE	
	2003	2002	\$	%
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 2,740	\$ 2,649	\$ 91	3.4%
Deferred	1,414	1,395	19	1.4%
Ground	7,990	7,767	223	2.9%
-----	-----	-----	-----	-----
Total U.S. domestic package	12,144	11,811	333	2.8%
International package:				
Domestic	540	451	89	19.7%
Export	1,932	1,540	392	25.5%
Cargo	201	207	(6)	-2.9%
-----	-----	-----	-----	-----
Total International package	2,673	2,198	475	21.6%
Non-package:				
UPS Supply Chain Solutions	1,030	917	113	12.3%
Other	394	335	59	17.6%
-----	-----	-----	-----	-----
Total Non-package	1,424	1,252	172	13.7%
-----	-----	-----	-----	-----
Consolidated	\$16,241	\$15,261	\$ 980	6.4%
=====	=====	=====	=====	=====
Memo: Gross revenue				
UPS Supply Chain Solutions	1,893	1,469	\$ 424	28.9%
Consolidated volume (in millions)	1,659	1,655	4	0.2%
Operating weekdays	127	127		

AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):

U.S. domestic package:				
Next day air	1,157	1,086	71	6.5%
Deferred	853	861	(8)	-0.9%
Ground	9,828	9,890	(62)	-0.6%
	-----	-----	-----	
Total U.S. domestic package	11,838	11,837	1	0.0%
International package:				
Domestic	759	767	(8)	-1.0%
Export	466	430	36	8.4%
	-----	-----	-----	
Total International package	1,225	1,197	28	2.3%
	-----	-----	-----	
Consolidated	13,063	13,034	29	0.2%
	=====	=====	=====	
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 18.65	\$ 19.21	\$ (0.56)	-2.9%
Deferred	13.05	12.76	0.29	2.3%
Ground	6.40	6.18	0.22	3.6%
Total U.S. domestic package	8.08	7.86	0.22	2.8%
International package:				
Domestic	5.60	4.63	0.97	21.0%
Export	32.65	28.20	4.45	15.8%
Total International package	15.89	13.10	2.79	21.3%
Consolidated	\$ 8.81	\$ 8.34	\$ 0.47	5.6%
	=====	=====	=====	

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