

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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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):  
October 21, 2003

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United Parcel Service, Inc.

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(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
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(Address of principal executive offices)	(Zip Code)

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

Not applicable

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(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 October 21, 2003.

Item 12. Results of Operations and Financial Condition.

On October 21, 2003, United Parcel Service, Inc. issued a press release containing information about the company's results of operations for the quarter ended September 30, 2003. Such information, including the Exhibits attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing. A copy of the press release is attached hereto as Exhibit 99.1.

The press release presented non-GAAP financial information that the company believes is useful because it allows investors to perform meaningful comparisons of the company's results for 2002 and 2003.

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: October 24, 2003

By: /s/ D. Scott Davis

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

EXHIBIT INDEX

99.1 Press Release dated October 21, 2003.

Press Release

UPS POSTS STRONG EARNINGS GAIN ON GROWTH ACROSS ALL SEGMENTS

INTERNATIONAL, NON-PACKAGE SURGE; U.S. SEGMENT STRENGTHENS

ATLANTA, Oct. 21, 2003 - UPS (NYSE:UPS) today reported a 28% jump in net income for the third quarter thanks to a strengthening U.S. package business, record performances by both the international and non-package segments and two other modest gains.

Earnings per diluted share increased 27% to \$0.65 from \$0.51 last year, including gains due to the sale of a business unit and a favorable tax ruling. Without these items, earnings per diluted share were \$0.62, up 22% compared to the prior year.

The U.S. package business, paced by a strong 10.2% rise in Next Day Air(R) volume and a 2% increase in the larger ground business, grew 3.2% or 374,000 packages per day compared to the prior-year period. International export package volume climbed 8.1% as that unit posted the most profitable quarter in its history. Non-package revenue increased 6.2% and operating profit for that unit jumped 92%, including a gain on the sale of UPS Aviation Technologies.

"While there were many highlights in the quarter, the accelerated growth in U.S. package deliveries, increasing signs of U.S. economic growth and the strong international performance really stand out," said Scott Davis, UPS's chief financial officer. "We also were pleased with the continuing improvement on the non-package side, because we know the strategy of expanding our distribution and supply chain capabilities will feed the success of all parts of our business going forward."

For the quarter ended Sept. 30, 2003, consolidated revenue totaled \$8.31 billion, up 7.2% from the \$7.75 billion reported during the same period in 2002. Consolidated operating profit increased 21% to \$1.15 billion. Net income totaled \$739 million, an increase of 28% over the prior year's \$578 million. Excluding the gains due to the sale of the business unit and a favorable tax ruling, net income totaled \$702 million, an increase of 21%.

Highlights by segment included:

- - U.S. package revenue totaled \$6.22 billion, up 5.6% compared to the prior year's \$5.89 billion. Operating profit increased 2%, to \$825 million, despite continuing pressure from rising healthcare expenses and other benefit costs. Total daily volume in the United States rose 3.2% to 12 million packages per day, including a 10.2% gain in Next Day Air package volume and a strong 8.5% increase in deferred air volume. Ground volume increased 2% to 10 million packages per day.
- - International package revenue rose 15.7% to \$1.37 billion, while operating profit surged 171% from \$65 million in 2002 to \$176 million this year. That made the quarter the most profitable in the unit's history, even though the third quarter normally lags with the summer vacation period. Operating margin for the segment was 12.8%, the fourth consecutive quarter with international operating margins over 10%. Total volume rose 3.8% to 1.23 million packages per day, with average export volume increasing 8.1% to 468,000 packages per day. The Asia-Pacific region posted another strong export gain of 14%. U.S. export volume rose 6.5%, the largest such increase since 2000.
- - The non-package segment saw revenue climb 6.2% to \$723 million and operating profit increase 92% to \$146 million, including the \$24 million gain on the sale of UPS Aviation Technologies. The improvement in operating profit was driven not only by revenue growth and new customer contracts, but also by the successful integration of acquisitions into UPS Supply Chain Solutions. UPS Supply Chain Solutions was rated the No. 1 logistics provider by Inbound Logistics earlier this month.

The quarter also included the benefit of an income tax reduction of \$22 million based on a federal court ruling regarding the expensing of aircraft maintenance costs.

For the nine months ended Sept. 30, 2003, consolidated revenue increased 6.7% to \$24.55 billion, while operating profit rose 8.4% to \$3.17 billion. Net income climbed 21.5%, from \$1.68 billion to \$2.04 billion. Diluted earnings per share increased 21.6% to \$1.80.

Davis said the company is encouraged by the momentum in its U.S. business. This is being driven by signs of economic recovery, expanded customer relationships, the deployment of new technology and improved customer access through The UPS Store network.

"In light of our momentum and the firming U.S. economy, we believe UPS is going to have a strong fourth quarter," Davis predicted. "We expect to see additional improvement in our U.S. domestic segment with volume growth of 3% to 4%. We

anticipate the international and non-package segments will continue the solid growth trends we saw in the third quarter."

Davis said the company expects fourth quarter earnings to be in the range of \$0.65 to \$0.70 per diluted share compared to the \$0.59 recorded during the period last year. The company expects to fully achieve its targeted earnings growth of 10-to-15% for the full year, he added.

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.

Detailed financial schedules are available on the company's Web site.

EDITOR'S NOTE: UPS CFO Scott Davis will discuss third 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. To access the call, go to [www.shareholder.com/ups](http://www.shareholder.com/ups) and 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, 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 - THIRD QUARTER

<TABLE>  
<CAPTION>

	QUARTER ENDED SEPTEMBER 30,		CHANGE	
	2003	2002	\$	%
	----	----	----	----
	<C>	<C>	<C>	<C>
(financial data in millions, except per share amounts)				
STATEMENT OF INCOME DATA:				
Revenue:				
U.S. domestic package	\$ 6,219	\$ 5,889	\$ 330	5.6%
International package	1,370	1,184	186	15.7%
Non-package	723	681	42	
6.2%	-----	-----	-----	
Total revenue	8,312	7,754	558	
7.2%				
Operating expenses:				
Compensation and benefits	4,830	4,520	310	6.9%
Other	2,335	2,284	51	
2.2%	-----	-----	-----	
Total operating expenses	7,165	6,804	361	5.3%
Operating profit:				
U.S. domestic package	825	809	16	2.0%
International package	176	65	111	170.8%
Non-package	146	76	70	
92.1%	-----	-----	-----	
Total operating profit	1,147	950	197	
20.7%				
Other income (expense):				
Investment income	23	20	3	
15.0%				
Interest expense	(31)	(30)	(1)	
3.3%	-----	-----	-----	

Total other income (expense) 20.0%	(8)	(10)	2
	-----	-----	-----
Income before income taxes 21.2%	1,139	940	199
Income taxes 10.5%	400	362	38
	-----	-----	-----
Net income 27.9%	\$ 739	\$ 578	\$ 161
	=====	=====	=====
Net income as a percentage of revenue	8.9%	7.5%	
Per share amounts			
Basic earnings per share	\$ 0.66	\$ 0.52	
Diluted earnings per share	\$ 0.65	\$ 0.51	
Weighted average shares outstanding			
Basic	1,128	1,118	
Diluted	1,140	1,134	

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

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

<TABLE>  
<CAPTION>

	QUARTER ENDED SEPTEMBER 30,		CHANGE	
	2003	2002	\$	%
	----	----	----	----
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 1,424	\$ 1,344	\$ 80	6.0%
Deferred	714	672	42	6.3%
Ground	4,081	3,873	208	5.4%
	-----	-----	-----	
Total U.S. domestic package	6,219	5,889	330	5.6%
International package:				
Domestic	279	238	41	17.2%
Export	988	826	162	19.6%
Cargo	103	120	(17)	-14.2%
	-----	-----	-----	
Total International package	1,370	1,184	186	15.7%
Non-package:				
UPS Supply Chain Solutions	537	508	29	5.7%
Other	186	173	13	7.5%
	-----	-----	-----	
Total Non-package	723	681	42	6.2%
Consolidated	\$ 8,312	\$ 7,754	\$ 558	7.2%
	=====	=====	=====	
Memo: Gross revenue				
UPS Supply Chain Solutions	\$ 1,099	\$ 1,027	\$ 72	7.0%
Consolidated volume (in millions)	849	822	27	3.3%
Operating weekdays	64	64		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. domestic package:				
Next day air	1,207	1,095	112	10.2%
Deferred	859	792	67	8.5%
Ground	9,961	9,766	195	2.0%
	-----	-----	-----	
Total U.S. domestic package	12,027	11,653	374	3.2%
International package:				
Domestic	763	753	10	1.3%
Export	468	433	35	8.1%
	-----	-----	-----	
Total International package	1,231	1,186	45	3.8%
Consolidated	13,258	12,839	419	3.3%

	=====	=====	=====	
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 18.43	\$ 19.18	\$ (0.75)	-3.9%
Deferred	12.99	13.26	(0.27)	-2.0%
Ground	6.40	6.20	0.20	3.2%
Total U.S. domestic package	8.08	7.90	0.18	2.3%
International package:				
Domestic	5.71	4.94	0.77	15.6%
Export	32.99	29.81	3.18	10.7%
Total International package	16.08	14.02	2.06	14.7%
Consolidated	\$ 8.82	\$ 8.46	\$ 0.36	4.3%
	=====	=====	=====	

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

<TABLE>  
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		
CHANGE	-----	-----	-----
	2003	2002	\$
%	----	----	--
	<C>	<C>	<C>
(financial data in millions, except per share amounts)			
STATEMENT OF INCOME DATA:			
Revenue:			
U.S. domestic package	\$ 18,363	\$ 17,700	\$ 663
3.7%			
International package	4,043	3,382	661
19.5%			
Non-package	2,147	1,933	214
11.1%			
Total revenue	24,553	23,015	1,538
6.7%			
Operating expenses:			
Compensation and benefits	14,292	13,400	892
6.7%			
Other	7,089	6,690	399
6.0%			
Total operating expenses	21,381	20,090	1,291
6.4%			
Operating profit:			
U.S. domestic package	2,361	2,570	(209)
-8.1%			
International package	468	157	311
198.1%			
Non-package	343	198	145
73.2%			
Total operating profit	3,172	2,925	247
8.4%			
Other income (expense):			
Investment income (loss)	(5)	44	(49)
-111.4%			
Interest expense	(94)	(121)	27
-22.3%			
Total other income (expense)	(99)	(77)	(22)
-28.6%			
Income before income taxes	3,073	2,848	225
7.9%			
Income taxes	1,031	1,096	(65)
-5.9%			
FAS 142 cumulative adjustment, net	--	(72)	72

N/A			
Net income	\$ 2,042	\$ 1,680	\$ 362
21.5%			
Non-recurring items:			
FAS 142 cumulative adjustment, net	--	72	(72)
N/A			
As adjusted net income exclusive of non-recurring items	\$ 2,042	\$ 1,752	\$ 290
16.6%			
As adjusted net income as a percentage of revenue	8.3%	7.6%	
Per share amounts			
Basic earnings per share	\$ 1.81	\$ 1.50	
Diluted earnings per share	\$ 1.80	\$ 1.48	
As adjusted per share amounts			
Basic earnings per share	\$ 1.81	\$ 1.57	
Diluted earnings per share	\$ 1.80	\$ 1.55	
Weighted average shares outstanding			
Basic	1,126	1,118	
Diluted	1,137	1,133	

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UNITED PARCEL SERVICE, INC.

SELECTED OPERATING DATA - SEPTEMBER YEAR-TO-DATE

<TABLE>

<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2003	2002	\$	%
	----	----	---	---
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 4,164	\$ 3,993	\$ 171	4.3%
Deferred	2,128	2,067	61	3.0%
Ground	12,071	11,640	431	3.7%
Total U.S. domestic package	18,363	17,700	663	3.7%
International package:				
Domestic	819	689	130	18.9%
Export	2,920	2,366	554	23.4%
Cargo	304	327	(23)	-7.0%
Total International package	4,043	3,382	661	19.5%
Non-package:				
UPS Supply Chain Solutions	1,567	1,425	142	10.0%
Other	580	508	72	14.2%
Total Non-package	2,147	1,933	214	11.1%
Consolidated	\$24,553	\$23,015	\$ 1,538	6.7%

Memo: Gross revenue

UPS Supply Chain Solutions	\$ 3,176	\$ 2,735	\$ 441	16.1%
Consolidated volume (in millions)	2,508	2,477	31	1.2%
Operating weekdays	191	191		

AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):

U.S. domestic package:				
Next day air	1,174	1,089	85	7.8%
Deferred	855	838	17	2.0%
Ground	9,873	9,848	25	0.3%
Total U.S. domestic package	11,902	11,775	127	1.1%
International package:				
Domestic	760	762	(2)	-0.3%
Export	467	431	36	8.4%

Total International package	----- 1,227 -----	----- 1,193 -----	----- 34 -----	2.8%
Consolidated	=====	=====	=====	1.2%
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 18.57	\$ 19.20	\$ (0.63)	-3.3%
Deferred	13.03	12.91	0.12	0.9%
Ground	6.40	6.19	0.21	3.4%
Total U.S. domestic package	8.08	7.87	0.21	2.7%
International package:				
Domestic	5.64	4.73	0.91	19.2%
Export	32.74	28.74	4.00	13.9%
Total International package	15.95	13.41	2.54	18.9%
Consolidated	\$ 8.81	\$ 8.38	\$ 0.43	5.1%
	=====	=====	=====	

</TABLE>

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Contact:

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