

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):
January 29, 2004

United Parcel Service, Inc.

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other jurisdiction of incorporation)	001-15451 ----- (Commission File Number)	58-2480149 ----- (IRS Employer Identification Number)
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55 Glenlake Parkway, N.E. Atlanta, Georgia ----- (Address of principal executive offices)	30328 ----- (Zip Code)
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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 January 29, 2004.

Item 12. Results of Operations and Financial Condition.

On January 29, 2004, United Parcel Service, Inc. issued a press release containing information about the company's results of operations for the quarter and fiscal year ended December 31, 2003. Such information, including the Exhibit 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: February 3, 2004

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 January 29, 2004.

Contacts: Norman Black, Public Relations
404-828-7593
Teresa Finley, Investor Relations
404-828-7359

STRONG VOLUME GROWTH PROPELS
UPS TO RECORD QUARTERLY PROFIT

INTERNATIONAL PROFIT JUMPS MORE THAN 50%;
U.S. GROUND VOLUME SURGES

ATLANTA, Jan. 29, 2004 - Led by strong volume gains both in the United States and overseas and significant margin improvement within its international operation, UPS (NYSE:UPS) today reported a 19% jump in adjusted net income for the fourth quarter after excluding certain items that affect the year-ago comparison.

The quarter's performance capped a record year for volume. UPS delivered 3.44 billion packages in 2003, or an average 13.64 million per day.

For the quarter ended Dec. 31, consolidated revenue totaled \$8.93 billion, up 8.2% from the \$8.26 billion reported during the prior-year period as both the international and U.S. package businesses enjoyed strong volume gains. Average daily export volume increased 10% during the quarter, pushing consolidated international average daily volume to a record 1.4 million, an increase of 6.3%. Export volume out of the U.S. increased more than 10%, the largest such increase since 2000. Within the United States, average daily package volume jumped 4.9% to a record 13.8 million. U.S. ground volume surged 5.2%, while Next Day Air(R) volume climbed 3.5% and deferred air volume rose a solid 4%.

For the three months ended Dec. 31, net income totaled \$856 million or \$0.75 per diluted share, compared to \$1.5 billion or \$1.32 per diluted share in the fourth quarter of 2002. However, excluding several items affecting comparisons between the periods, diluted earnings per share were \$0.70 in 2003 and diluted earnings per share were \$0.59 in 2002.

The items that affect comparisons include:

- In the fourth quarter of 2003, UPS realized a gain on redemption of long-term debt of \$18 million after tax. In addition, UPS lowered its effective tax rate to reflect improvements in state taxes, reducing its income tax expense by \$39 million. Combined, these items increased diluted earnings per share for the most recent period by \$0.05. Without these items, net income would have been \$799 million.

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- In the fourth quarter of 2002, the company booked a final settlement of a tax dispute with the Internal Revenue Service, reversing \$1.02 billion of a tax assessment liability. In addition, the company reduced an accrual due to a change in its vacation policy, and also recorded a restructuring charge related to its UPS Supply Chain Solutions unit. These items increased the 2002 fourth quarter's net income by \$832 million. Without these items, net income would have been \$670 million.

"Our fourth quarter performance underscores how effectively our strategies are working," said Scott Davis, UPS's chief financial officer. "All three of our business segments are showing expanded margins, led by international."

Of particular note, Davis continued, was the strength of the 2003 peak holiday season, which was boosted by increasing levels of on-line shopping. UPS delivered more than 20 million packages on Peak Day. In a sign of increasing customer connectivity, packages sent using UPS Internet Ship climbed 50% compared to 2002 and tracking requests surged to a high of 12 million on the busiest day, up a third over the previous year. During the quarter, volume through The UPS Store(TM) doubled compared to the prior year.

Highlights by segment, excluding the adjustments described above, included:

- U.S. package revenue rose 7% to \$6.66 billion. Operating profit rose 9.6% to \$911 million and margins improved to 13.7%. Average revenue per piece rose for all products, with the overall U.S. average revenue per piece increasing 1.9%.
- International package revenue rose 17% to \$1.52 billion.

Operating profit for this segment increased 56% to \$241 million. Operating margin reached 15.9%, the highest operating margin ever achieved by this segment.

- The non-package segment saw operating profit rise 27% to \$121 million. In the quarter, the UPS Supply Chain Solutions business unit signed a number of new contracts that will positively impact revenue growth in the first quarter.

For the full year ended Dec. 31, 2003, consolidated revenue increased 7.1% to a record \$33.5 billion, while operating profit rose 8.5% to \$4.45 billion compared to \$4.1 billion in 2002. Net income for the year totaled \$2.9 billion compared to \$3.2 billion in 2002. However, a number of items impact comparison of the two years. These items increased 2003's net income by \$126 million and increased net income for 2002 by \$760 million. Excluding the impact of these items, earnings per diluted share totaled \$2.44 in 2003 compared to \$2.14 in 2002.

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Davis said the company is pleased with the momentum across all its business lines. "We continue to believe that our industry has great growth opportunities and that UPS has a business model that is creating superior returns, growth and consistency," the CFO said. "We're one of the few U.S. companies that's as successful internationally as it is at home, and our supply chain capabilities are making us an attractive 'one-source provider' to customers. That's why we've set the goal of having all three segments operating with margins of more than 15% by 2007, our 100th anniversary."

For 2004, UPS expects U.S. package volume growth rates of about 4%, Davis said. The company anticipates continued vibrant growth in the international segment with about a 20% increase in profitability, he continued. On the non-package side, the company expects a revenue increase in the low double-digits with a \$50 million or more increase in profit.

Davis said the company projects first quarter earnings in the range of \$0.58 to \$0.62 per diluted share versus an adjusted \$0.52 last year. The company reaffirms its targeted earnings growth of 12-to-18% 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 (UPS) and the company can be found on the Web at UPS.com.

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THE NON-GAAP FINANCIAL MEASURES INCLUDED IN THIS PRESS RELEASE ARE RECONCILED TO THE COMPARABLE GAAP MEASURES IN THE SCHEDULES ATTACHED TO THIS PRESS RELEASE. ADDITIONAL DETAILED FINANCIAL SCHEDULES ARE AVAILABLE ON THE COMPANY'S WEB SITE AT WWW.SHAREHOLDER.COM/UPS/STOCK.CFM.

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 a.m. (EST). That conference call is open to listeners through a live Webcast. To access the call, go to www.shareholder.com/UPS and click on "Earnings Webcast."

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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 - FOURTH QUARTER

<TABLE>
<CAPTION>

CHANGE 4Q 2003 VS. (AS ADJUSTED)	QUARTER ENDED DECEMBER 31,				4Q 2002
	2003	2002 AS REPORTED	2002 ADJUSTMENTS	2002 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 7.0%	\$6,659	\$6,224	\$ --	\$6,224	\$435
International package 16.9%	1,518	1,298	--	1,298	220
Non-package 2.7%	755	735	--	735	20
Total revenue 8.2%	8,932	8,257	--	8,257	675
Operating expenses:					
Compensation and benefits 6.3%	5,036	4,540	197	(a) 4,737	299
Other 7.5%	2,623	2,546	(106)	(b) 2,440	183
Total operating expenses 6.7%	7,659	7,086	91	7,177	482
Operating profit:					
U.S. domestic package 9.6%	911	1,006	(175)	(a) 831	80
International package 56.5%	241	165	(11)	(a) 154	87
Non-package 27.4%	121	-	95	(a), (b) 95	26
Total operating profit 17.9%	1,273	1,171	(91)	1,080	193
Other income (expense):					
Investment income 21.1%	23	19	--	19	4
Interest expense -48.1%	(27)	(52)	--	(52)	25
Gain on redemption of long-term debt N/A	28	--	--	--	28
Tax assessment reversal N/A	--	1,023	(1,023)	(c) --	--
Total other income (expense) -172.7%	24	990	(1,023)	(33)	57
Income before income taxes 23.9%	1,297	2,161	(1,114)	1,047	250
Income taxes 17.0%	441	659	(282)	(d) 377	64
Net income 27.8%	\$ 856	\$1,502	\$ (832)	\$ 670	\$186
Net income as a percentage of revenue	9.6%	18.2%		8.1%	

Per share amounts			
Basic earnings per share	\$ 0.76	\$ 1.34	\$ 0.60
Diluted earnings per share	\$ 0.75	\$ 1.32	\$ 0.59
Weighted average shares outstanding			
Basic	1,132	1,124	1,124
Diluted	1,140	1,135	1,135

</TABLE>

- (a) UPS recognized a credit to operating expense due to a change in our vacation policy of \$197 million (\$175 million - U.S. Domestic package, \$11 million - International package, \$11 million - Non-package).
- (b) Non-package restructuring charge and related expenses of \$106 million at our Supply Chain Solutions unit.
- (c) \$1.023 billion gain related to the settlement of a previously established tax assessment liability.
- (d) Increased tax expense due to the tax provision on the credit to operating expenses resulting from the change in vacation policy and the tax assessment reversal, partially offset by the tax benefit resulting from the restructuring charge. Adjustment does not include a \$26 million reduction in income tax expense due to favorable resolution of several other tax matters.

Certain prior year amounts have been reclassified to conform to the current year presentation. Results for the quarter ending December 31, 2003, include a pre-tax gain for the redemption of long-term debt of \$28 million (\$18 million after-tax). In addition, the company lowered its effective tax rate to reflect improvements in state taxes. The impact of this change was to reduce the provision for income taxes and increase net income by \$39 million. Excluding the impact of these two items, diluted earnings per share would be \$0.70.

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

<TABLE>
<CAPTION>

	QUARTER ENDED DECEMBER 31,		CHANGE	
	2003	2002	\$	%
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 1,416	\$ 1,356	\$ 60	4.4%
Deferred	854	801	53	6.6%
Ground	4,389	4,067	322	7.9%
Total U.S. domestic package	6,659	6,224	435	7.0%
International package:				
Domestic	315	254	61	24.0%
Export	1,081	910	171	18.8%
Cargo	122	134	(12)	-9.0%
Total International package	1,518	1,298	220	16.9%
Non-package:				
UPS Supply Chain Solutions	559	544	15	2.8%
Other	196	191	5	2.6%
Total Non-package	755	735	20	2.7%
Consolidated	\$ 8,932	\$ 8,257	\$ 675	8.2%
Memo: Gross revenue				
UPS Supply Chain Solutions	\$ 1,161	\$ 1,129	\$ 32	2.8%
Consolidated volume (in millions)	929	885	44	5.0%
Operating weekdays	61	61		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. domestic package:				
Next day air	1,221	1,180	41	3.5%
Deferred	1,115	1,072	43	4.0%
Ground	11,505	10,938	567	5.2%

Total U.S. domestic package	13,841	13,190	651	4.9%
International package:				
Domestic	866	831	35	4.2%
Export	527	479	48	10.0%
Total International package	1,393	1,310	83	6.3%
Consolidated	15,234	14,500	734	5.0%

AVERAGE REVENUE PER PIECE:

U.S. domestic package:				
Next day air	\$ 19.01	\$ 18.84	\$ 0.17	0.9%
Deferred	12.56	12.25	0.31	2.5%
Ground	6.25	6.10	0.15	2.5%
Total U.S. domestic package	7.89	7.74	0.15	1.9%
International package:				
Domestic	5.96	5.01	0.95	19.0%
Export	33.63	31.14	2.49	8.0%
Total International package	16.43	14.57	1.86	12.8%
Consolidated	\$ 8.67	\$ 8.35	\$ 0.32	3.8%

</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>
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CHANGE 2003 VS. (AS ADJUSTED)	YEAR ENDED DECEMBER 31,				
	2003	AS REPORTED	ADJUSTMENTS	AS ADJUSTED	2002
%					\$
	<C>	<C>	<C>	<C>	<C>
(financial data in millions, except per share amounts)					
STATEMENT OF INCOME DATA:					
Revenue:					
U.S. domestic package 4.6%	\$ 25,022	\$ 23,924	\$ --	\$ 23,924	\$ 1,098
International package 18.8%	5,561	4,680	--	4,680	881
Non-package 8.8%	2,902	2,668	--	2,668	234
- Total revenue 7.1%	33,485	31,272	--	31,272	2,213
Operating expenses:					
Compensation and benefits 6.6%	19,328	17,940	197 (a)	18,137	1,191
Other 6.4%	9,712	9,236	(106) (b)	9,130	582
- Total operating expenses 6.5%	29,040	27,176	91	27,267	1,773
Operating profit:					
U.S. domestic package -3.8%	3,272	3,576	(175) (a)	3,401	(129)
International package 128.0%	709	322	(11) (a)	311	398
Non-package 58.4%	464	198	95 (a), (b)	293	171
- Total operating profit	4,445	4,096	(91)	4,005	440

11.0%					
Other income (expense):					
Investment income (loss)	18	63	--	63	
(45) -71.4%					
Interest expense	(121)	(173)	--	(173)	52
-30.1%					
Gain on redemption of long-term debt	28	--	--	--	28
N/A					
Tax assessment reversal	--	1,023	(1,023) (c)	--	--
N/A					
-					
Total other income (expense)	(75)	913	(1,023)	(110)	35
31.8%					
Income before income taxes	4,370	5,009	(1,114)	3,895	475
12.2%					
Income taxes	1,472	1,755	(282) (d)	1,473	
(1) -0.1%					
FAS 142 cumulative adjustment, net	--	(72)	72 (e)	--	
-					
Net income	\$ 2,898	\$ 3,182	\$ (760)	\$ 2,422	\$ 476
19.7%					
Net income as a percentage of revenue	8.7%	10.2%		7.7%	
Per share amounts					
Basic earnings per share	\$ 2.57	\$ 2.84		\$ 2.16	
Diluted earnings per share	\$ 2.55	\$ 2.81		\$ 2.14	
Weighted average shares outstanding					
Basic	1,128	1,120		1,120	
Diluted	1,138	1,134		1,134	

</TABLE>

- (a) UPS recognized a credit to operating expense due to a change in our vacation policy of \$197 million (\$175 million - U.S. Domestic package, \$11 million - International package, \$11 million - Non-package).
- (b) Non-package restructuring charge and related expenses of \$106 million at our Supply Chain Solutions unit.
- (c) \$1.023 billion gain related to the settlement of a previously established tax assessment liability.
- (d) Increased tax expense due to the tax provision on the credit to operating expenses resulting from the change in vacation policy and the tax assessment reversal, partially offset by the tax benefit resulting from the restructuring charge. Adjustment does not include a \$26 million reduction in income tax expense due to favorable resolution of several other tax matters.
- (e) \$72 million cumulative adjustment upon adoption of FAS 142 on January 1, 2002 resulting from the impairment of our former Mail Technologies unit.

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

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UNITED PARCEL SERVICE, INC.
ANALYSIS OF EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2003

<TABLE>
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Year	1Q	2Q	3Q	4Q
(financial data in millions, Diluted)	Diluted	Diluted	Diluted	Diluted

except per share amounts) EPS	\$	EPS	\$	EPS	\$	EPS	\$	EPS	\$
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Denominator for diluted EPS 1,138		1,136		1,136		1,140		1,140	
Net income, as reported 2,898 2.55	611	0.54	692	0.61	739	0.65	856	0.75	
Adjustments:									
Reduction of income tax expense (116) (0.10)	(55)	(0.05)			(22)	(0.02)	(39)	(0.03)	
Investment impairment 37 0.03	37	0.03							
Sale of Mail Technologies (14) (0.01)			(14)	(0.01)					
Sale of Aviation Technologies (15) (0.01)					(15)	(0.01)			
Gain on redemption of long-term debt (18) (0.02)							(18)	(0.02)	
Net income, as adjusted 2,772 \$ 2.44	\$ 593	\$ 0.52	\$ 678	\$ 0.60	\$ 702	\$ 0.62	\$ 799	\$ 0.70	\$

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

<TABLE>
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	YEAR ENDED DECEMBER 31,		CHANGE	
	2003	2002	\$	%
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 5,580	\$ 5,349	\$ 231	4.3%
Deferred	2,982	2,868	114	4.0%
Ground	16,460	15,707	753	4.8%
Total U.S. domestic package	25,022	23,924	1,098	4.6%
International package:				
Domestic	1,134	943	191	20.3%
Export	4,001	3,276	725	22.1%
Cargo	426	461	(35)	-7.6%
Total International package	5,561	4,680	881	18.8%
Non-package:				
UPS Supply Chain Solutions	2,126	1,969	157	8.0%
Other	776	699	77	11.0%
Total Non-package	2,902	2,668	234	8.8%
Consolidated	\$33,485	\$31,272	\$ 2,213	7.1%
Memo: Gross revenue				
UPS Supply Chain Solutions	\$ 4,337	\$ 3,864	\$ 473	12.2%
Consolidated volume (in millions)	3,437	3,362	75	2.2%
Operating weekdays	252	252		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. domestic package:				
Next day air	1,185	1,111	74	6.7%
Deferred	918	895	23	2.6%
Ground	10,268	10,112	156	1.5%
Total U.S. domestic package	12,371	12,118	253	2.1%
International package:				
Domestic	786	779	7	0.9%

Export	481	443	38	8.6%
Total International package	1,267	1,222	45	3.7%
Consolidated	13,638	13,340	298	2.2%
=====				
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 18.69	\$ 19.11	\$ (0.42)	-2.2%
Deferred	12.89	12.72	0.17	1.3%
Ground	6.36	6.16	0.20	3.2%
Total U.S. domestic package	8.03	7.83	0.20	2.6%
International package:				
Domestic	5.73	4.80	0.93	19.4%
Export	33.01	29.35	3.66	12.5%
Total International package	16.08	13.70	2.38	17.4%
Consolidated	\$ 8.77	\$ 8.37	\$ 0.40	4.8%
=====				

</TABLE>

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