

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, 2004  
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United Parcel Service, Inc.  
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(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  
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Not applicable  
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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 - Results of Operations and Financial Condition.

On October 21, 2004, United Parcel Service, Inc. issued a press release containing information about the Company's results of operations for the quarter ended September 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1

Item 9.01 - Financial Statements and Exhibits

(c) Exhibits

99.1 Press release dated October 21, 2004.

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 25, 2004

By: /s/ D. Scott Davis

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

EXHIBIT INDEX

99.1

Press Release dated October 21, 2004.

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

UPS REPORTS SOLID 3RD QUARTER EARNINGS  
AS PACKAGE BUSINESS GROWS WORLDWIDE

INTERNATIONAL PROFIT JUMPS ALMOST 50%;  
BOARD INCREASES SHARE REPURCHASE AUTHORIZATION TO \$2 BILLION

ATLANTA, Oct. 21, 2004 - UPS (NYSE:UPS) today reported solid third quarter growth with revenues rising 7.7% and net income increasing 20.4%.

Total worldwide average daily volume increased by 445,000 packages per day to 13.7 million, a 3.4% increase. Total international export package volume grew 13.2%, while UPS Supply Chain Solutions posted strong growth with revenue up 10.1%.

"The reach and reliability of our global package delivery network is unmatched and we're attracting new business as a result," said Scott Davis, UPS's chief financial officer. "We're seeing double-digit export growth in every region of the world with strong profit increases to match."

The CFO also said UPS continues to generate substantial positive cash flow and the Board of Directors has increased the company's share repurchase authorization to \$2 billion.

For the three months ended Sept. 30, consolidated revenue totaled \$8.95 billion, up 7.7% compared to the \$8.31 billion reported during the prior-year period. Consolidated operating profit rose 9.7% to \$1.26 billion. Net income for the quarter was \$890 million compared to \$739 million reported for the same period in 2003.

The results for the third quarter in 2003 included a \$24 million gain on the sale of UPS Aviation Technologies as well as a \$22 million tax benefit due to a favorable tax ruling. The most recent quarter includes a \$99 million reduction to income taxes due to the resolution of various tax matters.

Excluding these items, third quarter operating profit increased \$135 million to \$1.26 billion, a gain of 12%. Adjusted net income totaled \$791 million this year compared to \$702 million in 2003, up 12.7%.

Earnings per diluted share were \$0.78 compared to \$0.65 the prior year. On an adjusted basis, earnings per diluted share totaled \$0.70 per share, up 12.9% compared to the prior year's \$0.62. The adjusted \$0.70 per diluted share is within UPS's guidance of \$0.69 to \$0.72.

For the nine months ended Sept. 30, consolidated revenues totaled \$26.74 billion, an increase of 8.9% compared to the prior-year period. Operating profit totaled \$3.79 billion, a gain of 19.3% compared to the period in 2003. Net income increased to \$2.47 billion, a gain of 20.8% compared to the period in 2003.

Third quarter highlights by company segments included:

- International package revenue increased 21.6% to \$1.67 billion on a 13.2% gain in export package volume and a 4.1% increase in international domestic package volume. Asia export volume increased 29% as export volume out of China more than doubled. U.S. export volume led the industry with its fourth consecutive quarter of double-digit growth. Operating profit jumped 49% to \$262 million. International operating margin increased 290 basis points to 15.7%.
- U.S. package revenue increased 4.4% to \$6.49 billion while operating profit climbed 3.9% to \$857 million. Both were impacted by a difficult September during which multiple hurricanes and tropical storms disrupted commerce across the U.S. and UPS operations in the Southeast and East. Average daily ground volume in the U.S. grew 4.5% for the quarter. Total Next Day Air(R) volume was down in the quarter due to the large amount of letters associated with mortgage refinancing activity last year. Excluding letters, Next Day package volume increased in the quarter. Average revenue per

piece rose 1.5% for all U.S. products.

- Revenue for the non-package segment climbed 9.5% to \$792 million. Excluding last year's gain on the sale of UPS Aviation Technologies, operating profit increased 13.9% to \$139 million. Revenue for UPS Supply Chain Solutions, the largest unit in the non-package segment, increased 10.1% to \$591 million. The UPS SCS unit, with the pending acquisition of Menlo Worldwide Forwarding, will add guaranteed heavy air freight to its portfolio across the globe.

In addition to this month's agreement to acquire Menlo Worldwide Forwarding, several other developments occurred during the quarter that will be instrumental to continued growth. Earlier in the period, UPS added air capabilities to its Trade Direct SM line of services, helping customers eliminate the need for warehousing after importing.

Last month, UPS added three additional flights to its "around-the-world" network to accommodate expanding package flows between Asia and Europe. And just this past Monday, the U.S. Transportation Department finalized its earlier award of aviation rights allowing UPS to triple its direct access to the fast-growing China market.

"We will keep building our capabilities as more customers turn to UPS to help them effectively manage their transportation and supply chain needs," Davis added.

For the fourth quarter, Davis said the company is expecting a solid holiday shipping season in the United States and stellar growth outside the U.S. UPS is projecting fourth quarter diluted earnings per share to increase over last year's adjusted \$0.70 to a range of \$0.83 to \$0.87. Davis added UPS expects earnings per share in 2005 to grow between 13-to-17%.

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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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."

We supplement the reporting of our financial information determined under generally accepted accounting principles (GAAP) with certain non-GAAP financial measures, including, as applicable, "as adjusted" operating profit, operating margin, net income and earnings per share. We believe that these adjusted measures provide meaningful information to assist investors and analysts in understanding our financial results and assessing our prospects for future performance. We believe these adjusted financial measures are important indicators of our recurring operations because they exclude items that may not be indicative of or are unrelated to our core operating results, and provide a better baseline for analyzing trends in our underlying businesses. Furthermore, we use these adjusted financial measures to determine awards for our management personnel under our incentive compensation plan.

In the third quarter of 2004, we recorded a \$99 million reduction in income tax expense due to the resolution of various tax matters. In the third quarter of 2003, we recognized a \$22 million credit to income tax expense due to a favorable court ruling on the treatment of jet engine maintenance costs. Also in the third quarter of 2003, we recognized a \$24 million pre-tax gain (\$15 million after-tax) upon the sale of our former Aviation Technologies unit. In the second quarter of 2003, we recorded a \$24 million pre-tax loss and a \$38 million tax benefit on the sale of our Mail Technologies business. In the first quarter of 2003, we incurred a \$58 million pre-tax impairment charge related to the Company's investment in S&P 500 equity portfolios and benefited from a \$55 million reduction in income tax expense due to the resolution of various tax issues with the Internal Revenue Service. We presented operating profit, net income and earnings per share excluding the impact of these items as we believe these adjusted measures better enable shareowners to focus on period-over-period operating performance. We believe it is useful to present operating profit, net income and earnings per share excluding the impact of the sales of Aviation Technologies and Mail Technologies as these sales have minimal implications on future financial performance. We believe it is useful to present net income and earnings per share excluding the impact of the impairment charge because the Company has been significantly reducing the size of its equity portfolio

investments and such investments are not a core business of the Company. We also believe it is useful to present net income and earnings per share excluding the impact of the resolution of the tax contingencies because the underlying matters that produced the tax benefits were unique and, as resolved, have no bearing on future anticipated tax expense.

Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. These adjusted financial measures should not be considered in isolation or as a substitute for GAAP operating profit, operating margin, net income and earnings per share, the most directly comparable GAAP financial measures. These non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, provide a more complete understanding of our business. We strongly encourage investors to review our financial statements and publicly-filed reports in their entirety and not to rely on any single financial measure.

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>

	THREE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2004	2003	\$	%
<S>	<C>	<C>	<C>	<C>
(amounts in millions, except per share data)				
STATEMENT OF INCOME DATA:				
Revenue:				
U.S. domestic package	\$ 6,494	\$ 6,219	\$ 275	4.4%
International package	1,666	1,370	296	21.6%
Non-package	792	723	69	9.5%
Total revenue	8,952	8,312	640	7.7%
Operating expenses:				
Compensation and benefits	5,139	4,830	309	6.4%
Other	2,555	2,335	220	9.4%
Total operating expenses	7,694	7,165	529	7.4%
Operating profit:				
U.S. domestic package	857	825	32	3.9%
International package	262	176	86	48.9%
Non-package	139	146	(7)	-4.8%
Total operating profit	1,258	1,147	111	9.7%
Other income (expense):				
Investment income	26	23	3	13.0%
Interest expense	(38)	(31)	(7)	22.6%
Total other income (expense)	(12)	(8)	(4)	50.0%
Income before income taxes	1,246	1,139	107	9.4%
Income taxes	356	400	(44)	-11.0%
Net income	\$ 890	\$ 739	\$ 151	20.4%
Net income as a percentage of revenue	9.9%	8.9%		

Per share amounts				
Basic earnings per share	\$ 0.79	\$ 0.66	\$ 0.13	19.7%
Diluted earnings per share	\$ 0.78	\$ 0.65	\$ 0.13	20.0%
Weighted average shares outstanding				
Basic	1,126	1,128		
Diluted	1,135	1,140		
AS ADJUSTED INCOME DATA:				
Operating profit:				
U.S. domestic package	\$ 857	\$ 825	\$ 32	3.9%
International package	262	176	86	48.9%
Non-package (1)	139	122	17	13.9%
	-----	-----	-----	
Total operating profit (1)	1,258	1,123	135	12.0%
Income before income taxes (1)	1,246	1,115	131	11.7%
Net income (1), (2), (3)	791	702	89	12.7%
Basic earnings per share (1), (2), (3)	0.70	0.62	0.08	12.9%
Diluted earnings per share (1), (2), (3)	0.70	0.62	0.08	12.9%

</TABLE>

- (1) In the third quarter of 2003, the Company recognized a \$24 million pre-tax (\$15 million after-tax) gain from the sale of our former Aviation Technologies unit.
- (2) In the third quarter of 2003, the Company recognized a \$22 million credit to tax expense from a favorable court ruling on the tax treatment of jet engine maintenance costs.
- (3) In the third quarter of 2004, the Company recognized a \$99 million credit to tax expense due to the resolution of various tax matters.

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

1

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

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED		CHANGE	
	2004	2003	\$	%
	-----	-----	-----	-----
	<C>	<C>	<C>	<C>
<S>				
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 1,482	\$ 1,424	\$ 58	4.1%
Deferred	731	714	17	2.4%
Ground	4,281	4,081	200	4.9%
	-----	-----	-----	
Total U.S. domestic package	6,494	6,219	275	4.4%
International package:				
Domestic	326	279	47	16.8%
Export	1,220	988	232	23.5%
Cargo	120	103	17	16.5%
	-----	-----	-----	
Total International package	1,666	1,370	296	21.6%
Non-package:				
UPS Supply Chain Solutions	591	537	54	10.1%
Other	201	186	15	8.1%
	-----	-----	-----	
Total Non-package	792	723	69	9.5%
	-----	-----	-----	
Consolidated	\$ 8,952	\$ 8,312	\$ 640	7.7%
	=====	=====	=====	
Memo: Gross revenue				
UPS Supply Chain Solutions	\$ 1,278	\$ 1,099	\$ 179	16.3%
Consolidated volume (in millions)	877	849	28	3.4%
Operating weekdays	64	64		

AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):  
U.S. domestic package:

Next day air	1,157	1,207	(50)	-4.1%
Deferred	813	859	(46)	-5.4%
Ground	10,409	9,961	448	4.5%
	-----	-----	-----	
Total U.S. domestic package	12,379	12,027	352	2.9%
International package:				
Domestic	794	763	31	4.1%
Export	530	468	62	13.2%
	-----	-----	-----	
Total International package	1,324	1,231	93	7.6%
	-----	-----	-----	
Consolidated	13,703	13,258	445	3.4%
	=====	=====	=====	

AVERAGE REVENUE PER PIECE:

U.S. domestic package:				
Next day air	\$ 20.01	\$ 18.43	\$ 1.58	8.6%
Deferred	14.05	12.99	1.06	8.2%
Ground	6.43	6.40	0.03	0.5%
Total U.S. domestic package	8.20	8.08	0.12	1.5%
International package:				
Domestic	6.42	5.71	0.71	12.4%
Export	35.97	32.99	2.98	9.0%
Total International package	18.24	16.08	2.16	13.4%
Consolidated	\$ 9.17	\$ 8.82	\$ 0.35	4.0%
	=====	=====	=====	

</TABLE>

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

2

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

<TABLE>  
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30,		CHANGE	
	2004	2003	\$	%
--	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
(amounts in millions, except per share data)				
STATEMENT OF INCOME DATA:				
Revenue:				
U.S. domestic package	\$ 19,514	\$ 18,363	\$ 1,151	6.3%
International package	4,898	4,043	855	21.1%
Non-package	2,330	2,147	183	8.5%
	-----	-----	-----	
Total revenue	26,742	24,553	2,189	8.9%
Operating expenses:				
Compensation and benefits	15,386	14,292	1,094	7.7%
Other	7,571	7,089	482	6.8%
	-----	-----	-----	
Total operating expenses	22,957	21,381	1,576	7.4%
Operating profit:				
U.S. domestic package	2,580	2,361	219	9.3%
International package	803	468	335	71.6%
Non-package	402	343	59	17.2%
	-----	-----	-----	
Total operating profit	3,785	3,172	613	19.3%
Other income (expense):				
Investment income (loss)	57	(5)	62	-1240.0%
Interest expense	(112)	(94)	(18)	19.1%
	-----	-----	-----	
Total other income (expense)	(55)	(99)	44	-44.4%
Income before income taxes	3,730	3,073	657	21.4%
Income taxes	1,263	1,031	232	22.5%
	-----	-----	-----	
Net income	\$ 2,467	\$ 2,042	\$ 425	20.8%
	=====	=====	=====	

Net income as a percentage of revenue	9.2%	8.3%		
Per share amounts				
Basic earnings per share	\$ 2.19	\$ 1.81	\$ 0.38	21.0%
Diluted earnings per share	\$ 2.17	\$ 1.80	\$ 0.37	20.6%
Weighted average shares outstanding				
Basic	1,128	1,126		
Diluted	1,137	1,137		
AS ADJUSTED INCOME DATA:				
Operating profit:				
U.S. domestic package	\$ 2,580	\$ 2,361	\$ 219	9.3%
International package	803	468	335	71.6%
Non-package (1)	402	343	59	17.2%
	-----	-----	-----	
Total operating profit (1)	3,785	3,172	613	19.3%
Income before income taxes (1), (2)	3,730	3,131	599	19.1%
Net income (1), (2), (3), (4)	2,368	1,973	395	20.0%
Basic earnings per share (1), (2), (3), (4)	2.10	1.75	0.35	20.0%
Diluted earnings per share (1), (2), (3), (4)	2.08	1.74	0.34	19.5%

</TABLE>

- (1) In the second quarter of 2003, the Company recognized a \$24 million pre-tax loss, and a \$38 million tax benefit, from the sale of our former Mail Technologies unit. In the third quarter of 2003, the Company recognized a \$24 million pre-tax (\$15 million after-tax) gain from the sale of our former Aviation Technologies unit.
- (2) In the first quarter of 2003, the Company recognized a \$58 million investment impairment charge (\$37 million after-tax).
- (3) In the first quarter of 2003, the Company recognized a \$55 million credit to tax expense related to the resolution of various tax contingencies. In the third quarter of 2003, the Company recognized a \$22 million credit to tax expense from a favorable court ruling on the tax treatment of jet engine maintenance costs.
- (4) In the third quarter of 2004, the Company recognized a \$99 million credit to tax expense related to the resolution of various tax matters.

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>

	NINE MONTHS ENDED		CHANGE	
	SEPTEMBER 30,			
	2004	2003	\$	%
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. domestic package:				
Next day air	\$ 4,444	\$ 4,164	\$ 280	6.7%
Deferred	2,229	2,128	101	4.7%
Ground	12,841	12,071	770	6.4%
	-----	-----	-----	
Total U.S. domestic package	19,514	18,363	1,151	6.3%
International package:				
Domestic	980	819	161	19.7%
Export	3,584	2,920	664	22.7%
Cargo	334	304	30	9.9%
	-----	-----	-----	
Total International package	4,898	4,043	855	21.1%
Non-package:				
UPS Supply Chain Solutions	1,722	1,567	155	9.9%
Other	608	580	28	4.8%
	-----	-----	-----	
Total Non-package	2,330	2,147	183	8.5%
	-----	-----	-----	
Consolidated	\$26,742	\$24,553	\$ 2,189	8.9%
	=====	=====	=====	
Memo: Gross revenue				
UPS Supply Chain Solutions	\$ 3,577	\$ 3,176	\$ 401	12.6%



Consolidated volume (in millions)	2,628	2,508	120	4.8%
Operating weekdays	192	191		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. domestic package:				
Next day air	1,169	1,174	(5)	-0.4%
Deferred	846	855	(9)	-1.1%
Ground	10,351	9,873	478	4.8%
	-----	-----	-----	
Total U.S. domestic package	12,366	11,902	464	3.9%
International package:				
Domestic	796	760	36	4.7%
Export	522	467	55	11.8%
	-----	-----	-----	
Total International package	1,318	1,227	91	7.4%
	-----	-----	-----	
Consolidated	13,684	13,129	555	4.2%
	=====	=====	=====	
AVERAGE REVENUE PER PIECE:				
U.S. domestic package:				
Next day air	\$ 19.80	\$ 18.57	\$ 1.23	6.6%
Deferred	13.72	13.03	0.69	5.3%
Ground	6.46	6.40	0.06	0.9%
Total U.S. domestic package	8.22	8.08	0.14	1.7%
International package:				
Domestic	6.41	5.64	0.77	13.7%
Export	35.76	32.74	3.02	9.2%
Total International package	18.04	15.95	2.09	13.1%
Consolidated	\$ 9.16	\$ 8.81	\$ 0.35	4.0%
	=====	=====	=====	

</TABLE>

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