

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 26, 2006

United Parcel Service, Inc.

(Exact name of registrant as specified in its charter)

<Table>			
<S>	Delaware	<C>	<C>
	-----	001-15451	58-2480149
	(State or other	-----	-----
	jurisdiction	(Commission	(IRS Employer
	of incorporation)	File Number)	Identification Number)
</Table>			

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

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

Not applicable

(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 January 26, 2006, United Parcel Service, Inc. issued a press release containing information about the Company's results of operations for the fourth quarter and year ended December 31, 2005. 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 January 26, 2006

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 1, 2006

By: /s/ D. Scott Davis

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

EXHIBIT INDEX

99.1 Press Release dated January 26, 2006

FOR IMMEDIATE RELEASE

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

UPS 4Q EARNINGS SURGE 25%
ON 22% WORLDWIDE REVENUE GAIN

RECORD EARNINGS FOR 2005 WITH STRONG CASH FLOW

ATLANTA, Jan. 26, 2006 - Led by a strong 21.5% gain in worldwide revenue, UPS (NYSE:UPS) today reported net income of \$1.05 billion and a 25% increase in diluted earnings per share for the fourth quarter.

For the full year, adjusted earnings per share climbed 19.7% and the company generated \$3.5 billion in free cash flow. The 12-month period also produced record volume with UPS delivering 3.75 billion packages in 2005, or an average of 14.8 million per day.

"UPS's performance in 2005 was exceptional, including a well-executed peak season," said Mike Eskew, UPS chairman and CEO. "All of our people pulled together to achieve the growth and financial goals we set for ourselves. Our momentum accelerated during each quarter of 2005 and we look forward to more progress in 2006."

For the quarter ended Dec. 31, 2005, global volume increased 7.9% to a record 16.8 million packages per day. That equates to an additional 1.2 million packages delivered per day. U.S. volume grew 6.2% in total, paced by an 8.5% increase in deferred air volume coupled with a 6.3% increase in Next Day Air(R) packages. Average daily ground volume in the U.S. rose 5.9%. U.S. volume gains in the fourth quarter were the highest experienced by the company in several years.

Internationally, average daily package volume rose 25.1% to 1.8 million a day. Export volume was again strong with a 15.4% increase reflecting significant gains across all regions of the world.

Revenue for the fourth quarter climbed 21.5% to \$11.95 billion, including the impact of acquisitions. Consolidated operating profit increased 42.1% to \$1.71 billion. Adjusting fourth quarter 2004 results for an aircraft impairment charge and a charge to pension expense, operating profit jumped 24.3%.

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Earnings per diluted share were \$0.95 for the quarter compared to \$0.76 reported in the prior year. Adjusting for the after-tax effects of the items mentioned above and credits to income tax expense recognized in 2004, diluted earnings per share rose 15.9% from \$0.82 a year ago. The company increased its effective tax rate in the fourth quarter of 2005, which reduced earnings per diluted share by \$0.02.

Highlights by segment for the fourth quarter included:

- U.S. domestic package revenue grew 8.9% during the period to \$7.82 billion. Boosted by a strong holiday season, all products experienced strong volume growth. Excluding the impact of the 2004 aircraft impairment and pension charges, operating profit rose 21.9% to \$1.24 billion. Pricing remained firm. The U.S. segment's operating margin increased to 15.8%.
- International package revenue increased 18.3% to \$2.22 billion. Excluding the impact of the 2004 aircraft impairment charge, operating profit climbed 25.3% to \$431 million. Export volume grew 15.4% with double-digit growth across Asia, Europe and the U.S. International domestic volume climbed 31.7% aided by acquisitions in Europe during the year. The international operating margin increased to 19.4%.
- Revenue for the supply chain and freight segment jumped 146% to \$1.91 billion, reflecting the positive impacts of both the Menlo Worldwide Forwarding and Overnite acquisitions. Operating profit climbed 139% to \$43 million. Revenue at Overnite for its first full quarter as part of UPS totaled \$483 million.

For the full year ended Dec. 31, 2005, diluted earnings per share totaled \$3.47 compared to \$2.93 per diluted share in 2004. Adjusting for the effects of the impairment and pension charges and tax credits recorded in 2004, diluted earnings per share increased 19.7%, up from \$2.90 in 2004. This was at the high

end of the company's 18-to-20% anticipated growth range, the second consecutive year of nearly a 20% gain in adjusted earnings. Revenue increased 16.4% to a record \$42.6 billion while operating profit rose 23.1% to \$6.14 billion. Net income for 2005 totaled \$3.87 billion, up 16.1% compared to the \$3.33 billion reported in 2004. Adjusting 2004's amounts for the effects of the items described above, operating profit increased by 19% and net income was up 17.2%.

"The year was one of significant growth, margin expansion and excellent cash flow," said Chief Financial Officer Scott Davis. "We're optimistic about 2006 and confident in our ability to continue producing the type of consistent earnings growth for which we're known. We will continue to invest in all three of our businesses and execute strategies in each segment that will enable us to capitalize on the growth in global commerce."

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For the first quarter of 2006, UPS is projecting diluted earnings per share in a range of \$0.85 to \$0.89 compared to the \$0.78 reported during the prior-year period. For the full year of 2006, Davis reiterated UPS's expectation of an increase in diluted earnings per share of 11-to-16%, consistent with the company's historical compound annual growth rate.

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 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."

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, pre-tax income, 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. We also provide the amount of our free cash flow to supplement our cash flow determined under GAAP. We define free cash flow as net cash from operating activities adjusted for capital expenditures, proceeds from disposals of property, plant and equipment, net change in finance receivables and other investing activities. We believe free cash flow is an important measure in assessing the generation of cash for discretionary investments and dividends.

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 fourth quarter of 2004, we recorded a \$110 million pre-tax impairment charged related to aircraft; a \$63 million pre-tax charge to pension expense and a net credit to income tax expense of \$43 million. We presented 2004 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. The underlying matters that produced the impairment charge, the charge to pension expense and the tax benefits were unique and we believe they have no bearing on future anticipated results.

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 preceding 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.

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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
(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED DECEMBER 31,		CHANGE
	2005	2004	\$
%			
<S>	<C>	<C>	<C>
<C>			
(amounts in millions, except per share data)			
STATEMENT OF INCOME DATA:			
Revenue:			
U.S. domestic package	\$ 7,824	\$ 7,187	\$ 637
8.9%			
International package	2,220	1,877	343
18.3%			
Supply chain and freight	1,910	776	1,134
146.1%			
Total revenue	11,954	9,840	2,114
21.5%			
Operating expenses:			
Compensation and benefits	6,122	5,497	625
11.4%			
Other	4,121	3,139	982
31.3%			
Total operating expenses	10,243	8,636	1,607
18.6%			
Operating profit:			
U.S. domestic package	1,237	861	376
43.7%			
International package	431	325	106
32.6%			
Supply chain and freight	43	18	25
138.9%			
Total operating profit	1,711	1,204	507
42.1%			
Other income (expense):			
Investment income	8	25	(17)
-68.0%			
Interest expense	(52)	(37)	(15)
40.5%			
Total other income (expense)	(44)	(12)	(32)
266.7%			
Income before income taxes	1,667	1,192	475
39.8%			
Income taxes	618	326	292
89.6%			
Net income	\$ 1,049	\$ 866	\$ 183
21.1%			

Net income as a percentage of revenue	8.8%	8.8%	
Per share amounts			
Basic earnings per share	\$ 0.95	\$ 0.77	\$ 0.18
23.4%			
Diluted earnings per share	\$ 0.95	\$ 0.76	\$ 0.19
25.0%			
Weighted average shares outstanding			
Basic	1,103	1,130	
Diluted	1,107	1,135	
AS ADJUSTED INCOME DATA:			
U.S. domestic package (1)	\$ 1,237	\$ 1,015	\$ 222
21.9%			
International package (1)	431	344	87
25.3%			
Supply chain and freight	43	18	25
138.9%			
	-----	-----	-----
Total operating profit	1,711	1,377	334
24.3%			
Income before income taxes (1)	\$ 1,667	\$ 1,365	\$ 302
22.1%			
Net income (2)	\$ 1,049	\$ 933	\$ 116
12.4%			
Basic earnings per share (2)	\$ 0.95	\$ 0.83	\$ 0.12
14.5%			
Diluted earnings per share (2)	\$ 0.95	\$ 0.82	\$ 0.13
15.9%			

</TABLE>

(1) Fourth quarter 2004 adjusted operating profit and income before income taxes exclude an impairment charge on Boeing 727, 747 and McDonnell Douglas DC-8 aircraft, and related engines and parts, of \$110 million (\$91 million U.S. domestic package and \$19 million International package), and a \$63 million charge to pension expense for the U.S. domestic package segment resulting from the consolidation of data collection systems.

(2) Fourth quarter 2004 net income excludes the after-tax effect of the items described in (1) above, which totaled \$110 million, and excludes net credits to income tax expense of \$43 million resulting from several items, including the resolution of certain tax matters, the removal of a portion of valuation allowances on certain deferred tax assets on net operating loss carryforwards and an adjustment for identified tax contingency items.

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
(UNAUDITED)

<TABLE>			
<CAPTION>			
	THREE MONTHS ENDED		
	DECEMBER 31,		CHANGE
	-----		-----
	2005	2004	\$
%	-----	-----	-----
<S>	<C>	<C>	<C>
<C>			
REVENUE (IN MILLIONS):			
U.S. domestic package:			
Next day air	\$ 1,716	\$ 1,608	\$ 108
6.7%			
Deferred	969	939	30
3.2%			
Ground	5,139	4,640	499
10.8%			
	-----	-----	-----
Total U.S. domestic package	7,824	7,187	637
8.9%			
International package:			
Domestic	474	366	108
29.5%			
Export	1,590	1,373	217
15.8%			

Cargo	156	138	18
13.0%			
	-----	-----	-----
Total International package	2,220	1,877	343
18.3%			
Supply chain and freight:			
Freight services and logistics	1,305	657	648
98.6%			
Overnite	483	-	483
N/A			
Other	122	119	3
2.5%			
	-----	-----	-----
Total Supply chain and freight	1,910	776	1,134
146.1%			
	-----	-----	-----
Consolidated	\$ 11,954	\$ 9,840	\$2,114
21.5%			
	=====	=====	=====
Consolidated volume (in millions)	1,039	963	76
7.9%			
Operating weekdays	62	62	
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):			
U.S. domestic package:			
Next day air	1,351	1,271	80
6.3%			
Deferred	1,200	1,106	94
8.5%			
Ground	12,374	11,683	691
5.9%			
	-----	-----	-----
Total U.S. domestic package	14,925	14,060	865
6.2%			
International package:			
Domestic	1,150	873	277
31.7%			
Export	690	598	92
15.4%			
	-----	-----	-----
Total International package	1,840	1,471	369
25.1%			
	-----	-----	-----
Consolidated	16,765	15,531	1,234
7.9%			
	=====	=====	=====
AVERAGE REVENUE PER PIECE:			
U.S. domestic package:			
Next day air	\$ 20.49	\$ 20.41	\$ 0.08
0.4%			
Deferred	13.02	13.69	(0.67)
-4.9%			
Ground	6.70	6.41	0.29
4.5%			
Total U.S. domestic package	8.46	8.24	0.22
2.7%			
International package:			
Domestic	6.65	6.76	(0.11)
-1.6%			
Export	37.17	37.03	0.14
0.4%			
Total International package	18.09	19.07	(0.98)
-5.1%			
Consolidated	\$ 9.51	\$ 9.27	\$ 0.24
2.6%			
	=====	=====	=====

</TABLE>

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

	2005	2004	\$
%			
<S>	<C>	<C>	<C>
<C>			
(amounts in millions, except per share data)			
STATEMENT OF INCOME DATA:			
Revenue:			
U.S. domestic package	\$ 28,610	\$26,960	\$1,650
6.1%			
International package	7,977	6,809	1,168
17.2%			
Supply chain and freight	5,994	2,813	3,181
113.1%			
Total revenue	42,581	36,582	5,999
16.4%			
Operating expenses:			
Compensation and benefits	22,490	20,768	1,722
8.3%			
Other	13,948	10,825	3,123
28.8%			
Total operating expenses	36,438	31,593	4,845
15.3%			
Operating profit:			
U.S. domestic package	4,493	3,702	791
21.4%			
International package	1,494	1,149	345
30.0%			
Supply chain and freight	156	138	18
13.0%			
Total operating profit	6,143	4,989	1,154
23.1%			
Other income (expense):			
Investment income	104	82	22
26.8%			
Interest expense	(172)	(149)	(23)
15.4%			
Total other income (expense)	(68)	(67)	(1)
1.5%			
Income before income taxes	6,075	4,922	1,153
23.4%			
Income taxes	2,205	1,589	616
38.8%			
Net income	\$ 3,870	\$ 3,333	\$ 537
16.1%			
Net income as a percentage of revenue	9.1%	9.1%	
Per share amounts			
Basic earnings per share	\$ 3.48	\$ 2.95	\$ 0.53
18.0%			
Diluted earnings per share	\$ 3.47	\$ 2.93	\$ 0.54
18.4%			
Weighted average shares outstanding			
Basic	1,113	1,129	
Diluted	1,116	1,137	
AS ADJUSTED INCOME DATA:			
U.S. domestic package (1)	\$ 4,493	\$ 3,856	\$ 637
16.5%			
International package (1)	1,494	1,168	326
27.9%			
Supply chain and freight	156	138	18
13.0%			
Total operating profit	6,143	5,162	981
19.0%			

Income before income taxes (1) 19.2%	\$ 6,075	\$ 5,095	\$ 980
Net income (2) 17.2%	\$ 3,870	\$ 3,301	\$ 569
Basic earnings per share (2) 19.2%	\$ 3.48	\$ 2.92	\$ 0.56
Diluted earnings per share (2) 19.7%	\$ 3.47	\$ 2.90	\$ 0.57

(1) Year-to-Date 2004 adjusted operating profit excludes an impairment charge on Boeing 727, 747 and McDonnell Douglas DC-8 aircraft, and related engines and parts, of \$110 million (\$91 million U.S. domestic package and \$19 million International package), and a \$63 million charge to pension expense for the U.S. domestic package segment resulting from the consolidation of data collection systems.

(2) Year-to-Date 2004 net income excludes the after-tax effect of the items described in (1) above, which totaled \$110 million, and excludes net credits to income tax expense of \$142 million resulting from several items, including the resolution of certain tax matters, the removal of a portion of valuation allowances on certain deferred tax assets on net operating loss carryforwards and an adjustment for identified tax contingency items.

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

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

<TABLE>
<CAPTION>

	TWELVE MONTHS ENDED DECEMBER 31,		CHANGE
	2005	2004	\$
----- %	-----	-----	-----
----- <S> <C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):			
U.S. domestic package:			
Next day air 4.9%	\$ 6,381	\$ 6,084	\$ 297
Deferred 2.0%	3,258	3,193	65
Ground 7.3%	18,971	17,683	1,288
	-----	-----	-----
Total U.S. domestic package 6.1%	28,610	26,960	1,650
International package:			
Domestic 18.0%	1,588	1,346	242
Export 17.3%	5,856	4,991	865
Cargo 12.9%	533	472	61
	-----	-----	-----
Total International package 17.2%	7,977	6,809	1,168
Supply chain and freight:			
Freight services and logistics 99.1%	4,737	2,379	2,358
Overnite N/A	797	-	797
Other 6.0%	460	434	26
	-----	-----	-----
Total Supply chain and freight 113.1%	5,994	2,813	3,181
	-----	-----	-----
Consolidated 16.4%	\$ 42,581	\$36,582	\$5,999
	=====	=====	=====
Consolidated volume (in millions) 4.3%	3,746	3,591	155

Operating weekdays	254	254	
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):			
U.S. domestic package:			
Next day air	1,228	1,194	34
2.8%			
Deferred	946	910	36
4.0%			
Ground	11,044	10,676	368
3.4%			
	-----	-----	-----
Total U.S. domestic package	13,218	12,780	438
3.4%			
International package:			
Domestic	916	815	101
12.4%			
Export	616	541	75
13.9%			
	-----	-----	-----
Total International package	1,532	1,356	176
13.0%			
	-----	-----	-----
Consolidated	14,750	14,136	614
4.3%	=====	=====	=====

AVERAGE REVENUE PER PIECE:			
U.S. domestic package:			
Next day air	\$ 20.46	\$ 20.06	\$ 0.40
2.0%			
Deferred	13.56	13.81	(0.25)
-1.8%			
Ground	6.76	6.52	0.24
3.7%			
Total U.S. domestic package	8.52	8.31	0.21
2.5%			
International package:			
Domestic	6.83	6.50	0.33
5.1%			
Export	37.43	36.32	1.11
3.1%			
Total International package	19.13	18.40	0.73
4.0%			
Consolidated	\$ 9.62	\$ 9.27	\$ 0.35
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.
RECONCILIATION OF FREE CASH FLOW
(UNAUDITED)

<TABLE>
<CAPTION>

	PRELIMINARY 2005	2004
	-----	-----
<S>	<C>	<C>
(in millions)		
Net cash from operations	\$ 5,801	\$ 5,331
Capital expenditures	(2,187)	(2,127)
Proceeds from disposals of PP&E	15	75
Net change in finance receivables	95	318
Other investing activities	(194)	(68)
	-----	-----
Free cash flow	\$ 3,530	\$ 3,529
	=====	=====

</TABLE>

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

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