

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 25, 2006

United Parcel Service, Inc.

(Exact name of registrant as specified in its charter)

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

<Table>		
<S>	55 Glenlake Parkway, N.E. Atlanta, Georgia	<C> 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 July 25, 2006, United Parcel Service, Inc. issued a press release containing information about the Company's results of operations for the second quarter ended June 30, 2006. 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 July 25, 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: July 26, 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 July 25, 2006

FOR IMMEDIATE RELEASE

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

UPS 2ND QUARTER PRODUCES
SOLID EARNINGS ON 15% REVENUE GAIN

ATLANTA, July 25, 2006 -- UPS (NYSE:UPS) today reported a strong gain in consolidated revenue and a 10.2% improvement in earnings per diluted share to \$0.97. Global small package volume rose 6% or 841,000 additional packages each day.

<TABLE>		
<CAPTION>		
CONSOLIDATED RESULTS	Second quarter	Year-ago
-----	-----	-----
<S>	<C>	<C>
Revenue	\$11.74 B	\$10.19 B
Operating profit	\$ 1.70 B	\$ 1.55 B
Operating margin	14.4%	15.2%
Average volume per day	15.0 M	14.1 M
Diluted earnings per share	\$ 0.97	\$ 0.88

"Our global small package volume growth in the second quarter was robust, resulting in a solid earnings gain," said Mike Eskew, UPS chairman and CEO. "The global small package market continues to expand and we are seeing significant opportunities for UPS."

During the second quarter, UPS announced a \$1+ billion expansion of its mega-hub at the heart of its global transportation network, Worldport, located in Louisville, Ky. The 1.1 million square-foot expansion will increase sorting capacity by 60% to 487,000 packages per hour. This five-year expansion plan reflects excellent growth projections in UPS's air package volume around the world.

CASH POSITION

UPS closed the quarter with \$2.85 billion in cash and marketable securities. For the first six months, UPS also:

- Generated \$2.7 billion in free cash flow.
- Purchased 17.8 million shares, reducing total shares outstanding by 1.4%.
- Paid \$1.17 billion in dividends. UPS has increased dividends 81% over the last three years.
- Invested \$1.44 billion in capital expenditures.

The UPS Board of Directors has approved an increase of \$2 billion in the amount of authorized funds for repurchase of Class A and Class B shares.

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2-2-2

<TABLE>		
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U. S. PACKAGE	Second quarter	Year-ago
-----	-----	-----
<S>	<C>	<C>
Revenue	\$7.46 B	\$6.94 B
Operating profit	\$1.23 B	\$1.12 B
Operating margin	16.5%	16.1%
Average volume per day	13.3 M	12.7 M

All levels of service posted gains. Daily ground volume increased 4.6%, while average daily volume for Next Day Air(R) rose 4.2% and deferred air volume climbed 7.6%. Total revenue per piece remained firm with a gain of 2.7%.

During the period, UPS was named the country's top business brand in the American Brand Excellence Awards 2006 for being a forward-thinking, ethical industry leader.

INTERNATIONAL PACKAGE	Second quarter	Year-ago
Revenue	\$2.23 B	\$ 2.0 B
Operating profit	\$ 414 M	\$ 397 M
Operating margin	18.5%	19.9%
Average volume per day	1.7 M	1.5 M

Total international package volume grew 16.5%. Export volume increased 6.5% and non-U.S. domestic volume was up 23.6% aided by acquisitions. Operating profit and volume growth were constrained by three fewer operating days in Europe compared to the same quarter last year.

During the quarter, the company began direct air service from Shanghai to Europe while also adding three new flights connecting Shanghai to the U.S. and another new flight between Qingdao and Incheon, Korea. The additional flights improve UPS service options in several key Asian markets experiencing rapid growth.

SUPPLY CHAIN AND FREIGHT	Second quarter	Year-ago
Revenue	\$2.04 B	\$1.25 B
Operating profit	\$ 47 M	\$ 34 M
Operating margin	2.3%	2.7%

Revenue and profit improvements in this segment were primarily driven by the acquisition last August of a leading LTL carrier, Overnite, now re-branded UPS Freight. Freight forwarding and logistics operating results improved significantly over first quarter results.

Integration of the acquired heavy air freight network into the UPS Airlines operation was completed at the end of June as scheduled. The integration is allowing UPS to improve service reliability and transit times while offering an expanded portfolio of services.

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3-3-3

OUTLOOK

"We expect diluted earnings per share in a range of \$0.87 to \$0.91 in the third quarter compared to the \$0.86 reported during the prior-year period," said Scott Davis, UPS's chief financial officer. The third quarter has fewer operating days than the prior-year period, negatively impacting earnings per share comparison approximately \$0.04 to \$0.05.

Davis also stated that full-year earnings growth is expected to be at the low end of the company's original 11-to-16% guidance for 2006.

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 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. 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 free cash flow. 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, dividends and share repurchases.

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 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 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 for the year ended December 31, 2005, 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
(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED		CHANGE	
	JUNE 30,			
	----- 2006 -----	2005 -----	\$ -----	% -----
<S>	<C>	<C>	<C>	<C>
(amounts in millions, except per share data)				
STATEMENT OF INCOME DATA:				
Revenue:				
U.S. Domestic Package	\$ 7,462	\$ 6,942	\$ 520	7.5%
International Package	2,233	1,997	236	11.8%
Supply Chain & Freight	2,041	1,252	789	63.0%
	-----	-----	-----	
Total revenue	11,736	10,191	1,545	15.2%
Operating expenses:				
Compensation and benefits	5,990	5,389	601	11.2%
Other	4,051	3,253	798	24.5%
	-----	-----	-----	
Total operating expenses	10,041	8,642	1,399	16.2%
Operating profit:				
U.S. Domestic Package	1,234	1,118	116	10.4%
International Package	414	397	17	4.3%
Supply Chain & Freight	47	34	13	38.2%
	-----	-----	-----	
Total operating profit	1,695	1,549	146	9.4%
Other income (expense):				
Investment income	23	38	(15)	-39.5%
Interest expense	(54)	(46)	(8)	17.4%
	-----	-----	-----	
Total other income (expense)	(31)	(8)	(23)	287.5%
	-----	-----	-----	
Income before income taxes	1,664	1,541	123	8.0%
Income taxes	603	555	48	8.6%
	-----	-----	-----	
Net income	\$ 1,061	\$ 986	\$ 75	7.6%
	=====	=====	=====	
Net income as a percentage of revenue	9.0%	9.7%		
Per share amounts				
Basic earnings per share	\$ 0.98	\$ 0.88	\$ 0.10	11.4%
Diluted earnings per share	\$ 0.97	\$ 0.88	\$ 0.09	10.2%
Weighted average shares outstanding				
Basic	1,087	1,116		
Diluted	1,092	1,119		

</TABLE>

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

<TABLE>
<CAPTION>

	THREE MONTHS ENDED		CHANGE	
	JUNE 30,			
	2006	2005	\$	%
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. Domestic Package:				
Next Day Air	\$ 1,687	\$ 1,560	\$ 127	8.1%
Deferred	822	767	55	7.2%
Ground	4,953	4,615	338	7.3%
Total U.S. Domestic Package	7,462	6,942	520	7.5%
International Package:				
Domestic	473	381	92	24.1%
Export	1,614	1,492	122	8.2%
Cargo	146	124	22	17.7%
Total International Package	2,233	1,997	236	11.8%
Supply Chain & Freight:				
Forwarding and Logistics	1,444	1,173	271	23.1%
Freight	510	--	510	N/A
Other	87	79	8	10.1%
Total Supply Chain & Freight	2,041	1,252	789	63.0%
Consolidated	\$11,736	\$10,191	\$1,545	15.2%
Consolidated volume (in millions)				
Operating weekdays	958	904	54	6.0%
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):	64	64		
U.S. Domestic Package:				
Next Day Air	1,240	1,190	50	4.2%
Deferred	936	870	66	7.6%
Ground	11,074	10,592	482	4.6%
Total U.S. Domestic Package	13,250	12,652	598	4.7%
International Package:				
Domestic	1,062	859	203	23.6%
Export	656	616	40	6.5%
Total International Package	1,718	1,475	243	16.5%
Consolidated	14,968	14,127	841	6.0%
AVERAGE REVENUE PER PIECE:				
U.S. Domestic Package:				
Next Day Air	\$ 21.26	\$ 20.48	\$ 0.78	3.8%
Deferred	13.72	13.78	(0.06)	-0.4%
Ground	6.99	6.81	0.18	2.6%
Total U.S. Domestic Package	8.80	8.57	0.23	2.7%
International Package:				
Domestic	6.96	6.93	0.03	0.4%
Export	38.44	37.84	0.60	1.6%
Total International Package	18.98	19.84	(0.86)	-4.3%
Consolidated	\$ 9.97	\$ 9.75	\$ 0.22	2.3%

</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
(UNAUDITED)

<TABLE>
<CAPTION>

	SIX MONTHS ENDED		CHANGE	
	JUNE 30,			
	2006	2005	\$	%
<S>	<C>	<C>	<C>	<C>
(amounts in millions, except per share data)				
STATEMENT OF INCOME DATA:				
Revenue:				
U.S. Domestic Package	\$14,925	\$13,753	\$1,172	8.5%

International Package	4,394	3,839	555	14.5%
Supply Chain & Freight	3,938	2,485	1,453	58.5%
	-----	-----	-----	
Total revenue	23,257	20,077	3,180	15.8%
Operating expenses:				
Compensation and benefits	12,009	10,786	1,223	11.3%
Other	7,998	6,357	1,641	25.8%
	-----	-----	-----	
Total operating expenses	20,007	17,143	2,864	16.7%
Operating profit:				
U.S. Domestic Package	2,419	2,146	273	12.7%
International Package	809	745	64	8.6%
Supply Chain & Freight	22	43	(21)	-48.8%
	-----	-----	-----	
Total operating profit	3,250	2,934	316	10.8%
Other income (expense):				
Investment income	46	68	(22)	-32.4%
Interest expense	(102)	(83)	(19)	22.9%
	-----	-----	-----	
Total other income (expense)	(56)	(15)	(41)	273.3%
	-----	-----	-----	
Income before income taxes	3,194	2,919	275	9.4%
Income taxes	1,158	1,051	107	10.2%
	-----	-----	-----	
Net income	\$ 2,036	\$ 1,868	\$ 168	9.0%
	=====	=====	=====	
Net income as a percentage of revenue	8.8%	9.3%		
Per share amounts				
Basic earnings per share	\$ 1.87	\$ 1.67	\$ 0.20	12.0%
Diluted earnings per share	\$ 1.86	\$ 1.66	\$ 0.20	12.0%
Weighted average shares outstanding				
Basic	1,091	1,120		
Diluted	1,096	1,123		

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
(UNAUDITED)

<TABLE>
<CAPTION>

	SIX MONTHS ENDED		CHANGE	
	JUNE 30,			
	2006	2005	\$	%
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUE (IN MILLIONS):				
U.S. Domestic Package:				
Next Day Air	\$ 3,371	\$ 3,060	\$ 311	10.2%
Deferred	1,653	1,531	122	8.0%
Ground	9,901	9,162	739	8.1%
	-----	-----	-----	
Total U.S. Domestic Package	14,925	13,753	1,172	8.5%
International Package:				
Domestic	939	739	200	27.1%
Export	3,175	2,858	317	11.1%
Cargo	280	242	38	15.7%
	-----	-----	-----	
Total International Package	4,394	3,839	555	14.5%
Supply Chain & Freight:				
Forwarding and Logistics	2,783	2,326	457	19.6%
Freight	987	--	987	N/A
Other	168	159	9	5.7%
	-----	-----	-----	
Total Supply Chain & Freight	3,938	2,485	1,453	58.5%
	-----	-----	-----	
Consolidated	\$23,257	\$20,077	\$3,180	15.8%
	=====	=====	=====	
Consolidated volume (in millions)	1,922	1,789	133	7.5%
Operating weekdays	128	128		
AVERAGE DAILY PACKAGE VOLUME (IN THOUSANDS):				
U.S. Domestic Package:				
Next Day Air	1,247	1,168	79	6.8%
Deferred	944	865	79	9.1%
Ground	11,093	10,528	565	5.4%
	-----	-----	-----	
Total U.S. Domestic Package	13,284	12,561	723	5.8%

International Package:				
Domestic	1,076	823	253	30.7%
Export	656	590	66	11.2%
	-----	-----	-----	
Total International Package	1,732	1,413	319	22.6%
	-----	-----	-----	
Consolidated	15,016	13,974	1,042	7.5%
	=====	=====	=====	
AVERAGE REVENUE PER PIECE:				
U.S. Domestic Package:				
Next Day Air	\$ 21.12	\$ 20.47	\$ 0.65	3.2%
Deferred	13.68	13.83	(0.15)	-1.1%
Ground	6.97	6.80	0.17	2.5%
Total U.S. Domestic Package	8.78	8.55	0.23	2.7%
International Package:				
Domestic	6.82	7.02	(0.20)	-2.8%
Export	37.81	37.84	(0.03)	-0.1%
Total International Package	18.56	19.89	(1.33)	-6.7%
Consolidated	\$ 9.91	\$ 9.70	\$ 0.21	2.2%
	=====	=====	=====	

</TABLE>

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

4

UNITED PARCEL SERVICE, INC.
RECONCILIATION OF FREE CASH FLOW
(UNAUDITED)

<TABLE>
<CAPTION>

	PRELIMINARY YEAR-TO-DATE JUNE 30, 2006	YEAR-TO-DATE JUNE 30, 2005
	-----	-----
<S>	<C>	<C>
(amounts in millions)		
Net cash from operations	\$ 4,086	\$ 4,076
Capital expenditures	(1,440)	(1,043)
Proceeds from disposals of PP&E	31	10
Net change in finance receivables	(25)	56
Other investing activities	14	(24)
	-----	-----
Free cash flow	\$ 2,666	\$ 3,075
	=====	=====

</TABLE>

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

5