

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 24, 2019



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 No.)

55 Glenlake Parkway, N.E., Atlanta, Georgia 30328
(Address of principal executive offices) (Zip Code)

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))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Class B common stock, par value \$0.01 per share	UPS	New York Stock Exchange
Floating-Rate Senior Notes Due 2020	UPS20A	New York Stock Exchange
1.625% Senior Notes Due 2025	UPS25	New York Stock Exchange
1% Senior Notes due 2028	UPS28	New York Stock Exchange
0.375% Senior Notes due 2023	UPS23A	New York Stock Exchange
1.500% Senior Notes due 2032	UPS32	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined by Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 — Results of Operations and Financial Condition.

On July 24, 2019, United Parcel Service, Inc. (the “Company”) issued a press release containing information about the Company’s results of operations for the second quarter ended June 30, 2019. The Company also posted on its website at www.investors.ups.com financial statement schedules containing additional detail about the Company's results of operations for the same period.

A copy of the press release is attached hereto as Exhibit 99.1. A copy of the financial statement schedules are attached hereto as Exhibit 99.2.

Item 9.01 — Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release dated July 24, 2019 "[UPS RELEASES 2Q 2019 EARNINGS](#)"

99.2 [Q2 2019 financial statement schedules](#)

The information contained in Items 2.02 and 9.01 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filings under the Securities Act of 1933 or the Exchange Act, except as may be expressly set forth by reference in any such filing.

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.

Date: July 24, 2019

UNITED PARCEL SERVICE, INC.

By: /s/ RICHARD N. PERETZ

Richard N. Peretz

Senior Vice President, Chief Financial Officer and Treasurer

For Immediate Release

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UPS RELEASES 2Q 2019 EARNINGS

Operating Profit Up in All Segments

- **2Q19 EPS of \$1.94; 2Q19 Adjusted* EPS of \$1.96**
- **U.S. Daily Volume Grew Over 7%; Next Day Air Volume Soared Over 30%**
- **U.S. Operating Profit Increased Nearly 29%; Up 8% on an Adjusted Basis**
- **International Boosts Operating Margins to 18.9%; Adjusted Margins of 19%**
- **Supply Chain and Freight Operating Profit Increased Nearly 26%; Adjusted Operating Profit Up More Than 10%**
- **Cash from Operations of \$4.2B; Adjusted Free Cash Flow Near \$2.2B**
- **UPS reaffirms adjusted full-year diluted EPS in the range of \$7.45 to \$7.75**

ATLANTA - July 24, 2019- UPS (NYSE:UPS) today announced second-quarter 2019 adjusted earnings per share of \$1.96. The company turned the rising demand for next-day service into strong financial results in the U.S. and leveraged asset-light and proven cost management strategies in the International and Supply Chain and Freight segments.

“Our Transformation initiatives are generating greater efficiencies across the network and, when combined with our growth strategies, UPS achieved profit growth in all segments,” said David Abney, UPS chairman and CEO. “We also announced a very [extensive roll-out of new products and services](#) such as UPS My Choice for Business, expanded UPS Access Points, and UPS Worldwide Economy, among others, for small- and medium-sized businesses, all designed to generate additional profitable growth.”

Amounts presented on an adjusted basis exclude Transformation strategy costs. Second-quarter 2019 adjusted results exclude a pre-tax charge of \$21 million, or \$0.02 per share after tax. Second-quarter 2018 adjusted results excluded a pre-tax charge of \$263 million, or \$0.23 per share after tax, primarily from the UPS Voluntary Retirement Program.

Consolidated Results	2Q 2019	Adjusted 2Q 2019	2Q 2018	Adjusted 2Q 2018
Revenue	\$18,048 M		\$17,456 M	
Net Income	\$1,685 M	\$1,702 M	\$1,485 M	\$1,685 M
Diluted Earnings Per Share	\$1.94	\$1.96	\$1.71	\$1.94

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* "Adjusted" and "as adjusted" amounts presented in this release are non-GAAP financial measures. See the appendix to this release for a discussion of non-GAAP financial metrics, including a reconciliation to the most closely correlated GAAP measure.

For the total company in 2Q 2019:

- Consolidated revenue increased 3.4% to \$18 billion, driven by gains in average daily volume in the U.S. and higher-quality, currency-neutral revenue in the International segment.
- Total operating profit grew nearly 21%, and 6.3% on an adjusted basis, with growth in all segments.
- Total operating margin expanded 170 basis points; adjusted operating margin expanded 30 basis points.
- Capital expenditures for the year are approximately \$2.9 billion to support network enhancements.
- Year-to-date dividends per share increased 5.5% and the company repurchased 4.8 million shares for approximately \$500 million.

U.S. Domestic Segment

The U.S. Domestic segment generated significant volume growth in all products, led by a more than 30% surge in UPS Next Day Air volume. The sharp increase in demand for the company's next-day services was driven by accelerated delivery requirements from e-commerce shippers.

"Demand for faster delivery is a structural change in our industry," said Abney. "Anticipating this change, our additional air capacity and modernized network enabled this growth to have a positive impact on profitability and positions UPS well to serve the growing needs of the market."

Both B2B and B2C shipments grew within the period. In addition, the company added more than 2 million square feet of new, automated sorting capabilities, increasing efficiency benefits and contributing to positive operating leverage.

	<u>2Q 2019</u>	<u>Adjusted 2Q 2019</u>	<u>2Q 2018</u>	<u>Adjusted 2Q 2018</u>
Revenue	\$11,150 M		\$10,354 M	
Operating profit	\$1,208 M	\$1,226 M	\$939 M	\$1,135 M

- Revenue increased \$796 million or 7.7% over 2Q 2018, led by increased demand for air services from customers in healthcare and retail.
- Operating profit increased by 28.6%, or 8% on an adjusted basis.
- Operating margins were 10.8%, and 11% on an adjusted basis.
- Network efficiencies continued to reduce the growth in cost per piece, with a steady decline in unit cost growth for the third straight quarter.

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International Segment

International benefitted from its highly flexible network and by targeting growth markets within the company's diverse revenue base. The segment generated its best second-quarter profit in history and expanded adjusted operating margins while navigating areas of trade uncertainty.

	<u>2Q 2019</u>	<u>Adjusted 2Q 2019</u>	<u>2Q 2018</u>	<u>Adjusted 2Q 2018</u>
Revenue	\$3,505 M		\$3,602 M	
Operating profit	\$663 M	\$665 M	\$618 M	\$654M

- International volume slightly declined due to global macroeconomic pressure and tough year-over-year comparisons, as 2Q 2018 exports grew 9.5%.
- Total revenue per piece fell less than 1%, but grew nearly 2% when adjusting for currency.
- International domestic revenue per piece rose 0.3%, an increase of 5.6% on a currency-neutral basis.
- Operating profit increased more than 7%, or by 1.7% on an adjusted basis.

Supply Chain and Freight Segment

Supply Chain and Freight grew operating profit to more than \$270 million, a double-digit increase for the quarter. Successful cost management enabled by the company's asset-light strategies delivered strong financial results while revenue was pressured by softer trade.

	<u>2Q 2019</u>	<u>Adjusted 2Q 2019</u>	<u>2Q 2018</u>	<u>Adjusted 2Q 2018</u>
Revenue	\$3,393M		\$3,500 M	
Operating profit	\$272 M	\$273 M	\$216 M	\$247M

- Operating margins expanded to 8% on an adjusted and unadjusted basis, due to strong execution, disciplined cost management and strategic initiatives that focus on delivering excellent service levels and growing high-quality revenue from the SMB market.
- International Air Freight achieved robust profit growth on a decline in tonnage, driven by expanded buy/sell spreads.
- Coyote and Marken made significant contributions to operating profit.
- UPS Freight achieved a 3.9% increase in revenue per LTL (less-than-truckload) hundredweight as the unit focused on revenue quality.

Outlook

The company provides guidance on an adjusted (non-GAAP) basis because it is not possible to predict or provide a reconciliation reflecting the impact of future pension mark-to-market adjustments or other unanticipated events, which would be included in reported (GAAP) results and could be material.

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“UPS grew profits across all business segments,” said Richard Peretz, UPS’s chief financial officer. “Our performance was driven by the efficiencies created by investments in our network, the success of ongoing initiatives and our ability to execute in an ever-changing environment. We expect to carry this momentum through the upcoming quarters.”

- The company’s full-year adjusted diluted EPS will be in the range of \$7.45 to \$7.75.
- Adjusted free cash flow for the year is projected to be between \$3.5 and \$4 billion with potential additional upside from the working capital initiatives.
- The effective tax rate for the full-year 2019 is estimated to be between 22% and 24%.
- Third-quarter adjusted EPS is expected to benefit from numerous items including one additional operating day and year-over-year International benefits from 2018 commodities headwinds that should not repeat.
- Transformation charges and pension MTM are not included in the adjusted guidance.

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Conference Call Information

UPS CEO David Abney and CFO Richard Peretz will discuss second-quarter results with investors and analysts during a conference call at 8:30 a.m. ET, July 24, 2019. That call will be open to others through a live Webcast. To access the call, go to www.investors.ups.com and click on “Earnings Webcast.” Additional financial information is included in the detailed financial schedules being posted on www.investors.ups.com under “Financials” and as filed with the SEC as an exhibit to our Current Report on Form 8-K.

About UPS

UPS (NYSE: UPS) is a global leader in logistics, offering a broad range of solutions including transporting packages and freight; facilitating international trade, and deploying advanced technology to more efficiently manage the world of business. Headquartered in Atlanta, UPS serves more than 220 countries and territories worldwide. UPS was awarded [America’s Best Customer Service](#) company for Shipping and Delivery services by Newsweek magazine; Forbes [Most Valuable Brand in Transportation](#); and top rankings on the [JUST 100](#) list for social responsibility, the Dow Jones Sustainability World Index, and the Harris Poll Reputation Quotient, among other prestigious rankings and awards. The company can be found on the web at ups.com or pressroom.ups.com and its corporate blog can be found at longitudes.ups.com. The company’s sustainability eNewsletter, **UPS Horizons**, can be found at ups.com/sustainabilitynewsletter. To get UPS news direct, follow [@UPS_News](#) on Twitter. To ship with UPS, visit ups.com/ship.

Forward-Looking Statements

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 direction, prospects and future results, involve certain risks and uncertainties.

Certain factors may cause actual results to differ materially from those contemplated by the forward-looking statements, including changes in economic and other conditions in the markets in which we operate, governmental regulations (including tax laws and regulations), our competitive environment, the facts or assumptions underlying our health and pension benefit funding obligations, the results of negotiation and ratification of labor contracts, the impact of any strikes, work stoppages or slowdowns, changes 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.

Reconciliation of GAAP and non-GAAP Financial Measures

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, other income (expense), pre-tax income, net income and earnings per share. Additionally, we periodically disclose free cash flow, free cash flow excluding discretionary pension contributions, and capital expenditures excluding principal repayments of capital lease obligations. The equivalent measures determined in accordance with GAAP are also referred to as "reported" or "unadjusted."

We consider quantitative and qualitative factors in assessing whether to adjust for the impact of items that may be significant or that could affect an understanding of our ongoing financial and business performance or trends. Examples of items for which we may make adjustments include but are not limited to: amounts related to mark-to-market gains or losses (non-cash); settlement of contingencies; gains or losses associated with mergers, acquisitions, divestitures and other structural changes; charges related to restructuring programs such as the implementation of our Transformation strategy; asset impairments (non-cash); amounts related to changes in tax regulations or positions; amounts related to changes in foreign currency exchange rates and the impact of any hedging activities; other pension and postretirement related items; and debt modifications.

We believe that these non-GAAP measures provide additional meaningful information to assist users of our financial statements in understanding our financial results, cash flows and assessing our ongoing performance because they exclude items that may not be indicative of, or are unrelated to, our underlying operations and may provide a useful baseline for analyzing trends in our underlying businesses. Management uses these non-GAAP financial measures in making financial, operating and planning decisions. We also use certain of these measures for the determination of incentive compensation awards.

Non-GAAP financial measures should be considered in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP. Our non-GAAP financial information does not represent a comprehensive basis of accounting. Therefore, our non-GAAP financial information may not be comparable to similarly titled measures reported by other companies.

Costs Related to Restructuring Programs; Transformation Strategy Costs

We supplement the presentation of our operating profit, operating margin, pre-tax income, net income and earnings per share with similar non-GAAP measures that exclude the impact of costs related to restructuring programs, including Transformation strategy costs. We believe this adjusted information provides a useful comparison of year-to-year financial performance without considering the short-term impact of restructuring costs. We evaluate our performance on this adjusted basis.

Impact of Changes in Foreign Currency Exchange Rates and Hedging Activities

We supplement the reporting of our revenue, revenue per piece and operating profit with non-GAAP measures that exclude the period-over-period impact of foreign currency exchange rate changes and hedging activities. We believe currency-neutral revenue, revenue per piece and operating profit information allows users of our financial statements to understand growth trends in our products and results. We evaluate the performance of our International Package and Supply Chain and Freight segments on this currency-neutral basis.

Currency-neutral revenue, revenue per piece and operating profit are calculated by dividing current period reported U.S. dollar revenue, revenue per piece and operating profit by the current period average exchange rates to derive current period local currency revenue, revenue per piece and operating profit. The derived amounts are then multiplied by the average foreign exchange rates used to translate the comparable results for each month in the prior year period (including the period over period impact of foreign currency hedging activities). The difference between the current period reported U.S. dollar revenue, revenue per piece and operating profit and the derived current period U.S. dollar revenue, revenue per piece and operating profit is the period over period impact of currency fluctuations.

Free Cash Flow and Adjusted Capital Expenditures

We supplement the reporting of cash flows from operating activities with free cash flow, free cash flow excluding discretionary pension contributions and free cash flow plus principal repayments of capital lease obligations, non-GAAP liquidity measures. We believe these free cash flow measures are important indicators of how much cash is generated by regular business operations and we use them as a measure of incremental cash available to invest in our business, meet our debt obligations and return cash to shareowners. Additionally, we believe that adjusting capital expenditures for principal repayments of capital lease obligations more appropriately reflects the overall cash that we have invested in capital assets. We calculate free cash flow as cash flows from operating activities less capital expenditures, proceeds from disposals of property, plant and equipment, and plus or minus the net changes in finance receivables and other investing activities. Free cash flow excluding discretionary pension contributions adds back any discretionary pension contributions made during the period.

Reconciliation of GAAP and Non-GAAP Income Statement Data
(in millions, except per share amounts):

Three Months Ended June 30, 2019

	As- Reported (GAAP)	Transformation Strategy Costs ⁽¹⁾	As-Adjusted (Non-GAAP)
Operating profit:			
U.S. Domestic Package	\$ 1,208	\$ 18	\$ 1,226
International Package	663	2	665
Supply Chain & Freight	272	1	273
Total operating profit	<u>\$ 2,143</u>	<u>\$ 21</u>	<u>\$ 2,164</u>
Income before income taxes	\$ 2,204	\$ 21	\$ 2,225
Income tax expense	\$ 519	\$ 4	\$ 523
Net income	<u>\$ 1,685</u>	<u>\$ 17</u>	<u>\$ 1,702</u>
Diluted earnings per share	\$ 1.94	\$ 0.02	\$ 1.96

⁽¹⁾ Transformation strategy costs included other employee benefits costs of \$2 million, and other costs of \$19 million

Six Months Ended June 30, 2019

	As- Reported (GAAP)	Transformation Strategy Costs ⁽¹⁾	As-Adjusted (Non-GAAP)
Operating profit:			
U.S. Domestic Package	\$ 1,874	\$ 46	\$ 1,920
International Package	1,191	86	1,277
Supply Chain & Freight	472	12	484
Total operating profit	<u>\$ 3,537</u>	<u>\$ 144</u>	<u>\$ 3,681</u>
Income before income taxes	\$ 3,644	\$ 144	\$ 3,788
Income tax expense	\$ 848	\$ 34	\$ 882
Net income	<u>\$ 2,796</u>	<u>\$ 110</u>	<u>\$ 2,906</u>
Diluted earnings per share	\$ 3.22	\$ 0.12	\$ 3.34

⁽¹⁾ Transformation strategy costs included other employee benefits costs of \$108 million, and other costs of \$36 million

Note: Certain amounts may not compute due to rounding.

Reconciliation of GAAP and Non-GAAP Revenue, Revenue Per Piece, and Adjusted Operating Profit

(in millions, except per piece amounts):

Three Months Ended June 30							
	2019 As- Reported (GAAP)	2018 As- Reported (GAAP)	% Change (GAAP)	Currency Impact	2019 Currency- Neutral (Non-GAAP) ⁽¹⁾	% Change (Non- GAAP)	
Average Revenue Per Piece:							
International Package:							
Domestic	\$ 6.63	\$ 6.61	0.3 %	\$ 0.35	\$ 6.98	5.6 %	
Export	30.06	30.14	(0.3)%	0.50	30.56	1.4 %	
Total International Package	<u>\$ 17.41</u>	<u>\$ 17.50</u>	<u>(0.5)%</u>	<u>\$ 0.42</u>	<u>\$ 17.83</u>	<u>1.9 %</u>	
Consolidated	<u>\$ 11.21</u>	<u>\$ 11.26</u>	<u>(0.4)%</u>	<u>\$ 0.06</u>	<u>\$ 11.27</u>	<u>0.1 %</u>	
Revenue:							
U.S. Domestic Package	\$ 11,150	\$ 10,354	7.7 %	\$ —	\$ 11,150	7.7 %	
International Package	3,505	3,602	(2.7)%	81	3,586	(0.4)%	
Supply Chain & Freight	3,393	3,500	(3.1)%	31	3,424	(2.2)%	
Total revenue	<u>\$ 18,048</u>	<u>\$ 17,456</u>	<u>3.4 %</u>	<u>\$ 112</u>	<u>\$ 18,160</u>	<u>4.0 %</u>	

⁽¹⁾ Amounts adjusted for period over period foreign currency exchange rate and hedging differences

	2019 As- Adjusted (Non-GAAP) ⁽¹⁾	2018 As-Adjusted (Non-GAAP) ⁽¹⁾	% Change (Non- GAAP)	Currency Impact	2019 As -Adjusted Currency Neutral (Non-GAAP) ⁽²⁾	% Change (Non- GAAP)	
Operating Profit:							
U.S. Domestic Package	\$ 1,226	\$ 1,135	8.0 %	\$ —	\$ 1,226	8.0 %	
International Package	665	654	1.7 %	(10)	655	0.2 %	
Supply Chain & Freight	273	247	10.5 %	1	274	10.9 %	
Total operating profit	<u>\$ 2,164</u>	<u>\$ 2,036</u>	<u>6.3 %</u>	<u>\$ (9)</u>	<u>\$ 2,155</u>	<u>5.8 %</u>	

⁽¹⁾ Amounts adjusted for Transformation strategy costs

⁽²⁾ Amounts adjusted for Transformation strategy costs and period over period foreign currency exchange rate and hedging differences

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

Reconciliation of GAAP and Non-GAAP Revenue, Revenue Per Piece, and Adjusted Operating Profit
(in millions, except per piece amounts):

Six Months Ended June 30							
	2019 As- Reported (GAAP)	2018 As- Reported (GAAP)	% Change (GAAP)	Currency Impact	2019 Currency- Neutral (Non-GAAP) ⁽¹⁾	% Change (Non- GAAP)	
Average Revenue Per Piece:							
International Package:							
Domestic	\$ 6.56	\$ 6.66	(1.5)%	\$ 0.41	\$ 6.97	4.7 %	
Export	29.40	29.50	(0.3)%	0.62	30.02	1.8 %	
Total International Package	<u>\$ 17.10</u>	<u>\$ 17.24</u>	(0.8)%	<u>\$ 0.50</u>	<u>\$ 17.60</u>	2.1 %	
Consolidated	<u>\$ 11.15</u>	<u>\$ 11.11</u>	0.4 %	<u>\$ 0.07</u>	<u>\$ 11.22</u>	1.0 %	
Revenue:							
U.S. Domestic Package	\$ 21,630	\$ 20,581	5.1 %	\$ —	\$ 21,630	5.1 %	
International Package	6,964	7,135	(2.4)%	198	7,162	0.4 %	
Supply Chain & Freight	6,614	6,853	(3.5)%	50	6,664	(2.8)%	
Total revenue	<u>\$ 35,208</u>	<u>\$ 34,569</u>	1.8 %	<u>\$ 248</u>	<u>\$ 35,456</u>	2.6 %	

⁽¹⁾ Amounts adjusted for period over period foreign currency exchange rate and hedging differences

	2019 As- Adjusted (Non-GAAP) ⁽¹⁾	2018 As-Adjusted (Non-GAAP) ⁽¹⁾	% Change (Non- GAAP)	Currency Impact	2019 As-Adjusted Currency Neutral (Non-GAAP) ⁽²⁾	% Change (Non- GAAP)	
Operating Profit:							
U.S. Domestic Package	\$ 1,920	\$ 1,891	1.5 %	\$ —	\$ 1,920	1.5 %	
International Package	1,277	1,248	2.3 %	(14)	1,263	1.2 %	
Supply Chain & Freight	484	417	16.1 %	2	486	16.5 %	
Total operating profit	<u>\$ 3,681</u>	<u>\$ 3,556</u>	3.5 %	<u>\$ (12)</u>	<u>\$ 3,669</u>	3.2 %	

⁽¹⁾ Amounts adjusted for Transformation strategy costs

⁽²⁾ Amounts adjusted for Transformation strategy costs and period over period foreign currency exchange rate and hedging differences

Certain prior year amounts have been classified to confirm to the current year presentation.

**Reconciliation of Non-GAAP Liquidity Measures
(in millions):**

Six Months Ended June 30

Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

	Preliminary 2019
Cash flows from operating activities	\$ 4,207
Cash flows used in investing activities	(2,847)
Cash flows used in financing activities	(1,534)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	23
Net increase/(decrease) in cash, cash equivalents and restricted cash	\$ (151)

Reconciliation of Adjusted Capital Expenditures and Free Cash Flow (Non-GAAP measures)

	Preliminary 2019
Cash flows from operating activities (GAAP)	\$ 4,207
Capital expenditures	(2,861)
Principal repayments of capital lease obligations	(85)
Adjusted capital expenditures (non-GAAP measure)	\$ (2,946)
Proceeds from disposals of PP&E	6
Net change in finance receivables	8
Other investing activities	(96)
Adjusted free cash flow (Non-GAAP measure)	\$ 1,179
Discretionary pension contributions	1,005
Adjusted Free cash flow (Non-GAAP measure) excluding discretionary pension contributions	\$ 2,184

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

United Parcel Service, Inc.
Selected Financial Data - Second Quarter
(unaudited)

	Three Months Ended			
	June 30			
	2019	2018	Change	% Change
<i>(amounts in millions, except per share data)</i>				
Statement of Income Data:				
Revenue:				
U.S. Domestic Package	\$ 11,150	\$ 10,354	\$ 796	7.7 %
International Package	3,505	3,602	(97)	(2.7)%
Supply Chain & Freight	3,393	3,500	(107)	(3.1)%
Total revenue	<u>18,048</u>	<u>17,456</u>	592	3.4 %
Operating expenses:				
Compensation and benefits	9,299	9,024	275	3.0 %
Other	6,606	6,659	(53)	(0.8)%
Total operating expenses	<u>15,905</u>	<u>15,683</u>	222	1.4 %
Operating profit:				
U.S. Domestic Package	1,208	939	269	28.6 %
International Package	663	618	45	7.3 %
Supply Chain & Freight	272	216	56	25.9 %
Total operating profit	<u>2,143</u>	<u>1,773</u>	370	20.9 %
Other income (expense):				
Other pension income (expense)	192	284	(92)	(32.4)%
Investment income and other	28	18	10	55.6 %
Interest expense	(159)	(149)	(10)	6.7 %
Total other income (expense)	<u>61</u>	<u>153</u>	(92)	(60.1)%
Income before income taxes	2,204	1,926	278	14.4 %
Income tax expense (benefit)	519	441	78	17.7 %
Net income	<u>\$ 1,685</u>	<u>\$ 1,485</u>	<u>\$ 200</u>	13.5 %
Net income as a percentage of revenue	9.3 %	8.5 %		
Per share amounts:				
Basic earnings per share	\$ 1.95	\$ 1.71	\$ 0.24	14.0 %
Diluted earnings per share	\$ 1.94	\$ 1.71	\$ 0.23	13.5 %
Weighted-average shares outstanding:				
Basic	865	866	(1)	(0.1)%
Diluted	869	870	(1)	(0.1)%
As adjusted income data:				
Operating profit:				
U.S. Domestic Package (1)	\$ 1,226	\$ 1,135	\$ 91	8.0 %
International Package (1)	665	654	11	1.7 %
Supply Chain & Freight (1)	273	247	26	10.5 %
Total operating profit (1)	<u>2,164</u>	<u>2,036</u>	128	6.3 %
Income before income taxes (1)	\$ 2,225	\$ 2,189	\$ 36	1.6 %
Net income (2)	\$ 1,702	\$ 1,685	\$ 17	1.0 %
Basic earnings per share (2)	\$ 1.97	\$ 1.95	\$ 0.02	1.0 %
Diluted earnings per share (2)	\$ 1.96	\$ 1.94	\$ 0.02	1.0 %

(1) 2019 operating profit and consolidated income before income taxes exclude the impact of \$21 million of transformation strategy costs, that reflect other employee benefits costs of \$2 million and other costs of \$19 million. These costs are allocated between the U.S. Domestic Package segment (\$18 million), International Package segment (\$2 million) and Supply Chain & Freight segment (\$1 million).

2018 operating profit and consolidated income before income taxes exclude the impact of \$263 million of transformation costs, which includes voluntary retirement plan severance costs of \$192 million, and other costs of \$71 million. These costs are allocated between the U.S. Domestic Package segment (\$196 million), International Package segment (\$36 million) and Supply Chain & Freight segment (\$31 million).

(2) 2019 net income and earnings per share amounts exclude the after-tax impact of the adjustments described in (1), which decreased net income by \$17 million.

2018 net income and earnings per share amounts exclude the after-tax impact of the adjustments described in (1), which decreased net income by \$200 million.

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

United Parcel Service, Inc.
Selected Operating Data - Second Quarter
(unaudited)

	Three Months Ended			
	June 30			
	2019	2018	Change	% Change
Revenue (in millions):				
U.S. Domestic Package:				
Next Day Air	\$ 2,173	\$ 1,830	\$ 343	18.7 %
Deferred	1,157	1,080	77	7.1 %
Ground	7,820	7,444	376	5.1 %
Total U.S. Domestic Package	11,150	10,354	796	7.7 %
International Package:				
Domestic	690	700	(10)	(1.4)%
Export	2,668	2,747	(79)	(2.9)%
Cargo and Other	147	155	(8)	(5.2)%
Total International Package	3,505	3,602	(97)	(2.7)%
Supply Chain & Freight:				
Forwarding	1,496	1,659	(163)	(9.8)%
Logistics	833	784	49	6.3 %
Freight	861	853	8	0.9 %
Other	203	204	(1)	(0.5)%
Total Supply Chain & Freight	3,393	3,500	(107)	(3.1)%
Consolidated	\$ 18,048	\$ 17,456	\$ 592	3.4 %
Consolidated volume (in millions)				
	1,294	1,226	68	5.5 %
Operating weekdays				
	64	64	—	— %
Average Daily Package Volume (in thousands):				
U.S. Domestic Package:				
Next Day Air	1,855	1,424	431	30.3 %
Deferred	1,380	1,226	154	12.6 %
Ground	13,972	13,420	552	4.1 %
Total U.S. Domestic Package	17,207	16,070	1,137	7.1 %
International Package:				
Domestic	1,626	1,654	(28)	(1.7)%
Export	1,387	1,424	(37)	(2.6)%
Total International Package	3,013	3,078	(65)	(2.1)%
Consolidated	20,220	19,148	1,072	5.6 %
Average Revenue Per Piece:				
U.S. Domestic Package:				
Next Day Air	\$ 18.30	\$ 20.08	\$ (1.78)	(8.9)%
Deferred	13.10	13.76	(0.66)	(4.8)%
Ground	8.75	8.67	0.08	0.9 %
Total U.S. Domestic Package	10.12	10.07	0.05	0.5 %
International Package:				
Domestic	6.63	6.61	0.02	0.3 %
Export	30.06	30.14	(0.08)	(0.3)%
Total International Package	17.41	17.50	(0.09)	(0.5)%
Consolidated	\$ 11.21	\$ 11.26	\$ (0.05)	(0.4)%

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

United Parcel Service, Inc.
Supplemental Analysis of Currency and UPS Freight

Currency Neutral Revenue Per Piece
(unaudited)

	Three Months Ended			Currency		
	June 30			Neutral		
	2019	2018	% Change	Currency	2019*	% Change
Average Revenue Per Piece:						
International Package:						
Domestic	\$ 6.63	\$ 6.61	0.3 %	\$ 0.35	\$ 6.98	5.6 %
Export	30.06	30.14	(0.3)%	0.50	30.56	1.4 %
Total International Package	\$ 17.41	\$ 17.50	(0.5)%	\$ 0.42	\$ 17.83	1.9 %
Consolidated	\$ 11.21	\$ 11.26	(0.4)%	\$ 0.06	\$ 11.27	0.1 %

*Amounts adjusted for period over period foreign currency exchange rate and hedging differences

Currency Neutral Revenue
(unaudited)

	Three Months Ended			Currency		
	June 30			Neutral		
	2019	2018	% Change	Currency	2019*	% Change
Revenue (in millions):						
U.S. Domestic Package	\$ 11,150	\$ 10,354	7.7 %	\$ —	\$ 11,150	7.7 %
International Package	3,505	3,602	(2.7)%	81	3,586	(0.4)%
Supply Chain & Freight	3,393	3,500	(3.1)%	31	3,424	(2.2)%
Total revenue	\$ 18,048	\$ 17,456	3.4 %	\$ 112	\$ 18,160	4.0 %

*Amounts adjusted for period over period foreign currency exchange rate and hedging differences

Currency Neutral Operating Profit
(unaudited)

	Three Months Ended			Currency		
	June 30			Neutral		
	2019*	2018*	% Change	Currency	2019**	% Change
As-Adjusted Operating Profit (in millions):						
U.S. Domestic Package	\$ 1,226	\$ 1,135	8.0 %	\$ —	\$ 1,226	8.0 %
International Package	665	654	1.7 %	(10)	655	0.2 %
Supply Chain & Freight	273	247	10.5 %	1	274	10.9 %
Total operating profit	\$ 2,164	\$ 2,036	6.3 %	\$ (9)	\$ 2,155	5.8 %

* Amounts adjusted for Transformation strategy costs

** Amounts adjusted for Transformation strategy costs and period over period foreign currency exchange rate and hedging differences

UPS Freight Selected Operating Data -Second Quarter
(unaudited)

	Three Months Ended			
	June 30			
	2019	2018	Change	% Change
LTL revenue (in millions)	\$ 706	\$ 726	\$ (20)	(2.8)%
LTL revenue per LTL hundredweight	\$ 26.34	\$ 25.36	\$ 0.98	3.9 %
LTL shipments (in thousands)	2,440	2,639	(199)	(7.5)%
LTL shipments per day (in thousands)	38.1	41.2	(3.1)	(7.5)%
LTL gross weight hauled (in millions of pounds)	2,680	2,861	(181)	(6.3)%
LTL weight per shipment (in pounds)	1,098	1,084	14	1.3 %
Operating weekdays	64	64	—	— %

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

United Parcel Service, Inc.
Detail of Other Operating Expenses -Second Quarter
(unaudited)

	Three Months Ended			
	June 30			
	2019	2018	Change	% Change
<i>(in millions)</i>				
Repairs and maintenance	\$ 473	\$ 423	\$ 50	11.8 %
Depreciation and amortization	575	542	33	6.1 %
Purchased transportation	3,000	3,209	(209)	(6.5)%
Fuel	857	852	5	0.6 %
Other occupancy	322	321	1	0.3 %
Other expenses	1,379	1,312	67	5.1 %
Total other operating expenses	<u>\$ 6,606</u>	<u>\$ 6,659</u>	<u>\$ (53)</u>	<u>(0.8)%</u>

Earnings Per Share and Share Data -Second Quarter
(unaudited)

	Three Months Ended	
	June 30	
	2019	2018
<i>(amounts in millions, except per share data)</i>		
Numerator:		
Net income	<u>\$ 1,685</u>	<u>\$ 1,485</u>
Denominator:		
Weighted-average shares	860	861
Deferred compensation obligations	—	1
Vested portion of restricted units	5	4
Denominator for basic earnings (loss) per share	<u>865</u>	<u>866</u>
Effect of dilutive securities:		
Restricted units	4	3
Stock options	—	1
Denominator for diluted earnings (loss) per share	<u>869</u>	<u>870</u>
Basic earnings per share	<u>\$ 1.95</u>	<u>\$ 1.71</u>
Diluted earnings per share	<u>\$ 1.94</u>	<u>\$ 1.71</u>
Detail of shares outstanding as of June 30, 2019:		
Class A shares	161	
Class B shares	698	
Total shares outstanding	<u>859</u>	

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

United Parcel Service, Inc.
Selected Financial Data - Year to Date
(unaudited)

	Six Months Ended			
	June 30			
	2019	2018	Change	% Change
<i>(amounts in millions, except per share data)</i>				
Statement of Income Data:				
Revenue:				
U.S. Domestic Package	\$ 21,630	\$ 20,581	\$ 1,049	5.1 %
International Package	6,964	7,135	(171)	(2.4)%
Supply Chain & Freight	6,614	6,853	(239)	(3.5)%
Total revenue	35,208	34,569	639	1.8 %
Operating expenses:				
Compensation and benefits	18,616	18,069	547	3.0 %
Other	13,055	13,207	(152)	(1.2)%
Total operating expenses	31,671	31,276	395	1.3 %
Operating profit:				
U.S. Domestic Package	1,874	1,695	179	10.6 %
International Package	1,191	1,212	(21)	(1.7)%
Supply Chain & Freight	472	386	86	22.3 %
Total operating profit	3,537	3,293	244	7.4 %
Other income (expense):				
Other pension income (expense)	383	569	(186)	(32.7)%
Investment income and other	52	27	25	92.6 %
Interest expense	(328)	(302)	(26)	8.6 %
Total other income (expense)	107	294	(187)	(63.6)%
Income before income taxes	3,644	3,587	57	1.6 %
Income tax expense (benefit)	848	757	91	12.0 %
Net income	\$ 2,796	\$ 2,830	\$ (34)	(1.2)%
Net income as a percentage of revenue	7.9 %	8.2 %		
Per share amounts:				
Basic earnings per share	\$ 3.23	\$ 3.27	\$ (0.04)	(1.2)%
Diluted earnings per share	\$ 3.22	\$ 3.25	\$ (0.03)	(0.9)%
Weighted-average shares outstanding:				
Basic	866	866	—	0.0 %
Diluted	869	870	(1)	(0.1)%
As adjusted income data:				
Operating profit:				
U.S. Domestic Package (1)	\$ 1,920	\$ 1,891	\$ 29	1.5 %
International Package (1)	1,277	1,248	29	2.3 %
Supply Chain & Freight (1)	484	417	67	16.1 %
Total operating profit (1)	3,681	3,556	125	3.5 %
Income before income taxes (1)	\$ 3,788	\$ 3,850	\$ (62)	(1.6)%
Net income (2)	\$ 2,906	\$ 3,030	\$ (124)	(4.1)%
Basic earnings per share (2)	\$ 3.36	\$ 3.50	\$ (0.14)	(4.0)%
Diluted earnings per share (2)	\$ 3.34	\$ 3.48	\$ (0.14)	(4.0)%

(1) 2019 operating profit and consolidated income before income taxes exclude the impact of \$144 million of transformation strategy costs, that reflect other employee benefits costs of \$108 million and other costs of \$36 million. These costs are allocated between the U.S. Domestic Package segment (\$46 million), International Package segment (\$86 million) and Supply Chain & Freight segment (\$12 million).

2018 operating profit and consolidated income before income taxes exclude the impact of \$263 million of transformation costs, which includes voluntary retirement plan severance costs of \$192 million, and other costs of \$71 million. These costs are allocated between the U.S. Domestic Package segment (\$196 million), International Package segment (\$36 million) and Supply Chain & Freight segment (\$31 million).

(2) 2019 net income and earnings per share amounts exclude the after-tax impact of the adjustments described in (1), which decreased net income by \$110 million.

2018 net income and earnings per share amounts exclude the after-tax impact of the adjustments described in (1), which decreased net income by \$200 million.

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)

	Six Months Ended			
	June 30			
	2019	2018	Change	% Change
Revenue (in millions):				
U.S. Domestic Package:				
Next Day Air	\$ 4,014	\$ 3,614	\$ 400	11.1 %
Deferred	2,246	2,149	97	4.5 %
Ground	15,370	14,818	552	3.7 %
Total U.S. Domestic Package	21,630	20,581	1,049	5.1 %
International Package:				
Domestic	1,380	1,416	(36)	(2.5)%
Export	5,299	5,419	(120)	(2.2)%
Cargo and Other	285	300	(15)	(5.0)%
Total International Package	6,964	7,135	(171)	(2.4)%
Supply Chain & Freight:				
Forwarding	2,912	3,264	(352)	(10.8)%
Logistics	1,665	1,566	99	6.3 %
Freight	1,634	1,630	4	0.2 %
Other	403	393	10	2.5 %
Total Supply Chain & Freight	6,614	6,853	(239)	(3.5)%
Consolidated	\$ 35,208	\$ 34,569	\$ 639	1.8 %
Consolidated volume (in millions)	2,540	2,467	73	3.0 %
Operating weekdays	127	128	(1)	(0.8)%
Average Daily Package Volume (in thousands):				
U.S. Domestic Package:				
Next Day Air	1,710	1,430	280	19.6 %
Deferred	1,382	1,261	121	9.6 %
Ground	13,829	13,483	346	2.6 %
Total U.S. Domestic Package	16,921	16,174	747	4.6 %
International Package:				
Domestic	1,657	1,662	(5)	(0.3)%
Export	1,419	1,435	(16)	(1.1)%
Total International Package	3,076	3,097	(21)	(0.7)%
Consolidated	19,997	19,271	726	3.8 %
Average Revenue Per Piece:				
U.S. Domestic Package:				
Next Day Air	\$ 18.48	\$ 19.74	\$ (1.26)	(6.4)%
Deferred	12.80	13.31	(0.51)	(3.8)%
Ground	8.75	8.59	0.16	1.9 %
Total U.S. Domestic Package	10.07	9.94	0.13	1.3 %
International Package:				
Domestic	6.56	6.66	(0.10)	(1.5)%
Export	29.40	29.50	(0.10)	(0.3)%
Total International Package	17.10	17.24	(0.14)	(0.8)%
Consolidated	\$ 11.15	\$ 11.11	\$ 0.04	0.4 %

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

United Parcel Service, Inc.
Supplemental Analysis of Currency and UPS Freight

Currency Neutral Revenue Per Piece
(unaudited)

	Six Months Ended			Currency		
	June 30			Neutral		
	2019	2018	% Change	Currency	2019*	% Change
Average Revenue Per Piece:						
International Package:						
Domestic	\$ 6.56	\$ 6.66	(1.5)%	\$ 0.41	\$ 6.97	4.7 %
Export	29.40	29.50	(0.3)%	0.62	30.02	1.8 %
Total International Package	<u>\$ 17.10</u>	<u>\$ 17.24</u>	(0.8)%	<u>\$ 0.50</u>	<u>\$ 17.60</u>	2.1 %
Consolidated	<u>\$ 11.15</u>	<u>\$ 11.11</u>	0.4 %	<u>\$ 0.07</u>	<u>\$ 11.22</u>	1.0 %

*Amounts adjusted for period over period foreign currency exchange rate and hedging differences

Currency Neutral Revenue
(unaudited)

	Six Months Ended			Currency		
	June 30			Neutral		
	2019	2018	% Change	Currency	2019*	% Change
Revenue (in millions):						
U.S. Domestic Package	\$ 21,630	\$ 20,581	5.1 %	\$ —	\$ 21,630	5.1 %
International Package	6,964	7,135	(2.4)%	198	7,162	0.4 %
Supply Chain & Freight	6,614	6,853	(3.5)%	50	6,664	(2.8)%
Total revenue	<u>\$ 35,208</u>	<u>\$ 34,569</u>	1.8 %	<u>\$ 248</u>	<u>\$ 35,456</u>	2.6 %

*Amounts adjusted for period over period foreign currency exchange rate and hedging differences

Currency Neutral Operating Profit
(unaudited)

	Six Months Ended			Currency		
	June 30			Neutral		
	2019*	2018*	% Change	Currency	2019**	% Change
As-Adjusted Operating Profit (in millions):						
U.S. Domestic Package	\$ 1,920	\$ 1,891	1.5 %	\$ —	\$ 1,920	1.5 %
International Package	1,277	1,248	2.3 %	(14)	1,263	1.2 %
Supply Chain & Freight	484	417	16.1 %	2	486	16.5 %
Total operating profit	<u>\$ 3,681</u>	<u>\$ 3,556</u>	3.5 %	<u>\$ (12)</u>	<u>\$ 3,669</u>	3.2 %

* Amounts adjusted for Transformation strategy costs

** Amounts adjusted for Transformation strategy costs and period over period foreign currency exchange rate and hedging differences

UPS Freight Selected Operating Data - Year to Date
(unaudited)

	Six Months Ended			
	June 30			
	2019	2018	Change	% Change
LTL revenue (in millions)	\$ 1,341	\$ 1,387	\$ (46)	(3.3)%
LTL revenue per LTL hundredweight	\$ 26.23	\$ 25.08	\$ 1.15	4.6 %
LTL shipments (in thousands)	4,623	5,107	(484)	(9.5)%
LTL shipments per day (in thousands)	36.4	39.9	(3.5)	(8.8)%
LTL gross weight hauled (in millions of pounds)	5,113	5,531	(418)	(7.6)%
LTL weight per shipment (in pounds)	1,106	1,083	23	2.1 %
Operating weekdays	127	128	(1)	(0.8)%

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

United Parcel Service, Inc.
Detail of Other Operating Expenses - Year to Date
(unaudited)

	Six Months Ended				
	June 30				
	2019	2018	Change	% Change	
<i>(in millions)</i>					
Repairs and maintenance	\$ 907	\$ 857	\$ 50		5.8 %
Depreciation and amortization	1,143	1,138	5		0.4 %
Purchased transportation	5,966	6,354	(388)		(6.1)%
Fuel	1,627	1,602	25		1.6 %
Other occupancy	693	682	11		1.6 %
Other expenses	2,719	2,574	145		5.6 %
Total other operating expenses	<u>\$ 13,055</u>	<u>\$ 13,207</u>	<u>\$ (152)</u>		<u>(1.2)%</u>

Earnings Per Share and Share Data - Year to Date
(unaudited)

	Six Months Ended	
	June 30	
	2019	2018
<i>(amounts in millions, except per share data)</i>		
Numerator:		
Net income	<u>\$ 2,796</u>	<u>\$ 2,830</u>
Denominator:		
Weighted-average shares	860	861
Deferred compensation obligations	1	1
Vested portion of restricted units	5	4
Denominator for basic earnings (loss) per share	<u>866</u>	<u>866</u>
Effect of dilutive securities:		
Restricted units	3	3
Stock options	—	1
Denominator for diluted earnings (loss) per share	<u>869</u>	<u>870</u>
Basic earnings per share	<u>\$ 3.23</u>	<u>\$ 3.27</u>
Diluted earnings per share	<u>\$ 3.22</u>	<u>\$ 3.25</u>

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

United Parcel Service, Inc.
Consolidated Balance Sheets - June 30, 2019 and December 31, 2018
(unaudited)

	June 30, 2019	December 31, 2018
(amounts in millions)		
ASSETS		
Current Assets:		
Cash and marketable securities	\$ 4,797	\$ 5,035
Other current assets	10,046	11,175
Total Current Assets	14,843	16,210
Property, Plant and Equipment	56,549	54,488
Less accumulated depreciation and amortization	28,454	27,912
	28,095	26,576
Other Assets	9,849	7,230
	\$ 52,787	\$ 50,016
LIABILITIES AND SHAREOWNERS' EQUITY		
Current Liabilities	\$ 13,633	\$ 14,087
Long-Term Debt	20,427	19,931
Pension and Postretirement Benefit Obligations	7,524	8,347
Deferred Taxes, Credits and Other Liabilities	6,780	4,614
Shareowners' Equity	4,423	3,037
	\$ 52,787	\$ 50,016

Amounts are subject to reclassification.

United Parcel Service, Inc.
Selected Cash Flow Data
(unaudited)

Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash

	Preliminary	
	Year-to-Date	
	June 30	
(amounts in millions)		
Cash flows from operating activities	\$	4,207
Cash flows used in investing activities		(2,847)
Cash flows used in financing activities		(1,534)
Effect of exchange rate changes on cash, cash equivalents and restricted cash		23
Net increase/(decrease) in cash and cash equivalents and restricted cash	\$	(151)

Reconciliation of Adjusted Capital Expenditures and Free Cash Flow (non-GAAP measures)

	Preliminary	
	Year-to-Date	
	June 30	
(amounts in millions)		
Cash flows from operating activities	\$	4,207
Capital expenditures		(2,861)
Principal repayments of capital lease obligations		(85)
Adjusted Capital Expenditures (non-GAAP measure)	\$	(2,946)
Proceed from disposal of PP&E		6
Net change in finance receivables		8
Other investing activities		(96)
Adjusted Free cash flow (non-GAAP measure)	\$	1,179
Discretionary pension contributions		1,005
Adjusted Free cash flow (Non-GAAP measure) excluding discretionary pension contributions	\$	2,184

Amounts are subject to reclassification.

United Parcel Service, Inc.
Aircraft Fleet - as of June 30, 2019
(unaudited)

Description	Owned and Finance Leases	Operating Leases & Charters from Others	On Order	Under Option
Operating:				
Boeing 757-200	75	—	—	—
Boeing 767-200	—	1	—	—
Boeing 767-300	60	1	12	—
Boeing 767-300BCF	3	—	—	—
Airbus A300-600	52	—	—	—
Boeing MD-11	37	5	—	—
Boeing 747-400F	11	—	—	—
Boeing 747-400BCF	2	—	—	—
Boeing 747-8F	11	—	17	—
Other	—	294	—	—
Total	251	301	29	—