

United Parcel Service, Inc.

FINAL TERM SHEET

Security Offered:	Floating Rate Senior Notes due 2022 (the "Floating Rate Notes")
Issuer:	United Parcel Service, Inc. (the "Company")
Expected Ratings:*	A1/A+
Principal Amount:	\$400,000,000
Trade Date:	May 11, 2017
Settlement Date:	May 16, 2017 (T+3)
Maturity Date:	May 16, 2022
Price to Public:	100.000%
Base Rate:	LIBOR (Reuters Page LIBOR01)
Index Maturity:	3 month
Designated LIBOR Currency:	U.S. Dollars
Spread:	0.380%
Initial Interest Rate:	3 month U.S. Dollar LIBOR as of two London business days prior to the Settlement Date plus 0.380%
Interest Reset Dates:	February 16, May 16, August 16 and November 16 of each year, commencing on August 16, 2017
Interest Determination Dates:	Quarterly, two London business days prior to each Interest Reset Date
Interest Rate Reset Period:	Quarterly
Record Dates:	February 2, May 2, August 2 and November 2 of each year, commencing on August 2, 2017
Interest Payment Dates:	February 16, May 16, August 16 and November 16 of each year, commencing on August 16, 2017
Maximum Interest Rate:	N/A
Minimum Interest Rate:	0.00%
Minimum Denominations:	The Floating Rate Notes will be issued in denominations of \$2,000 and in integral multiples of \$1,000.
Optional Redemption:	The Floating Rate Notes will not be redeemable.
CUSIP:	911312 BB1
ISIN:	US911312BB15
Day Count Convention:	Actual/360
Form:	DTC, Book-Entry
Law:	New York

Joint Book-Running Managers: Barclays Capital Inc.
Goldman Sachs & Co. LLC
Morgan Stanley & Co. LLC
UBS Securities LLC
Citigroup Global Markets Inc.
J.P. Morgan Securities LLC
Merrill Lynch, Pierce, Fenner & Smith
Incorporated
Wells Fargo Securities, LLC

Co-Managers: BNP Paribas Securities Corp.
SG Americas Securities, LLC
MUFG Securities Americas Inc.
Lloyds Securities Inc.
Standard Chartered Bank
BNY Mellon Capital Markets, LLC
Commerzbank Aktiengesellschaft
Fifth Third Securities, Inc.
HSBC Securities (USA) Inc.
Mizuho Securities USA LLC
U.S. Bancorp Investments, Inc.
The Williams Capital Group, L.P.
CastleOak Securities, L.P.

Concurrent Offering: Concurrent with the offering of these notes, the Company is offering its 2.350% Senior Notes due 2022.

To the extent any underwriter that is not a U.S. registered broker-dealer intends to effect sales of notes in the United States, it will do so through one or more U.S. registered broker-dealers in accordance with the applicable U.S. securities laws and regulations. Standard Chartered Bank will not effect any offers or sales of any notes in the United States unless it is through one or more U.S. registered broker-dealers as permitted by the regulations of FINRA.

***Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

The Issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Website at www.sec.gov.

Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by contacting Barclays Capital Inc. toll free at 1-888-603-5847; Goldman Sachs & Co. LLC toll-free at 866-471-2526; Morgan Stanley & Co. LLC toll-free at 1-866-718-1649; or UBS Securities LLC toll-free at 1-888-827-7275.

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