

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

	Three Months Ended		Change	
	2015	2014	\$	%
<small>(amounts in millions, except per share data)</small>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 8,808	\$ 8,668	\$ 140	1.6%
International Package	3,045	3,252	(207)	-6.4%
Supply Chain & Freight	2,242	2,348	(106)	-4.5%
Total revenue	14,095	14,268	(173)	-1.2%
Operating expenses:				
Compensation and benefits	7,502	8,375	(873)	-10.4%
Other	4,633	5,146	(513)	-10.0%
Total operating expenses	12,135	13,521	(1,386)	-10.3%
Operating profit:				
U.S. Domestic Package	1,201	209	992	N/A
International Package	552	444	108	24.3%
Supply Chain & Freight	207	94	113	120.2%
Total operating profit	1,960	747	1,213	162.4%
Other income (expense):				
Investment income	4	25	(21)	-84.0%
Interest expense	(86)	(89)	3	-3.4%
Total other income (expense)	(82)	(64)	(18)	28.1%
Income before income taxes	1,878	683	1,195	175.0%
Income tax expense	648	229	419	183.0%
Net income	\$ 1,230	\$ 454	\$ 776	170.9%
Net income as a percentage of revenue	8.7%	3.2%		
Per share amounts:				
Basic earnings per share	\$ 1.37	\$ 0.49	\$ 0.88	179.6%
Diluted earnings per share	\$ 1.35	\$ 0.49	\$ 0.86	175.5%
Weighted-average shares outstanding:				
Basic	901	918	(17)	-1.9%
Diluted	908	927	(19)	-2.0%
<b>As adjusted income data:</b>				
Operating profit:				
U.S. Domestic Package (1)	\$ 1,201	\$ 1,166	\$ 35	3.0%
International Package (1)	552	471	81	17.2%
Supply Chain & Freight (1)	207	176	31	17.6%
Total operating profit (1)	1,960	1,813	147	8.1%
Income before income taxes (1)	\$ 1,878	\$ 1,749	\$ 129	7.4%
Net income (2)	\$ 1,230	\$ 1,119	\$ 111	9.9%
Basic earnings per share (2)	\$ 1.37	\$ 1.22	\$ 0.15	12.3%
Diluted earnings per share (2)	\$ 1.35	\$ 1.21	\$ 0.14	11.6%

(1) Second quarter 2014 operating profit and consolidated income before income taxes excludes \$1.066 billion pretax charge associated with transferring postretirement health and welfare benefit obligations to multiemployer healthcare plans for certain employees under the Teamsters National Master Agreement. The charge is allocated between the U.S. Domestic Package segment (\$957 million), the International Package segment (\$27 million) and the Supply Chain & Freight segment (\$82 million).

(2) Second quarter 2014 net income and earnings per share amounts exclude the \$665 million after-tax charge of transferring postretirement benefit obligations described in (1).

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

	Three Months Ended		Change	
	June 30		\$ / #	%
	2015	2014		
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 1,591	\$ 1,636	\$ (45)	-2.8%
Deferred	878	825	53	6.4%
Ground	6,339	6,207	132	2.1%
Total U.S. Domestic Package	<u>8,808</u>	<u>8,668</u>	140	1.6%
International Package:				
Domestic	600	692	(92)	-13.3%
Export	2,283	2,408	(125)	-5.2%
Cargo and Other	162	152	10	6.6%
Total International Package	<u>3,045</u>	<u>3,252</u>	(207)	-6.4%
Supply Chain & Freight:				
Forwarding and Logistics	1,319	1,432	(113)	-7.9%
Freight	752	771	(19)	-2.5%
Other	171	145	26	17.9%
Total Supply Chain & Freight	<u>2,242</u>	<u>2,348</u>	(106)	-4.5%
Consolidated	<u>\$ 14,095</u>	<u>\$ 14,268</u>	<u>\$ (173)</u>	-1.2%
Consolidated volume (in millions)	1,101	1,079	22	2.1%
Operating weekdays	64	64	-	0.0%
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,241	1,233	8	0.6%
Deferred	1,132	988	144	14.6%
Ground	12,192	12,085	107	0.9%
Total U.S. Domestic Package	<u>14,565</u>	<u>14,306</u>	259	1.8%
International Package:				
Domestic	1,530	1,496	34	2.3%
Export	1,115	1,057	58	5.5%
Total International Package	<u>2,645</u>	<u>2,553</u>	92	3.6%
Consolidated	<u>17,210</u>	<u>16,859</u>	351	2.1%
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 20.03	\$ 20.73	\$ (0.70)	-3.4%
Deferred	12.12	13.05	(0.93)	-7.1%
Ground	8.12	8.03	0.09	1.1%
Total U.S. Domestic Package	9.45	9.47	(0.02)	-0.2%
International Package:				
Domestic	6.13	7.23	(1.10)	-15.2%
Export	31.99	35.60	(3.61)	-10.1%
Total International Package	17.03	18.97	(1.94)	-10.2%
Consolidated	<u>\$ 10.61</u>	<u>\$ 10.91</u>	<u>\$ (0.30)</u>	-2.7%

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

	Six Months Ended June 30		Change	
	2015	2014	\$	%
<small>(amounts in millions, except per share data)</small>				
<b>Statement of Income Data:</b>				
Revenue:				
U.S. Domestic Package	\$ 17,622	\$ 17,156	\$ 466	2.7%
International Package	6,015	6,379	(364)	-5.7%
Supply Chain & Freight	4,435	4,512	(77)	-1.7%
Total revenue	<u>28,072</u>	<u>28,047</u>	<u>25</u>	<u>0.1%</u>
Operating expenses:				
Compensation and benefits	15,066	15,640	(574)	-3.7%
Other	9,373	10,147	(774)	-7.6%
Total operating expenses	<u>24,439</u>	<u>25,787</u>	<u>(1,348)</u>	<u>-5.2%</u>
Operating profit:				
U.S. Domestic Package	2,225	1,136	1,089	95.9%
International Package	1,050	882	168	19.0%
Supply Chain & Freight	358	242	116	47.9%
Total operating profit	<u>3,633</u>	<u>2,260</u>	<u>1,373</u>	<u>60.8%</u>
Other income (expense):				
Investment income	8	25	(17)	-68.0%
Interest expense	(173)	(179)	6	-3.4%
Total other income (expense)	<u>(165)</u>	<u>(154)</u>	<u>(11)</u>	<u>7.1%</u>
Income before income taxes	<u>3,468</u>	<u>2,106</u>	<u>1,362</u>	<u>64.7%</u>
Income tax expense	1,212	741	471	63.6%
Net income	<u>\$ 2,256</u>	<u>\$ 1,365</u>	<u>\$ 891</u>	<u>65.3%</u>
Net income as a percentage of revenue	8.0%	4.9%		
Per share amounts:				
Basic earnings per share	\$ 2.50	\$ 1.48	\$ 1.02	68.9%
Diluted earnings per share	\$ 2.48	\$ 1.47	\$ 1.01	68.7%
Weighted-average shares outstanding:				
Basic	903	920	(17)	-1.8%
Diluted	911	929	(18)	-1.9%
<b>As adjusted income data:</b>				
Operating profit:				
U.S. Domestic Package (1)	\$ 2,225	\$ 2,093	\$ 132	6.3%
International Package (1)	1,050	909	141	15.5%
Supply Chain & Freight	358	324	34	10.5%
Total operating profit (1)	<u>3,633</u>	<u>3,326</u>	<u>307</u>	<u>9.2%</u>
Income before income taxes (1)	\$ 3,468	\$ 3,172	\$ 296	9.3%
Net income (2)	\$ 2,256	\$ 2,030	\$ 226	11.1%
Basic earnings per share (2)	\$ 2.50	\$ 2.21	\$ 0.29	13.1%
Diluted earnings per share (2)	\$ 2.48	\$ 2.19	\$ 0.29	13.2%

(1) Second quarter 2014 operating profit and consolidated income before income taxes excludes \$1.066 billion pre-tax charge associated with transferring postretirement health and welfare benefit obligations to multiemployer healthcare plans for certain employees under the Teamsters National Master Agreement. The charge is allocated between the U.S. Domestic Package segment (\$957 million), the International Package segment (\$27 million) and the Supply Chain & Freight segment (\$82 million).

(2) Second quarter 2014 net income and earnings per share amounts exclude the \$665 million after-tax charge of transferring postretirement benefit obligations described in (1).

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

	Six Months Ended		Change	
	June 30		\$ / #	%
	2015	2014		
<b>Revenue (in millions):</b>				
U.S. Domestic Package:				
Next Day Air	\$ 3,148	\$ 3,226	\$ (78)	-2.4%
Deferred	1,774	1,680	94	5.6%
Ground	12,700	12,250	450	3.7%
Total U.S. Domestic Package	17,622	17,156	466	2.7%
International Package:				
Domestic	1,205	1,380	(175)	-12.7%
Export	4,483	4,707	(224)	-4.8%
Cargo and Other	327	292	35	12.0%
Total International Package	6,015	6,379	(364)	-5.7%
Supply Chain & Freight:				
Forwarding and Logistics	2,649	2,765	(116)	-4.2%
Freight	1,462	1,465	(3)	-0.2%
Other	324	282	42	14.9%
Total Supply Chain & Freight	4,435	4,512	(77)	-1.7%
Consolidated	<u>\$ 28,072</u>	<u>\$ 28,047</u>	<u>\$ 25</u>	0.1%
Consolidated volume (in millions)	2,202	2,150	52	2.4%
Operating weekdays	127	127	-	0.0%
<b>Average Daily Package Volume (in thousands):</b>				
U.S. Domestic Package:				
Next Day Air	1,235	1,242	(7)	-0.6%
Deferred	1,175	1,036	139	13.4%
Ground	12,255	12,082	173	1.4%
Total U.S. Domestic Package	14,665	14,360	305	2.1%
International Package:				
Domestic	1,553	1,513	40	2.6%
Export	1,120	1,056	64	6.1%
Total International Package	2,673	2,569	104	4.0%
Consolidated	<u>17,338</u>	<u>16,929</u>	409	2.4%
<b>Average Revenue Per Piece:</b>				
U.S. Domestic Package:				
Next Day Air	\$ 20.07	\$ 20.45	\$ (0.38)	-1.9%
Deferred	11.89	12.77	(0.88)	-6.9%
Ground	8.16	7.98	0.18	2.3%
Total U.S. Domestic Package	9.46	9.41	0.05	0.5%
International Package:				
Domestic	6.11	7.18	(1.07)	-14.9%
Export	31.52	35.10	(3.58)	-10.2%
Total International Package	16.76	18.66	(1.90)	-10.2%
Consolidated	<u>\$ 10.59</u>	<u>\$ 10.81</u>	<u>\$ (0.22)</u>	-2.0%

**United Parcel Service, Inc.**  
**Reconciliation of Free Cash Flow**  
**(unaudited)**

<small>(amounts in millions)</small>	<b>Preliminary Year-to-Date June 30</b>
Net cash from operations	\$ 4,239
Capital expenditures	(958)
Proceeds from disposals of PP&E	8
Net change in finance receivables	(13)
Other investing activities	(10)
Free cash flow	<u>\$ 3,266</u>

*Amounts are subject to reclassification.*