

Contacts: Andy McGowan, Public Relations

+1-404-828-4663

#### Joe Wilkins, Investor Relations

+1-404-828-8209

#### Dana Benešová, UPS Czech Republic

#### +420 235 090 963

#### Karla Krejčí, Donath Business & Media

#### +420 224 211 220

[karla.krejci@dbm.cz](mailto:karla.krejci@dbm.cz)

**UPS 1Q EARNINGS PER SHARE UP 14%**

* ***ProfitabilityImprovedAcross all Segments***
* ***Pricing Initiatives Drove Yields Higher***
* ***International Operating Profit Increased 14%; U.S. Domestic up 11%***
* ***European Export Growth of 9.4%Propelled International Gains***
* ***Revenue Increased 3.6% on a Currency-Neutral Basis***
* ***Reaffirmed2015 Earnings Per Share Growth of 6-to-12%***

**ATLANTA, USA,April 28, 2015** – UPS (NYSE:UPS) today announced first quarter 2015 diluted earnings per share of $1.12, a 14% increase over the prior year period. Operating profit increased11% to $1.7 billion, with all three segments contributing. Revenue management actions and robust International shipment growth drove the operating profit improvement.

Total reported revenue of $14.0 billion was up 1.4% over the same quarter last year. Revenue growth was 3.6% after adjusting for foreign currency changes.

“The first quarter results were favourablyimpacted by our continuedinvestmentsandrevenue management initiatives,” said David Abney, UPS chief executive officer. “These actions delivered high value to our customers and shareowners. We are on track to achieve the company’s long-term financial targets.”

Total company shipments increased 2.8% to 1.1 billion packages, led by European export growth of 9.4%.

**Cash Flow**

For the three months ended March 31, UPS generated $2.4 billion in free cash flow. The company paid dividends of $636million, an increase of 9.0% per share over the prior year. The company also repurchased more than 6.7 million shares for approximately $680 million.

**U.S. Domestic Package**

U.S. Domestic first quarter revenue increased 3.8% to $8.8 billion. Daily package volumeimproved2.4%,lifted by growthin Deferred Air,up 12% andUPS SurePost,up 7.0%. Shipment growth rates slowed, as the company chose not to pursue some lower-yielding contract renewals.

Total revenue per package was up 1.3%primarily due to UPS Groundyield increasing 3.1%. Base rate improvements more than offset an approximately 200basis point drag from lower fuel surcharges. The expansion of dim-weight pricing,implemented last December 29, also contributed to higher yields.

Operating profit increased to $1.0 billion,an 11% improvementfrom the prior-year period. Operating margin expanded 70 basis points, driven by productivity gains.

**International Package**

International operating profit was $498 million, up 14% over the prior-year period. Volume growth, pricing initiatives and lower fuel expense all contributed to improved profitability. Operating margin expanded 280 basis points to 16.8%.

Total International revenue of $3.0 billion,increased 2.4% for the quarteron a currency-neutral basis, compared to the reported decline of 5.0%. Lower fuel surcharges also weighed on revenue growth.

Worldwide Export yield contracted 5.2% on a currency-neutral basis, with the majority of the decline due to an approximately 300 basis point reduction in fuel surcharge revenue. Product mix changes and stronger intra-regional shipment growth also contributed to the lower yield.

Export shipments jumped6.7% led by Europeangrowth of 9.4%. In Europe, UPS Export volume has grown at an annual rate of approximately 9% over the past 10 years.

**Supply Chain & Freight**

Revenue in the segment increased 1.3% to $2.2 billion, driven by growth in Distribution and UPS Freight. Revenue growth was lowered by currency exchange rates and reduced fuel surcharge revenue. Operating margin expanded to 6.9%, generating operating profit of $151 million.

Although Forwardingrevenuedeclined due to currency changes and revenue management actions, profitability was improved over the same period last year.Congestion at the West Coast port terminals created challenges for many Ocean Freight customers. The flexibility of the UPS portfolio allowed customers to accelerate their ocean freight or reroute to non-affected ports.

The Distribution business delivered solid top-line growth as more customers in the Healthcare and Retail industries realizedthe benefits of UPS supply-chain expertise.Operating profit and margin was limited by continued investments in technology and infrastructure.

UPS Freight revenue was up 2.3% resulting from gains in LTL and Ground Freight Pricing products.Lower fuel surchargesweighed on the revenue growth rate. LTL shipments per day increased 3.5% over the prior-year period.

**Outlook**

“Solid performance across all three business segments was led by positive momentum in International, gains from revenue management and productivity improvements in the U.S.,” said Kurt Kuehn, UPS chief financial officer.  “We remain on plan to meet our guidance for full-year 2015 diluted earnings per share of $5.05 to $5.30, a 6%-to-12% increase over our 2014 adjusted results.”

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UPS (NYSE: UPS) is a global leader in logistics, offering a broad range of solutions including the transportation of packages and freight; the facilitation of international trade, and the deployment of advanced technology to more efficiently manage the world of business. Headquartered in Atlanta, USA, UPS serves more than 220 countries and territories worldwide. The company can be found on the Web at ups.com® and its corporate blog can be found at [Longitudes.ups.com](http://longitudes.ups.com). To get UPS news direct, visit [pressroom.ups.com/](http://pressroom.ups.com/RSS).