

UNITED PARCEL SERVICE INC
Form FWP
September 24, 2012

Final Term Sheet

Filed Pursuant to Rule 433

Registration Statement No. 333-170435

September 24, 2012

UNITED PARCEL SERVICE, INC.

1.125% Senior Notes due 2017

Issuer:	United Parcel Service, Inc.
Aggregate Principal Amount Offered:	\$375,000,000
Maturity Date:	October 1, 2017
Coupon (Interest Rate):	1.125%
Price to Public (Issue Price):	99.835%
Yield to Maturity:	1.159%
Benchmark Treasury:	0.625% due August 31, 2017
Benchmark Treasury Price and Yield:	99-26 ³ / ₄ and 0.659%
Spread to Benchmark Treasury:	T + 50 bps
Interest Payment Dates:	April 1 and October 1, commencing April 1, 2013
Day Count Convention:	30 / 360
Optional Redemption:	The Notes will be redeemable at Issuer's option at any time, in whole or in part, at a redemption price equal to (A) the greater of (i) 100% of the principal amount of such Notes and (ii) the sum of the present values of remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of redemption) on such Notes discounted to the redemption date on a semi-annual basis at the Treasury rate plus 0.100% (10 basis points), plus (B) accrued interest to the redemption date.
Use of Proceeds:	The Company intends to use the net proceeds of this offering and the offering of the 2.450% Senior Notes due 2022 and the 3.625% Senior Notes due 2042 to repay, at maturity, the \$1.75 billion in principal outstanding of its 4.50% senior notes, which mature on January 15, 2013, and for general corporate purposes.
Trade Date:	September 24, 2012
Settlement Date (T+3):	September 27, 2012
CUSIP Number:	911312 AP1
ISIN Number:	US911312AP10
Denominations:	\$2,000 x \$1,000

Active Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated Morgan Stanley & Co. LLC UBS Securities LLC
Passive Bookrunners:	Goldman, Sachs & Co. Citigroup Global Markets Inc. J.P. Morgan Securities LLC
Senior Co-Managers:	BNP Paribas Securities Corp. Barclays Capital Inc.
Co-Managers:	Mitsubishi UFJ Securities (USA), Inc. BNY Mellon Capital Markets, LLC Commerz Markets LLC Fifth Third Securities, Inc. HSBC Securities (USA) Inc. Mizuho Securities USA Inc. RBS Securities Inc. Standard Chartered Bank Wells Fargo Securities, LLC CastleOak Securities, L.P. Samuel A. Ramirez & Company, Inc. The Williams Capital Group, L.P.
Listing:	None
Long-term Debt Ratings:	Moody s, Aa3; S&P, A+

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 Web site 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 calling Merrill Lynch, Pierce, Fenner & Smith Incorporated toll free at (800) 294-1322, Morgan Stanley & Co. LLC toll free at (866) 718-1649 or UBS Securities LLC toll free at (877) 827-6444, Ext. 561 3884.

UNITED PARCEL SERVICE, INC.

2.450% Senior Notes due 2022

Issuer:	United Parcel Service, Inc.
Aggregate Principal Amount Offered:	\$1,000,000,000
Maturity Date:	October 1, 2022
Coupon (Interest Rate):	2.450%
Price to Public (Issue Price):	99.867%
Yield to Maturity:	2.465%
Benchmark Treasury:	1.625% due August 15, 2022
Benchmark Treasury Price and Yield:	99-6 and 1.715%
Spread to Benchmark Treasury:	T + 75 bps
Interest Payment Dates:	April 1 and October 1, commencing April 1, 2013
Day Count Convention:	30 / 360
Optional Redemption:	The Notes will be redeemable at Issuer's option at any time, in whole or in part, at a redemption price equal to (A) the greater of (i) 100% of the principal amount of such Notes and (ii) the sum of the present values of remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of redemption) on such Notes discounted to the redemption date on a semi-annual basis at the Treasury rate plus 0.150% (15 basis points), plus (B) accrued interest to the redemption date.
Use of Proceeds:	The Company intends to use the net proceeds of this offering and the offering of the 1.125% Senior Notes due 2017 and the 3.625% Senior Notes due 2042 to repay, at maturity, the \$1.75 billion in principal outstanding of its 4.50% senior notes, which mature on January 15, 2013, and for general corporate purposes.
Trade Date:	September 24, 2012
Settlement Date (T+3):	September 27, 2012
CUSIP Number:	911312 AQ9
ISIN Number:	US911312AQ92
Denominations:	\$2,000 x \$1,000

Active Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated Morgan Stanley & Co. LLC UBS Securities LLC
Passive Bookrunners:	Goldman, Sachs & Co. Citigroup Global Markets Inc. J.P. Morgan Securities LLC
Senior Co-Managers:	BNP Paribas Securities Corp. Barclays Capital Inc.
Co-Managers:	Mitsubishi UFJ Securities (USA), Inc. BNY Mellon Capital Markets, LLC Commerz Markets LLC Fifth Third Securities, Inc. HSBC Securities (USA) Inc. Mizuho Securities USA Inc. RBS Securities Inc. Standard Chartered Bank Wells Fargo Securities, LLC CastleOak Securities, L.P. Samuel A. Ramirez & Company, Inc. The Williams Capital Group, L.P.
Listing:	None
Long-term Debt Ratings:	Moody s, Aa3; S&P, A+

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 Web site 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 calling Merrill Lynch, Pierce, Fenner & Smith Incorporated toll free at (800) 294-1322, Morgan Stanley & Co. LLC toll free at (866) 718-1649 or UBS Securities LLC toll free at (877) 827-6444, Ext. 561 3884.

UNITED PARCEL SERVICE, INC.

3.625% Senior Notes due 2042

Issuer:	United Parcel Service, Inc.
Aggregate Principal Amount Offered:	\$375,000,000
Maturity Date:	October 1, 2042
Coupon (Interest Rate):	3.625%
Price to Public (Issue Price):	98.754%
Yield to Maturity:	3.694%
Benchmark Treasury:	3.000% due May 15, 2042
Benchmark Treasury Price and Yield:	102-3 and 2.894%
Spread to Benchmark Treasury:	T + 80 bps
Interest Payment Dates:	April 1 and October 1, commencing April 1, 2013
Day Count Convention:	30 / 360
Optional Redemption:	The Notes will be redeemable at Issuer's option at any time, in whole or in part, at a redemption price equal to (A) the greater of (i) 100% of the principal amount of such Notes and (ii) the sum of the present values of remaining scheduled payments of principal and interest (exclusive of interest accrued to the date of redemption) on such Notes discounted to the redemption date on a semi-annual basis at the Treasury rate plus 0.150% (15 basis points), plus (B) accrued interest to the redemption date.
Use of Proceeds:	The Company intends to use the net proceeds of this offering and the offering of the 1.125% Senior Notes due 2017 and the 2.450% Senior Notes due 2022 to repay, at maturity, the \$1.75 billion in principal outstanding of its 4.50% senior notes, which mature on January 15, 2013, and for general corporate purposes.
Trade Date:	September 24, 2012
Settlement Date (T+3):	September 27, 2012
CUSIP Number:	911312 AR7
ISIN Number:	US911312AR75
Denominations:	\$2,000 x \$1,000

Active Bookrunners:	Merrill Lynch, Pierce, Fenner & Smith Incorporated Morgan Stanley & Co. LLC UBS Securities LLC
Passive Bookrunners:	Goldman, Sachs & Co. Citigroup Global Markets Inc. J.P. Morgan Securities LLC
Senior Co-Managers:	BNP Paribas Securities Corp. Barclays Capital Inc.
Co-Managers:	Mitsubishi UFJ Securities (USA), Inc. BNY Mellon Capital Markets, LLC Commerz Markets LLC Fifth Third Securities, Inc. HSBC Securities (USA) Inc. Mizuho Securities USA Inc. RBS Securities Inc. Standard Chartered Bank Wells Fargo Securities, LLC CastleOak Securities, L.P. Samuel A. Ramirez & Company, Inc. The Williams Capital Group, L.P.
Listing:	None
Long-term Debt Ratings:	Moody's, Aa3; S&P, A+

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 Web site 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 calling Merrill Lynch, Pierce, Fenner & Smith Incorporated toll free at (800) 294-1322, Morgan Stanley & Co. LLC toll free at (866) 718-1649 or UBS Securities LLC toll free at (877) 827-6444, Ext. 561 3884.