

FOR IMMEDIATE RELEASE:

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UPS Extends Health Benefits to N.J. Civil Union Partners

ATLANTA, July 30, 2007 - UPS (NYSE:UPS) today announced it would offer health care benefits to all civil union partners of hourly employees in New Jersey who are covered under collectively bargained union plans. Management and administrative employees in the state already have such benefits.

"Based on an initial legal review when New Jersey's law was enacted, it did not appear that a 'civil union' and 'marriage' were equivalent," noted Allen Hill, UPS's senior vice president for human resources. "Over the past week, however, we have received clear guidance that at least in New Jersey, the state truly views civil union partners as married. We've heard that loud and clear from state officials and we're happy to make this change."

"We commend UPS for taking this step," said Daryl Herrschaft, director of the Workplace Project at the Washington, D.C.-based Human Rights Campaign. "We've known all along that UPS wanted to do the right thing. It says a lot about this company's character that it never stopped looking for a way to help these New Jersey employees in an uncertain legal environment."

The extension of benefits to civil union partners of hourly employees in New Jersey will affect approximately 8,700 workers, although it's impossible to know how many of those employees have joined in civil unions. About 5,400 non-union UPS workers in New Jersey already are eligible.

UPS, which has provided same-sex benefits since 2004 to all non-union employees throughout the United States, has been committed to treating all of its hourly employees similarly. But until a new contract is negotiated and implemented with the Teamsters in 2008, the company must follow individual state definitions of "spouse." In New Jersey, UPS has been grappling with the legal question of whether a "civil union" can be equated to "married spouse" when the state's law does not explicitly use that language.

The extension of benefits is based on discussions and input from state officials, including the attorney general and governor, within the past few days.

"We're quite pleased with this outcome," added Hill. "Our goal has always been to provide these benefits to all UPS employees. But we also have a responsibility to do it the right way."

UPS intends to address the issue of same-sex benefits for all its hourly workers - no matter where they reside - during negotiations with the Teamsters on a new 2008 contract. Currently, about 85,000 non-hourly workers are eligible for such benefits.

UPS, which celebrates its 100th anniversary in 2007, is the world's largest package delivery company and a global leader in supply chain services, offering an extensive range of options for synchronizing the movement of goods, information and funds. Headquartered in Atlanta, Ga., UPS serves more than 200 countries and territories worldwide. UPS's stock trades on the New York Stock Exchange (NYSE) and the company can be found on the Web at UPS.com. To get UPS news direct, visit pressroom.ups.com/RSS.

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STATEMENT BY ALLEN HILL,
SENIOR VICE PRESIDENT, HUMAN RESOURCES

July 30, 2007

"Today, UPS is pleased to announce the extension of health care benefits to civil union partners of our Teamster-represented hourly workers in New Jersey. We are taking this step based on discussions and input over the last few days from several state officials, including the attorney general and governor."

"Our policy in this regard has been clear from the start: UPS offers same-sex benefits to all non-union employees now and our intent is to offer these same benefits to all unionized workers. In the case of union workers, however, we cannot unilaterally extend these benefits without going through the collective bargaining process."

"The only exception to collective bargaining is when an individual state recognizes same-sex partners as married spouses. New Jersey has enacted a law recognizing the right of same-sex partners to join in civil unions. Based on an initial legal review when this law was enacted, it did not appear that a 'civil union' and 'marriage' were equivalent."

"Over the past week, however, we received clear guidance that at least in New Jersey, the state truly views civil union partners as married. We've heard that loud and clear from state officials and we're happy to make this change."

"Again, we're quite pleased with this outcome. Our goal has always been to provide these benefits to all UPS employees. But we also have a responsibility to do it the right way."

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