



## **UPS AND POSTE ITALIANE REACH DEAL ON EXPRESS INTERNATIONAL SHIPMENTS**

ROME, Oct. 19, 2006 -- UPS (NYSE: UPS) and Poste Italiane today announced the completion of an agreement for UPS to carry the Italian postal service's international express shipments.\*

The service is scheduled to start November 27 for the 14,000 post offices Poste Italiane operates across Italy. In addition, UPS is finalizing details to utilize the Poste Italiane network for its own pickup and final delivery in certain extended areas of the country.

The contract was announced today by Wolfgang Flick, president, UPS Europe, and Massimo Sarmi, CEO, Poste Italiane, during a joint press conference in Rome.

«This venture with Poste Italiane is part of UPS's strategy to make it easier for shippers everywhere to access the global marketplace,» said Flick. «Now, businesses in Italy can reliably get their goods to places in the world, such as Asia, where a growing middle class is hungry for Italy's quality products and top brands.»

The UPS strategy calls for the creation of new growth opportunities for the company by forging alliances and partnerships around the world, including with national postal services. This year, UPS is celebrating 30 years of service in Europe, where it has enjoyed nine consecutive years of export growth. In addition, 2007 is UPS's centennial year.

«This agreement with UPS will help us offer even better service and reliability to businesses across Italy,» said Sarmi. «In addition, this deal will make us even more competitive and appealing to customers doing business over the Internet by better supporting their needs as they seek to sell more of their products abroad.»

This partnership with UPS is part of Poste Italiane's strategy aimed at strengthening its position in the express courier domestic market. In addition, a more competitive and reliable service in the international segment offers great growth opportunities for the group and this is an important step in further improving the very positive results Poste Italiane has achieved to date. In the first six months of 2006, the group achieved an EBIT of 811 million € (+43.6% vs 2005) with a Net Result of 379 million € (+72.6% vs 2005).

Besides its core postal service, and thanks to its robust coverage of the entire country and its strong integration between its business units, the Poste Italiane Group now offers a vast range of integrated communication, logistics and financial products and services. All of this to satisfy the needs of a varied clientele while guaranteeing a high standard of quality in line with the most important European competitors.

The Poste Italiane Group includes: SDA - express and logistics services; Postecom - internet services; Postel - hybrid electronic mail and document processing; and PosteVita and BancoPosta Fondi - life insurance and investment solutions.

UPS 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, USA, 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](http://UPS.com). To get UPS news direct, visit [pressroom.ups.com](http://pressroom.ups.com).

\* Readers Note: All shipments leaving Italy are classified as "international."

Except for historical information contained herein, the statements made in this release constitute forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933 and Section 21E of the US Securities Exchange Act of 1934. Such forward-looking statements, including statements regarding the intent, belief or current expectations of UPS and its management regarding the company's strategic directions, prospects and future results, involve certain risks and uncertainties. Certain factors may cause actual results to differ materially from those contained in the forward-looking statements, including economic and other conditions in the markets in which we operate, governmental regulations, our competitive environment, strikes, work stoppages and slowdowns, increases in aviation and motor fuel prices, cyclical and seasonal fluctuations in our operating results, and other risks discussed in the company's Form 10-K and other filings with the US Securities and Exchange Commission, which discussions are incorporated herein by reference.

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