

UNIVERSAL CORP /VA/  
Form 10-Q  
February 06, 2014

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission File Number: 001-00652

UNIVERSAL CORPORATION

(Exact name of registrant as specified in its charter)

Virginia

54-0414210

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification Number)

9201 Forest Hill Avenue,  
Richmond, Virginia  
(Address of principal executive offices)

23235  
(Zip Code)

804-359-9311

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of January 31, 2014, the total number of shares of common stock outstanding was 23,216,312.

UNIVERSAL CORPORATION

FORM 10-Q

TABLE OF CONTENTS

Item No.		Page
	<b><u>PART I</u> - FINANCIAL INFORMATION</b>	
<u>1.</u>	<u>Financial Statements</u>	<u>3</u>
<u>2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>23</u>
<u>3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>28</u>
<u>4.</u>	<u>Controls and Procedures</u>	<u>29</u>
	<b><u>PART II</u> - OTHER INFORMATION</b>	
<u>1.</u>	<u>Legal Proceedings</u>	<u>30</u>
<u>1A.</u>	<u>Risk Factors</u>	<u>30</u>
<u>2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>31</u>
<u>6.</u>	<u>Exhibits</u>	<u>32</u>
	<u>Signatures</u>	<u>33</u>

PART I. FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS

UNIVERSAL CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(in thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2013	2012	2013	2012
	(Unaudited)		(Unaudited)	
Sales and other operating revenues	\$767,802	\$680,029	\$1,852,199	\$1,816,607
Costs and expenses				
Cost of goods sold	628,495	554,588	1,522,112	1,461,087
Selling, general and administrative expenses	66,468	60,928	201,542	169,406
Other income	—	—	(81,619)	) —
Restructuring costs	3,400	—	4,708	3,687
Operating income	69,439	64,513	205,456	182,427
Equity in pretax earnings (loss) of unconsolidated affiliates	1,789	(1,241)	) 1,755	(192)
Interest income	344	183	748	410
Interest expense	5,157	5,670	16,623	17,778
Income before income taxes	66,415	57,785	191,336	164,867
Income taxes	22,212	18,070	63,390	50,633
Net income	44,203	39,715	127,946	114,234
Less: net income attributable to noncontrolling interests in subsidiaries	(5,618)	) (4,173)	) (5,608)	) (7,586)
Net income attributable to Universal Corporation	38,585	35,542	122,338	106,648
Dividends on Universal Corporation convertible perpetual preferred stock	(3,712)	) (3,712)	) (11,137)	) (11,137)
Earnings available to Universal Corporation common shareholders	\$34,873	\$31,830	\$111,201	\$95,511
Earnings per share attributable to Universal Corporation common shareholders:				
Basic	\$1.50	\$1.36	\$4.78	\$4.09
Diluted	\$1.36	\$1.25	\$4.31	\$3.75
Weighted average common shares outstanding:				
Basic	23,216	23,406	23,246	23,361
Diluted	28,364	28,517	28,388	28,470
Total comprehensive income, net of income taxes	\$46,387	\$48,424	\$162,828	\$121,582
Less: comprehensive income attributable to noncontrolling interests, net of income taxes	(5,432)	) (4,274)	) (5,085)	) (7,878)
Comprehensive income attributable to Universal Corporation, net of income taxes	\$40,955	\$44,150	\$157,743	\$113,704
Dividends declared per common share	\$0.51	\$0.50	\$1.51	\$1.48