



January 9, 2017

Universal Corporation Announces Mandatory Conversion of Series B 6.75% Convertible Perpetual Preferred Stock

RICHMOND, Va., Jan. 9, 2017 /PRNewswire/ -- Universal Corporation (NYSE: UVV) ("Universal") today announced that all outstanding shares of its Series B 6.75% Convertible Perpetual Preferred Stock ("Series B Preferred Stock") will mandatorily convert on January 13, 2017 (the "Mandatory Conversion Date").

Universal has elected to settle its conversion obligation in cash. Holders of the Series B Preferred Stock will receive the product of the conversion rate, 22.3920, and the average volume weighted average price of Universal's common stock during the cash settlement averaging period, for each share of Series B Preferred Stock converted. The cash settlement averaging period will begin on January 17, 2017, the trading date following the Mandatory Conversion Date, and will run for ten trading days, ending on January 30, 2017. Cash settlement will occur on January 31, 2017, and the Company intends to use cash on hand for the settlement.

From and after the Mandatory Conversion Date, the Series B Preferred Stock not previously converted will cease to be outstanding and all rights of the holders with respect to the Series B Preferred Stock will terminate, except for the right to receive cash, as described above. The Series B Preferred Stock dividends, totaling approximately \$15 million per year, will no longer be paid as of the Mandatory Conversion Date. All accumulated and unpaid dividends on the Series B Preferred Stock for dividend payment dates ending prior to the date of the conversion notice have been paid in cash.

As of January 6, 2017, 107,418 shares of Series B Preferred Stock were outstanding, all of which will mandatorily convert on the Mandatory Conversion Date. During December 2016, holders of 111,072 shares of Series B Preferred Stock voluntarily exercised their conversion rights. These shares were converted into 2,487,118 shares of Universal's common stock.

Headquartered in Richmond, Virginia, Universal Corporation is the leading global leaf tobacco supplier and conducts business in more than 30 countries. Its revenues for the fiscal year ended March 31, 2016, were \$2.1 billion. For more information on Universal Corporation, visit its website at www.universalcop.com.



To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/universal-corporation-announces-mandatory-conversion-of-series-b-675-convertible-perpetual-preferred-stock-300387421.html>

SOURCE Universal Corporation

News Provided by Acquire Media