



Universal Corporation

200,000 Shares 6.75% Convertible Perpetual Preferred Stock (Liquidation Preference \$1,000 per share)

We are offering 200,000 shares of 6.75% convertible perpetual preferred stock (the "preferred stock"). Dividends on the preferred stock are payable when, as and if declared by our board of directors, out of funds legally available therefore, at the rate of 6.75% per annum, quarterly in arrears on each March 15, June 15, September 15 and December 15, commencing June 15, 2006. Dividends on the preferred stock are not cumulative. Each share of preferred stock will have a liquidation preference of \$1,000 and will be convertible at any time into shares of our common stock at a conversion rate of 21.4001 shares per share of preferred stock, subject to specified adjustments, which is currently equal to a conversion price of approximately \$46.73 per share of common stock.

Beginning March 15, 2018, we may redeem all or a portion of the preferred stock by paying cash in an amount equal to the liquidation preference. In addition, if at any time between March 15, 2013 and March 15, 2018, inclusive, the closing price of our common stock exceeds 135% of the prevailing conversion price for 20 trading days during any consecutive 30 trading day period, we may cause the preferred stock to be automatically converted into the number of shares that are issuable at the then prevailing conversion rate.

If a fundamental change occurs on or before March 15, 2018, we will pay a make-whole premium on preferred stock converted in connection therewith. Also, if we become subject to a fundamental change, holders may require us to redeem any or all of their shares of preferred stock at the liquidation preference, and we may choose to pay the redemption price in cash, shares of our common stock, or a combination thereof.

Our common stock is traded on the New York Stock Exchange under the symbol "UVV." On March 15, 2006, the closing price of our common stock was \$36.65 per share. We do not intend to apply for listing of the preferred stock on any securities exchange or for inclusion of the preferred stock in any automated quotation system.

Investing in the preferred stock involves risks. See "Risk Factors" beginning on page S-10.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$ 1,000	\$ 200,000,000
Underwriting discounts and commissions	\$ 30	\$ 6,000,000
Proceeds, before expenses, to Universal Corporation	\$ 970	\$ 194,000,000

We have granted the underwriters a 30-day option to purchase up to 20,000 additional shares of preferred stock solely to cover over-allotments.

Deutsche Bank Securities

(Sole Book-Running Manager)

Wachovia Securities

(Co-Lead Manager)

UBS Securities LLC

LaSalle Capital Markets

Rabo Securities USA, Inc.

The date of this prospectus supplement is March 16, 2006

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the terms of the offering of preferred stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus or any document incorporated by reference therein, on the other hand, you should rely on the information in this prospectus supplement.

You should rely only on the information contained in this prospectus supplement, the accompanying prospectus and the documents we incorporate by reference in this prospectus supplement. The list of documents incorporated by reference into the accompanying prospectus is superseded by the list of documents incorporated by reference into this prospectus supplement. The only documents incorporated by reference into this document (including both this prospectus supplement and the accompanying prospectus) are the documents listed under “Where You Can Find More Information” in this prospectus supplement. We have not authorized anyone to provide you with information that is different. We are offering our preferred stock only in jurisdictions where such offers are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of their respective dates, regardless of the time of delivery of this prospectus supplement or of any sale of our preferred stock. It is important for you to read and consider all information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement in making your investment decision. You should also read and consider the information in the documents to which we have referred in "Where You Can Find More Information" below.

PROSPECTUS SUPPLEMENT SUMMARY

The following summary may not contain all the information that is important to you. You should read the entire prospectus supplement, as well as the information to which we refer you and the information incorporated by reference, before making an investment decision. When used in this prospectus supplement, the terms "Universal," "issuer," "we," "our" and "us" refer to Universal Corporation and its consolidated subsidiaries, unless otherwise specified.

Universal Corporation

We are one of the world's leading leaf tobacco merchants and processors, based on the volume we handle. We also have operations in lumber and building products distribution and agri-products. Our consolidated revenues and total segment operating income were approximately \$3.3 billion and \$254 million, respectively, for the fiscal year ended March 31, 2005, and \$2.7 billion and \$159 million, respectively, for the nine months ended December 31, 2005.

We are a holding company that operates through numerous directly and indirectly owned subsidiaries. Our two primary subsidiaries are Universal Leaf Tobacco Company, Incorporated ("Universal Leaf") and Deli Universal, Inc. ("Deli"). We operate our tobacco business primarily through Universal Leaf and our non-tobacco business through Deli, although Deli also owns some minor tobacco business interests and approximately 10% of Universal Leaf's major tobacco operations in Brazil. We also participate in the sale of oriental tobacco through ownership of a 49% equity interest in Socotab, L.L.C.

Our business strategy is to enhance shareholder value by achieving several key objectives, such as operating as a single entity worldwide with strong local management, fostering strategic alliances with our customers, increasing market share in traditional areas while developing new areas, maintaining diversified sources of leaf tobacco and maintaining our financial strength.

We conduct operations in numerous foreign countries. In fiscal year 2005, approximately 24% and 21% of our revenue was derived from products delivered to customer locations in the Netherlands and the United States, respectively. As of March 31, 2005, approximately 33% of our long-lived assets were in the United States, while approximately 23% were in the Netherlands, and approximately 11% were in Brazil. During the nine-month period ended December 31, 2005, we invested about \$61 million in our fixed assets, with the largest portion spent in Africa, where we completed the construction of a processing facility in Mozambique.

We employed more than 28,000 employees throughout the world during the fiscal year ended March 31, 2005. Because the majority of our employees are seasonal, this figure is only an estimate.

Our executive offices are located at 1501 North Hamilton Street, Richmond, Virginia 23230, and our telephone number and website address are (804) 359-9311 and www.universalcorp.com.

Current Developments

Revolving Credit Facility

In February 2006, we determined that certain restructuring and impairment charges, combined with lower than expected operating results for the quarter ended December 31, 2005, and a decrease in committed tobacco inventories caused by shipments during the quarter, caused a covenant breach under our revolving credit agreement and a secured term loan. Waivers of the covenant violation were received from a sufficient number of the banks participating in the revolving credit facility, and no event of default occurred under the agreement. We decided to repay the secured term loan on February 7, 2006, using borrowings under the revolving credit facility. No covenants were breached in any of our other debt obligations. However, unless we obtain another waiver or we amend the revolving credit agreement prior

to March 31, 2006, we will be in default thereunder. We are currently working with our bank group and expect to amend our revolving credit agreement to allow greater room under the waived covenant into the next fiscal year. Proceeds from the preferred stock will be used to repay a portion of our borrowings under the revolving credit facility and to repay certain other debt.

Enhancing Shareholder Value

We recently announced that as part of our strategy for enhancing shareholder value, we routinely evaluate alternatives, including acquisitions, divestitures and strategic alliances, in each of our business units. We have received and recently considered an offer for a substantial portion of our non-tobacco operations and have been in discussions on the offer. We will continue to consider such alternatives, which could include the continuation of those discussions. However, there can be no assurance that such discussions will ultimately result in a transaction.

U.S. Foreign Corrupt Practices Act

We also recently announced that as a result of a posting to our Ethics Complaint hotline alleging improper activities involving or related to certain of our tobacco subsidiaries, the Audit Committee of our Board of Directors engaged an outside law firm to conduct an investigation of the alleged activities. That investigation revealed that there have been payments that may have violated the U.S. Foreign Corrupt Practices Act. At this time, the payments involved appear to have approximated \$1 million over a five-year period. In addition, the investigation revealed activities in foreign jurisdictions that may have violated the competition laws of such jurisdictions, but we believe those activities did not violate U.S. antitrust laws. We have voluntarily reported these activities to the appropriate U.S. authorities. We have initiated and are continuing to take corrective action.

If the U.S. authorities determine that there have been violations of the Foreign Corrupt Practices Act, or if the U.S. authorities or the authorities in foreign jurisdictions determine there have been violations of other laws, they may seek to impose sanctions on us or our subsidiaries that may include injunctive relief, disgorgement, fines, penalties and modifications to business practices. It is not possible to predict at this time whether the authorities will determine that violations have occurred, and if they do, what sanctions they might seek to impose. It is also not possible to predict how governmental investigations or any resulting sanctions may affect our business, financial condition, results of operations or financial performance, although such sanctions, if imposed, could be material to our results of operations in any quarter. We will continue to cooperate with the authorities in these matters.

Moody's Downgrade

On March 14, 2006, citing our earnings and cash flow pressures, Moody's Investors Service downgraded our long-term credit rating from Baa3 to Ba1 and our short-term credit rating from P-3 to Not Prime, assigned a corporate family rating of Ba1, and left our long-term ratings under review for further possible downgrade. The reduction in our credit rating below investment grade may lead to increased interest costs and limit our access to capital markets. Our management communicates regularly with the rating agencies and intends to continue to take actions to improve the company's financial status.

Tobacco Operations

Since our founding in 1918, we have focused principally on tobacco operations, and for the fiscal year ended March 31, 2005, such operations accounted for 51% of revenues and 77% of segment operating income. For the nine months ended December 31, 2005, such operations accounted for 52% of revenues and 78% of segment operating income, although tobacco segment operating income was lower compared to last year due to continued weakness in South American results from lower operating margins on the poor quality, more-expensive Brazilian crop, as well as a decline in demand for our blended strip products. Our tobacco business includes selecting, buying, shipping, processing, packing, storing and financing of leaf tobacco in tobacco growing countries for sale to, or for the account of,

manufacturers of tobacco products throughout the world. We do not manufacture cigarettes or other consumer tobacco products.

We conduct our tobacco business in varying degrees in a number of countries, including Argentina, Belgium, Brazil, Canada, Colombia, the Dominican Republic, France, Germany, Guatemala, Hungary, India, Indonesia, Italy, Malawi, Mexico, Mozambique, the Netherlands, Paraguay, the People's Republic of China, the Philippines, Poland, Portugal, Russia, Singapore, South Africa, Spain, Switzerland, Tanzania, Uganda, the United Kingdom, the United States, Zambia and Zimbabwe. In addition, Socotab, L.L.C. has oriental tobacco operations in Bulgaria, Greece, Macedonia and Turkey.

We normally operate our processing plants for approximately seven to nine months of the year. During this period, inventories of green tobacco, inventories of redried tobacco and trade accounts receivable normally reach peak levels in succession. Tobacco inventories at December 31, 2005, were \$712 million, up \$103 million from the level at March 31, 2005, and down \$85 million from the level at September 30, 2005. Current liabilities, particularly short-term notes payable to banks, commercial paper and customer advances, are means of financing this expansion of current assets and normally reach their peak during processing periods.

A material part of our tobacco business is dependent upon a few customers. For the year ended March 31, 2005, Altria Group, Inc. and its affiliates accounted for more than 10% of our revenues. The loss of, or substantial reduction in business from, Altria or any other significant customer would have a material adverse effect. We have maintained long-standing relationships with these customers.

Agri-Products Operations

For the fiscal year ended March 31, 2005, our agri-products operations accounted for 23% of our revenues and 5% of segment operating income, and for the nine-month period ended December 31, 2005, accounted for 24% of our revenues and 5% of segment operating income. The agri-products segment reported a loss in the third quarter of fiscal year 2006 due to approximately \$12 million in inventory write-downs and losses on firm purchase commitments for almonds and sunflower seeds. Our agri-products business involves selecting, buying, processing, storing, shipping, financing and distributing as well as importing and exporting a number of products, including tea, rubber, sunflower seeds, nuts, dried fruit, and canned and frozen foods. We source products from numerous countries, including Argentina, China, Egypt, Indonesia, Kenya, Malawi, Mexico, Sri Lanka, Thailand, Turkey and the United States.

Lumber and Building Products Operations

We are engaged in the lumber and building products distribution and processing business in the Netherlands and other countries in Europe, and such operations accounted for 26% of revenues and 18% of segment operating income for the fiscal year ended March 31, 2005, and for 24% of revenues and 17% of segment operating income for the nine-month period ended December 31, 2005. Earnings from the lumber and building products distribution segment were lower for the nine-month period ended December 31, 2005, due to ongoing price pressure from do-it-yourself retailers, which negatively affected margins in the retail supply division. This decline was partly offset by improved results in the construction supply division.

Our activities in this segment are conducted through two business units: construction supply and retail supply. The construction supply unit, with its customer base in the Dutch building construction sector, sells a broad range of lumber and related building products through a network of regional outlets. The construction supply unit also includes specialized units that manufacture window frames and prefabricated elements and doors and units that distribute related products. Our construction supply sales for the fiscal year ended March 31, 2005, accounted for about 12% of the market volume for similar products in the Netherlands. This is similar to the market share of its largest competitor in this sector, PontMeyer N.V.

The retail supply unit has a strong customer base in the Benelux. It supplies do-it-yourself retailers, home improvement stores and garden center outlets with a broad range of lumber and related products, including company-manufactured garden timbers and garden houses.

The Offering

Issuer	Universal Corporation
Securities offered	200,000 shares of 6.75% Convertible Perpetual Preferred Stock, no par value (220,000 shares if the underwriters exercise in full their option to purchase additional shares of preferred stock).
Liquidation preference.....	\$1,000 per share of preferred stock.
Dividends	Holders of preferred stock will be entitled to receive, when, as and if declared by our board of directors, out of funds legally available therefor, dividends at the rate of 6.75% per annum of the liquidation preference, payable quarterly on March 15, June 15, September 15 and December 15 of each year commencing June 15, 2006 (each, a "dividend payment date").

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issuance date of the preferred stock and will end on and exclude the June 15, 2006, dividend payment date. Dividends payable on the preferred stock will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Dividends on the preferred stock are not cumulative. If our board of directors has not declared a dividend before the dividend payment date for any dividend period, then such dividend will not accumulate and holders of the preferred stock will have no right to receive, and we will have no obligation to pay, a dividend for that dividend period on the related dividend payment date or at any future time, whether or not we declare dividends on the preferred stock for any future dividend period.

Subject to certain restrictions, we may pay any dividend on the preferred stock in cash, by delivery of shares of our common stock or through any combination of cash and shares of our common stock.

For so long as the preferred stock remains outstanding, (1) we will not declare, pay or set apart funds for the payment of any dividend or other distribution with respect to any junior stock and (2) neither we nor any of our subsidiaries will, subject to certain exceptions, redeem, purchase or otherwise acquire for consideration junior stock through a sinking fund or otherwise, in each case unless we have paid or set apart funds for the payment of the full dividends with respect to the shares of preferred stock and all parity stock for the latest completed dividend period. These restrictions will continue following any such failure to pay dividends until full dividends on all outstanding shares of the preferred stock and parity stock for four consecutive dividend periods have been declared and paid.

For any dividend period in which dividends are not paid in full upon the preferred stock and any parity stock, all dividends declared for such dividend period with respect to the preferred stock and such parity stock shall be declared on a pro rata basis.

See "Description of the Preferred Stock — Dividends."

Dividend Payment Restrictions	<p>The Certificate of Designation for the preferred stock prohibits the declaration of dividends on the preferred stock if we fail to meet specified levels of shareholders' equity and net income. The prohibition is subject to an exception permitting us to declare dividends payable in shares of our common stock or out of the net proceeds of common stock issued by us during the 90 days prior to the date of declaration even if we fail to meet the specified levels of shareholders' equity and net income.</p> <p>See "Description of the Preferred Stock — Dividends — Restrictions on Declaration and Payment of Dividends."</p>
Use of proceeds	<p>We expect to receive approximately \$193.6 million in net proceeds from this offering (\$213 million if the option to purchase additional preferred stock is exercised in full), after deducting the underwriters' discounts and commissions and our estimated offering expenses. We intend to use the net proceeds from this offering to repay debt outstanding under our revolving credit facility and to repay certain other debt. See "Use of Proceeds."</p>
Conversion	<p>The preferred stock is convertible, at the option of the holder, at any time into shares of our common stock at a conversion rate of 21.4001 shares of our common stock per \$1,000 liquidation preference of preferred stock, which represents an initial conversion price of approximately \$46.73 per share of common stock.</p> <p>In lieu of delivering shares, we may, at our option, deliver cash to satisfy all or a portion of the conversion value. We intend that, if we elect to settle a portion of these conversions in cash, the cash portion will not exceed the net proceeds to us of sales of certain types of securities having sufficient equity characteristics, in each case that are issued within six months (or, in the case of common stock issued upon the exercise of options, within 12 months) before the conversion.</p> <p>The conversion rate may be adjusted for certain reasons as described under the caption "Description of Preferred Stock — Adjustments to the Conversion Rate." If a fundamental change occurs, we will adjust the conversion price as described under "Description of Preferred Stock — Fundamental Change — Make Whole Payment Upon the Occurrence of a Fundamental Change."</p> <p>If we declare a distribution consisting exclusively of cash to holders of our common stock (excluding (1) dividends or distributions in connection with our liquidation, dissolution or winding up and (2) any quarterly cash dividend on our shares of common stock to the extent that the aggregate cash dividend per share amount of our common stock in any quarter does not exceed \$0.43, which amount we refer to as the "Dividend Threshold Amount"), the conversion rate will be adjusted by multiplying the applicable conversion rate by the following fraction:</p> $\frac{\text{Pre Dividend Stock Price}}{\text{Pre Dividend Stock Price} - \text{Dividend Adjustment Amount}}$ <p>"Pre Dividend Stock Price" means the average common stock price</p>

	<p>for the three consecutive trading days ending on the trading day immediately preceding the “ex date” for such dividend or distribution. “Dividend Adjustment Amount” means the full amount of the dividend or distribution to the extent payable in cash applicable to one common share less the Dividend Threshold Amount. If an adjustment is required to be made as a result of a distribution that is not a quarterly dividend, the dividend threshold amount will be deemed to be zero.</p> <p>See “Description of Preferred Stock — Adjustments to the Conversion Rate” for additional discussion of adjustments that may be made to the conversion rate.</p>
Mandatory conversion.....	<p>On or after March 15, 2013 and on or before March 15, 2018, we may, at our option, cause the preferred stock to be automatically converted into that number of shares of common stock that are issuable at the then prevailing conversion rate. We may exercise our conversion right only if, for 20 trading days within any period of 30 consecutive trading days (including the last trading day of such period), the closing price of our common stock exceeds 135% of the then prevailing conversion price of the preferred stock.</p> <p>In lieu of delivering shares, we may, at our option, deliver cash to satisfy all or a portion of the conversion value. We intend that, if we elect to settle a portion of these conversions in cash, the cash portion will not exceed the net proceeds to us of sales of certain types of securities having sufficient equity characteristics, in each case that are issued within six months (or, in the case of common stock issued upon the exercise of options, within 12 months) before the conversion.</p>
Optional redemption.....	<p>On or after March 15, 2018, we will have the option from time to time to redeem all or a portion of the outstanding shares of preferred stock. The redemption price will be equal to the liquidation preference and will be paid in cash. We intend that, if we redeem the preferred stock, we will redeem it only to the extent that the aggregate liquidation preference of the preferred stock redeemed is less than the amount, if any, of the net proceeds to us of sales of certain types of securities having sufficient equity characteristics, in each case that are issued within six months (or, in the case of common stock issued upon the exercise of options, within 12 months) before the redemption.</p>
Fundamental change	<p>If a fundamental change (as described under “Description of Preferred Stock — Fundamental Change — A Fundamental Change Requires Us to Redeem Shares of Preferred Stock at the Option of the Holder”) occurs, each holder of shares of preferred stock will, subject to legally available funds, have the right to require us to redeem any or all of its shares at a redemption price equal to 100% of the liquidation preference. We may, subject to legally available funds, choose to pay the redemption price in cash, shares of common stock, or a combination thereof. Holders will have no other right to require us to redeem the preferred stock at any time. Our ability to redeem all or a portion of the preferred stock for cash is subject to our obligation to repay or repurchase any outstanding debt that may be required to be repaid or repurchased in connection with a fundamental change and to any contractual restrictions contained in the terms of any indebtedness that we have outstanding at that</p>

time. If a fundamental change occurs at a time when we are prohibited from redeeming shares of preferred stock for cash, we could seek the consent of our lenders to redeem the preferred stock or attempt to refinance the debt containing such prohibition. If, following a fundamental change, we are prohibited from paying the redemption price of the preferred stock in cash under the terms of any indebtedness or by applicable law, we will, if permitted under the terms of such indebtedness and applicable law, elect to pay the redemption price of the preferred stock in shares of common stock or, in the case of a merger in which we are not the surviving corporation, common stock of the surviving corporation or its direct or indirect parent corporation.

In addition, holders of shares of preferred stock shall not have the right to require us to repurchase shares of preferred stock upon a fundamental change (1) unless such purchase complies with our indentures and credit facilities and (2) unless and until our board of directors has approved such fundamental change or elected to take a neutral position with respect to such fundamental change.

Voting rights

Holders of preferred stock will not have any voting rights except as set forth below or as otherwise from time to time required by law. Whenever (1) dividends on the preferred stock or any other class or series of stock ranking on a parity with the preferred stock with respect to the payment of dividends shall have not been declared and paid for the equivalent of any four dividend periods, whether or not consecutive, or (2) we fail to pay the redemption price on the date shares of preferred stock are called for redemption (whether the redemption is pursuant to the optional redemption provisions or the redemption is in connection with a fundamental change) then, immediately prior to the next annual meeting of shareholders or special meeting of shareholders called by holders of the preferred stock, the total number of directors constituting the entire board will automatically be increased by two and, in each case, the holders of preferred stock (voting separately as a class with all other series of preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of such directors at the next annual meeting of stockholders or special meeting of shareholders called by holders of the preferred stock and at each subsequent meeting until dividends on the preferred stock shall have been fully paid for at least four consecutive dividend periods. Directors elected by the holders of the preferred stock shall not be divided into classes of the board of directors and the term of office of all directors elected by the holders of preferred stock will terminate immediately upon the termination of the right of the holders of preferred stock to vote for directors and upon such termination the total number of directors constituting the entire board will automatically be reduced by two.

The affirmative consent of holders of at least 66-2/3% of the outstanding preferred stock (voting separately as a class with all other series of preferred stock upon which like voting rights have been conferred and are exercisable) will be required for the issuance of any class or series of stock (or security convertible into such stock) ranking senior to the preferred stock as to dividend rights or rights upon our liquidation, winding-up or dissolution and for amendments to our certificate of incorporation that would affect

	adversely the rights of holders of the preferred stock.
	<p>Holders of shares of preferred stock will have one vote for each share of preferred stock held.</p>
Ranking	<p>The preferred stock will be, with respect to dividend rights and rights upon liquidation, winding up or dissolution:</p> <ul style="list-style-type: none"> • junior to all our existing and future debt obligations; • junior to “senior stock,” which is all classes or series of our capital stock, other than (1) our common stock and any other class or series of our capital stock the terms of which provide that such class or series will rank junior to the preferred stock and (2) any other class or series of our capital stock the terms of which provide that such class or series will rank on a parity with the preferred stock; • on a parity with “parity stock,” which is any class or series of our capital stock that has terms which provide that such class or series will rank on a parity with the preferred stock; • senior to “junior stock,” which is our common stock and each class or series of our capital stock that has terms which provide that such class or series will rank junior to the preferred stock; and • effectively junior to all of our subsidiaries’ (1) existing and future liabilities and (2) capital stock held by others.
Absence of a public market for the preferred stock	<p>The shares of preferred stock are new securities for which there is currently no public market. We cannot assure you that any active or liquid market will develop for the preferred stock.</p>
Trading	<p>We have not applied and do not intend to apply for the listing of the preferred stock on any national securities exchange or for their inclusion in any automated quotation system.</p>
NYSE symbol for our common stock	<p>Our common stock is traded on the New York Stock Exchange under the symbol “UVV.”</p>
<p>For further information regarding the preferred stock, including, among other things, more complete descriptions of our dividend obligations, the conversion of the preferred stock, and the anti-dilution adjustments and voting rights applicable to the preferred stock, please see “Description of Preferred Stock.”</p>	

RISK FACTORS

The foregoing discussion contains certain forward-looking statements. The following important factors, and those set forth in our annual report on Form 10-K for the fiscal year ended March 31, 2005, among other things, in some cases have affected, and in the future could affect, our actual results and could cause our actual results for a fiscal year and any interim period to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Universal. You should read these risk factors in conjunction with the risk factors under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations —Factors That May Affect Future Results" in our annual report on Form 10-K for the fiscal year ended March 31, 2005, incorporated herein.

Risks Related to the Preferred Stock

The preferred stock will rank junior to all of our existing and future debt obligations and will not limit our ability to incur future indebtedness that will rank senior to or equally with the preferred stock.

The preferred stock ranks junior to all of our existing and future debt obligations. In the event of our bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the preferred stock, including the redemption of your shares of the preferred stock for cash upon a fundamental change, only after all our indebtedness and other liabilities have been paid. The preferred stock will also rank junior to our "senior stock" and pari passu with our "parity stock," as those terms are defined under "Description of Preferred Stock—Ranking."

In addition, the preferred stock will effectively rank junior to all existing and future liabilities of our subsidiaries and any capital stock of our subsidiaries held by others. The rights of holders of the preferred stock to participate in the distribution of assets of our subsidiaries will rank junior to the claims of that subsidiary's creditors and any such other equity holders. Consequently, if we are forced to liquidate our assets to pay our creditors, we may not have sufficient assets remaining to pay amounts due on any or all of the preferred stock then outstanding. We and our subsidiaries may incur substantial amounts of additional debt and other obligations that will rank senior to the preferred stock and the terms of the preferred stock will not limit the amount of such debt or other obligations that we may incur.

We may issue additional series of preferred stock that would rank equally to the preferred stock as to dividend payments and liquidation preference. The issuances of other series of preferred stock could have the effect of reducing the amounts available to the preferred stock in the event of our liquidation. It may also reduce dividend payments on the preferred stock if we do not have sufficient funds to pay dividends on all outstanding preferred stock and outstanding parity stock.

We may not be able to pay the redemption price of the preferred stock in cash upon a fundamental change.

In the event of a fundamental change, you will have the right to require us to redeem any or all of your shares of preferred stock. We may, subject to legally available funds, choose to pay the redemption price in cash, shares of common stock, or a combination thereof. Our ability to redeem shares of preferred stock upon the occurrence of a fundamental change is subject to important limitations. Because we are a holding company, our ability to redeem the preferred stock for cash may be limited by restrictions on our ability to obtain funds for such redemption through dividends from our subsidiaries and the terms of our current and then-existing borrowing agreements. Our ability to redeem the preferred stock is also subject to restrictions under Virginia law. If a fundamental change were to occur, we may not have sufficient legally available funds to pay the redemption price in cash for all tendered shares of preferred stock. In addition, holders of shares of preferred stock shall not have the right to require us to repurchase shares of preferred stock upon a fundamental change (1) unless such purchase complies with our indentures and credit facilities and (2) unless and until our board of directors has approved or elected to take a neutral position with respect to such fundamental change. Our current revolving credit facilities do, and any future credit agreements or other agreements relating to our indebtedness may, contain provisions prohibiting

the redemption of the preferred stock under certain circumstances, or expressly prohibit our redemption of the preferred stock upon a fundamental change or may provide that a fundamental change constitutes an event of default under that agreement. If a fundamental change occurs at a time when we are prohibited from redeeming shares of preferred stock for cash, we could seek the consent of our lenders to redeem the preferred stock or attempt to refinance this debt. If we do not obtain such consent, we would not be permitted to redeem the preferred stock for cash.

We may be prevented from paying dividends on shares of the preferred stock.

Our current credit facilities do, and any future credit agreements or other agreements relating to our indebtedness may, contain provisions prohibiting the payment of dividends on the shares of preferred stock under certain circumstances. Even if the terms of the instruments governing our indebtedness allow us to pay cash dividends, we can only make dividend payments from legally available funds, as determined by our board of directors, and such funds may not be available to pay cash dividends to you. Dividends on the preferred stock will only be paid when, as and if declared by our board of directors. The board of directors may elect not to declare dividends on the preferred stock. In addition, to maintain our credit ratings, we may be limited in our ability to pay dividends so that we can maintain an appropriate level of debt.

Dividends on the preferred stock are non-cumulative.

Dividends on the preferred stock are non-cumulative. Consequently, if our board of directors does not authorize and declare a dividend for any dividend period, holders of the preferred stock would not be entitled to receive any such dividend, and such unpaid dividend will cease to accrue and be payable. We will have no obligation to pay dividends accrued for a dividend period after the dividend payment date for such period if our board of directors has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the preferred stock or any other preferred stock we may issue.

Our ability to declare and pay dividends on the preferred stock will be limited if we fail to achieve specified net income and shareholders' equity levels.

We are prohibited from declaring or paying dividends on the preferred stock if we fail to meet specified levels of shareholders' equity and net income. The prohibition is subject to an exception permitting us to declare dividends payable in shares of our common stock or out of the net proceeds of common stock issued by us during the 90 days prior to the date of declaration even if we fail to meet the specified levels of shareholders' equity and net income. If we fail to satisfy this test on any dividend declaration date, the restrictions on dividends will continue until we are able again to satisfy the test on a dividend declaration date. See "Description of Preferred Stock — Dividends — Restrictions on Declaration and Payment of Dividends" for more information on these restrictions.

We are a holding company and, as a result, rely on the receipt of funds from our operating subsidiaries in order to meet our cash needs.

We are a holding company and our principal assets consist of the shares of capital stock or other equity instruments of our operating subsidiaries. As a holding company without independent means of generating operating revenues, we depend on dividends, distributions, loans and other payments from our subsidiaries to fund our obligations and meet our cash needs. The payment of these dividends, distributions and other payments from our operating subsidiaries to us may be subject to regulatory or contractual restrictions. We cannot assure you that the operating results of our operating subsidiaries at any given time will be sufficient to make distributions to us to allow us to make payments on the preferred stock.

An active trading market for the preferred stock may not develop, and you may be unable to resell your shares of preferred stock at or above the purchase price.

No trading market for the preferred stock currently exists, and we have not applied and do not intend to apply for the listing of the preferred stock on any securities exchange or for the inclusion of the preferred stock in any automated quotation system. Consequently, a liquid trading market for the preferred stock may not develop, and the market price of the preferred stock may be volatile. As a result, you may be unable to sell your shares of preferred stock at a price equal to or greater than that which you paid, if at all.

If you convert your shares of preferred stock into shares of common stock immediately after this offering, you will experience dilution.

If you convert your shares of preferred stock into shares of common stock immediately after this offering, you will experience dilution, because the per-share conversion price of the preferred stock will be higher than the net tangible book value per share of the outstanding common stock. In addition, you will also experience dilution when and if we issue additional shares of common stock, which we may be required to issue pursuant to options, warrants, our stock option plan or other employee or director compensation plans.

The conversion rate of the preferred stock may not be adjusted for all dilutive events, which may adversely affect the trading price of the preferred stock.

The conversion rate of the preferred stock is subject to adjustment for certain events. However, the conversion rate will not be adjusted for other events that may adversely affect the trading price of the preferred stock or the common stock. An event that adversely affects the value of the preferred stock may occur, and that event may not result in an adjustment to the conversion rate.

The price of our common stock, and therefore of the preferred stock, may fluctuate significantly, which may make it difficult for you to resell the preferred stock, or common stock issuable upon conversion or redemption of the preferred stock, when you wish to resell or at prices you find attractive.

The price of our common stock on the New York Stock Exchange constantly changes. We expect that the market price of our common stock will continue to fluctuate. Because the preferred stock is convertible into our common stock, volatility or depressed prices for our common stock could have a similar effect on the trading price of the preferred stock. Holders who have received common stock upon conversion or redemption will also be subject to the risk of volatility and depressed prices.

Our stock price can fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include:

- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- our inability to raise additional capital;
- sales of common stock by us or members of our management team;
- changes in expectations as to our future financial performance, including financial estimates by securities analysts and investors; and
- our dividend policy.

The price of our common stock could be affected by possible sales of our common stock by investors who view the preferred stock as a more attractive means of equity participation and by hedging or arbitrage activity that may develop involving our common stock. The arbitrage could, in turn, affect the trading prices of the preferred stock.

In addition, the stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

The additional shares of our common stock payable on our preferred stock in connection with a fundamental change may not adequately compensate you for the lost option time value of your shares of our preferred stock as a result of such fundamental change.

If a fundamental change occurs on or prior to March 15, 2018, we will, in certain circumstances, increase the conversion rate of our preferred stock by a number of additional shares of common stock. The number of additional shares of our common stock will be determined based on the date on which the fundamental change becomes effective and the price of our common stock as described under “Description of Preferred Stock—Fundamental Change—Make Whole Payment Upon the Occurrence of a Fundamental Change.” While the increase in the conversion rate upon conversion is designed to compensate you for the lost option time value of your shares of preferred stock as a result of the fundamental change, the increase is only an approximation of this lost value and may not adequately compensate you for your loss. If the stock price is less than \$36.65 per share or above \$300.00 per share, there will be no increase in the conversion rate. In addition, in the event of a “public acquirer fundamental change,” as such term is defined under “Description of Preferred Stock—Fundamental Change—Make Whole Payment Upon the Occurrence of a Fundamental Change,” we may elect to adjust the conversion rate and the related conversion obligation rather than increase the conversion rate by a number of additional shares as described above. If we make such an election, you may not be adequately compensated for the lost option time value of your shares of preferred stock, even in circumstances under which the adjustment described above would have otherwise provided adequate compensation.

Future issuances of preferred or cumulative preferred stock may adversely affect the market price for our common stock, or adversely affect the rights of holders of the preferred stock.

Additional issuances and sales of preferred or cumulative preferred stock, or the perception that such issuances and sales could occur, may cause prevailing market prices for our common stock to decline and may adversely affect our ability to raise additional capital in the financial markets at a time and price favorable to us. Our future issuance of any series of preferred or cumulative preferred stock could therefore effectively diminish or supersede dividends on, and the liquidation preference and voting rights of, the preferred stock we are offering hereby.

If you hold preferred stock, you will not be entitled to any rights with respect to our common stock, but you will be subject to all changes made with respect to our common stock if you convert your preferred stock into common stock or your preferred stock is redeemed for common stock.

If you hold preferred stock, you will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock, other than extraordinary dividends that our board of directors designates as payable to the holders of the preferred stock), but if you convert your preferred stock into common stock or your preferred stock is redeemed for common stock as a result of a fundamental change, you will be subject to all changes affecting the common stock. You will have rights with respect to our common stock only if and when we deliver shares of common stock to you upon conversion or redemption of your preferred stock and, to a limited extent, under the conversion rate adjustments applicable to the preferred stock. For example, in the event that an amendment is proposed to our certificate of incorporation or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of common stock to you, you will not be entitled to vote on

the amendment, although you will nevertheless be subject to any changes in the powers or rights of our common stock that result from such amendment.

We may not have sufficient earnings and profits for distributions on the preferred stock to be treated as dividends.

The dividends paid by us may exceed our current and accumulated earnings and profits, as calculated for U.S. federal income tax purposes. This could result in the amount of the dividends that exceeds such earnings and profits being treated first as a return of capital to the extent of the holder's adjusted tax basis in the preferred stock, and the excess as capital gain. Such treatment will generally be unfavorable for corporate holders and may also be unfavorable to certain other holders. See "Certain United States Federal Income Tax Consequences."

Our corporate documents and Virginia law contain provisions that could discourage, delay or prevent a change in control of our company even if some stockholders might consider such a development favorable, which may adversely affect the price of our common stock, or deprive you of an opportunity to obtain a takeover premium for shares of our common stock.

Provisions in our restated articles of incorporation and bylaws may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our restated articles of incorporation provide that, in the event holders of common stock are entitled to vote on certain transactions, including certain mergers or sales, a supermajority of at least 80% of all the votes that the holders of common stock are entitled to cast thereon are required for the approval. Such provisions may have the effect of discouraging certain unsolicited offers for our capital stock or depriving our stockholders of an opportunity to sell their shares at a premium over market prices. We are also subject to the anti-takeover provisions of the Virginia Stock Corporation Act.

Further, upon any change in control, the lenders under our revolving credit facility will have the right to require us to repay all of our outstanding obligations under the facility.

FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. We caution readers that any statements contained herein regarding earnings and expectations for our performance are forward-looking statements based upon management’s current knowledge and assumptions about future events, including anticipated levels of demand for and supply of our products and services; costs incurred in providing these products and services; timing of shipments to customers; changes in market structure; and general economic, political, market and weather conditions. Lumber and building products earnings are also affected by changes in exchange rates between the U.S. dollar and the euro. Actual results, therefore, could vary from those expected. A further list and description of these risks, uncertainties and other factors can be found under the heading “Risk Factors” above and in our Annual Report on Form 10-K for the fiscal year ended March 31, 2005 under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Factors That May Affect Future Results,” which is incorporated by reference herein. We do not intend to update these forward-looking statements after the completion of this offering.

USE OF PROCEEDS

We expect to receive approximately \$193.6 million in net proceeds from this offering (\$213 million, if the option to purchase additional preferred stock is exercised in full), after deducting the underwriters’ discounts and commissions and our estimated offering expenses. We intend to use the proceeds from this offering to repay outstanding debt under our revolving credit facility and two demand notes. On the portion of the revolving credit facility that will be repaid, the current interest rate is 6.45%, and the maturity date is January 7, 2010. The current interest rate on the two demand notes is 5.17%. As of March 14, 2006, we have outstanding borrowings under our revolving credit facility in the amount of \$266.8 million, of which approximately \$170 million was borrowed to repay the current portion of long-term debt during the fourth quarter of the fiscal year ending March 31, 2006.

PRICE RANGE OF OUR COMMON STOCK

Our common stock is traded on the New York Stock Exchange (“NYSE”) under the symbol “UVV.” The following table sets forth the high and low closing prices per share of the common stock on the NYSE Composite Tape, based upon published financial sources, and the dividends declared on each share of common stock for the quarter indicated.

		First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Fiscal year ending March 31, 2006 (through March 15, 2006)					
Cash dividends declared		\$ 0.42	\$ 0.42	\$ 0.43	\$ 0.43 ¹
Market price range	High	48.03	47.70	43.99	48.21
	Low	43.08	38.83	36.31	36.65
Fiscal year ended March 31, 2005					
Cash dividends declared		\$ 0.39	\$ 0.39	\$ 0.42	\$ 0.42
Market price range	High	53.01	50.14	49.80	50.57
	Low	46.20	42.25	43.31	45.77
Fiscal year ended March 31, 2004					
Cash dividends declared		\$ 0.36	\$ 0.39	\$ 0.39	N/A ²
Market price range	High	43.85	44.28	52.32	N/A
	Low	41.20	40.78	44.41	N/A
Fiscal year ended June 30, 2003					
Cash dividends declared		\$ 0.34	\$ 0.36	\$ 0.36	\$ 0.36
Market price range	High	39.23	37.52	39.28	43.01
	Low	31.81	32.85	35.40	37.69

Notes:

1. Declared February 7, 2006.
2. We changed our fiscal year end to March 31 effective March 31, 2004. Fiscal year 2005 covers the twelve-month period from April 1, 2004, through March 31, 2005. Fiscal year 2004 covers the nine-month transition year from July 1, 2003, through March 31, 2004. Results for prior fiscal years cover the twelve-month period from July 1 to June 30.

DIVIDEND POLICY

Our current dividend policy anticipates the payment of quarterly dividends in the future. However, the declaration and payment of dividends to holders of common stock is at the discretion of the Board of Directors and will be dependent upon our future earnings, financial condition, and capital requirements. Under certain of our credit facilities, we must meet financial covenants relating to minimum tangible net worth and maximum levels of debt. If we were not in compliance with these financial covenants, they would restrict our ability to pay dividends. See also the discussion of our credit facilities under “Summary—Universal Corporation—Current Developments.” As of March 1, 2006, there were 1,965 holders of record of our common stock.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2005, based on amounts reported in our quarterly report on Form 10-Q for the quarter ended December 31, 2005:

- on an actual basis; and
- on an as adjusted basis to reflect (1) the sale of the preferred stock (assuming the underwriters' over-allotment is not exercised) and the application of the proceeds therefrom to repay outstanding debt under our revolving credit facility and two demand notes (each of which is classified as notes payable) as described in "Use of Proceeds" and (2) the payment of the current portion of long-term debt during February 2006 using borrowings under the revolving credit facility, which is classified as notes payable.

You should read this table in conjunction with "Use of Proceeds" as well as our "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, including the related notes, incorporated by reference into this prospectus supplement from our annual report on Form 10-K for the fiscal year ended March 31, 2005, and our quarterly report on Form 10-Q for the quarter ended December 31, 2005.

	As of December 31, 2005	
	Actual	As adjusted
	(dollars in millions)	
Notes payable.....	\$ 454.8	\$ 430.6
Current portion of long-term debt.....	169.4	0.0
Long-term debt	771.8	771.8
 Total debt.....	 1,396.0	 1,202.4
Minority interest	32.5	32.5
Stockholders' equity:		
Convertible preferred stock.....	—	193.6
Common stock.....	118.9	118.9
Retained earnings	733.8	733.8
Accumulated other comprehensive loss	(44.5)	(44.5)
 Total stockholders' equity	 808.2	 1,001.8
 Total capitalization	 \$ 2,236.7	 \$ 2,236.7

DESCRIPTION OF PREFERRED STOCK

The terms of the preferred stock are contained in a certificate of designation that will amend our articles of incorporation. You may request a copy of the certificate of designation by writing or telephoning us at: Universal Corporation, 1501 North Hamilton Street, Richmond, Virginia 23230; (804) 359-9311; Attention: Corporate Secretary.

The following description is a summary of the material provisions of the preferred stock and the certificate of designation. It does not purport to be complete. We refer you to the provisions of the certificate of designation, including the definitions of terms used in the certificate of designation, a copy of which is available from us at the address or telephone number set forth above. We urge you to read the certificate of designation because it, and not this description, defines your rights as a holder of shares of preferred stock.

As used in this "Description of Preferred Stock" section, references to "Universal," "we," "our" or "us" refer solely to Universal Corporation and not to our subsidiaries.

General

We are authorized to issue 75,000 shares of 8% Cumulative Preferred Stock, \$100 par value, and 5,000,000 shares of Additional Preferred Stock, without par value. Under our articles of incorporation, the board of directors, without shareholder approval, is authorized to issue shares of Additional Preferred Stock in one or more series. The creation and issuance of any series of preferred stock and the relative rights and preferences of any such series will be determined in the judgment of the board of directors and pursuant to our articles of incorporation.

Upon consummation of this offering, we will issue 200,000 shares, or up to 220,000 shares if the underwriters exercise in full their option to purchase additional shares, of our convertible perpetual preferred stock, no par value and \$1,000 liquidation preference per share. When issued against the consideration therefor, the shares of preferred stock will be validly issued, fully paid and nonassessable.

The holders of the shares of preferred stock will have no preemptive rights or preferential rights to purchase or subscribe for stock, obligations, warrants or any other of our securities.

Ranking

The preferred stock, with respect to dividend rights and upon liquidation, winding up and dissolution, ranks:

- junior to all our existing and future debt obligations;
- junior to "senior stock," which is all classes or series of our capital stock, other than (1) our common stock and any other class or series of our capital stock the terms of which provide that such class or series will rank junior to the preferred stock and (2) any other class or series of our capital stock the terms of which provide that such class or series will rank on a parity with the preferred stock;
- on parity with "parity stock," which is any class or series of our capital stock that has terms which provide that such class or series will rank on a parity with the preferred stock;
- senior to "junior stock," which is our common stock and each class or series of our capital stock that has terms which provide that such class or series will rank junior to the preferred stock; and
- effectively junior to all of our subsidiaries' (1) existing and future liabilities and (2) capital stock held by others.

The term “senior stock” includes warrants, rights, calls or options exercisable for or convertible into that type of stock. Any other class or series of our preferred stock that would otherwise be considered parity stock will not be deemed to be senior stock solely because such other class or series of preferred stock does not include the limitation on payment of dividends described in “Restrictions on Declaration and Payment of Dividends.”

We currently have no shares of parity stock or senior stock outstanding.

Dividends

Dividends on the preferred stock will be payable, on a non-cumulative basis, in cash, common stock or a combination of cash and common stock, when, as and if declared by our board of directors out of funds legally available for the payment of dividends at the annual rate of 6.75% of the \$1,000 liquidation preference per share of preferred stock with respect to the dividend period, or portion thereof, ending on the day preceding the respective dividend payment date. We will pay dividends when, as and if declared by our board of directors out of funds legally available for the payment of dividends on the preferred stock quarterly on March 15, June 15, September 15 and December 15 of each year, commencing on June 15, 2006 (each, a “dividend payment date”). If any dividend payment date is not a business day (as defined below), then dividends will be payable on the first business day following such dividend payment date, without accrual to the actual dividend payment date.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issuance date of the preferred stock and will end on and exclude the June 15, 2006, dividend payment date. Dividends payable on the preferred stock will be computed on the basis of a 360-day year consisting of twelve 30-day months, and for any period other than a full dividend period will be computed on the basis of the actual number of days elapsed during the period.

We will pay dividends on the preferred stock to record holders as they appear on our register at 5:00 p.m. (New York City time) on the immediately preceding March 1, June 1, September 1 and December 1 (each, a “dividend record date”). These dividend record dates will apply regardless of whether a particular dividend record date is a business day.

Dividends on the preferred stock will not be cumulative. Accordingly, if for any reason our board of directors does not declare a dividend on the preferred stock payable in respect of any dividend period, such dividend will not accumulate and holders of the preferred stock will have no right to receive, and we will have no obligation to pay, a dividend for that dividend period on the related dividend payment date or at any future time, whether or not we declare dividends on the preferred stock for any future dividend period.

The preferred stock will rank senior to our junior stock (including our common stock) with respect to the payment of dividends. As a result, unless the full dividends for the most recently ended dividend period on all outstanding shares of the preferred stock and parity stock have been declared and paid (or declared and a sum (or, if elected, common stock) sufficient for the payment thereof has been set aside):

- we cannot declare or pay a dividend (or declare and set aside a sum sufficient for the payment thereof) on our junior stock, including our common stock; and
- we cannot purchase, redeem or otherwise acquire for consideration, directly or indirectly, any junior stock (other than as a result of a reclassification of junior stock for or into other junior stock or the exchange or conversion of one share of junior stock for or into another share of junior stock).

These restrictions will continue following any such failure to pay dividends until full dividends on all outstanding shares of the preferred stock and parity stock for four consecutive dividend periods have

been declared and paid (or declared and a sum (or, if elected, common stock) sufficient for the payment thereof has been set aside for payment).

For any dividend period in which dividends are not paid in full upon the preferred stock, all dividends declared for such dividend period with respect to the preferred stock and other parity stock shall be declared pro rata based on the respective aggregate liquidation preferences of such securities.

“Business day” means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to close.

Method of Payment of Dividends

Subject to certain restrictions, we may pay any dividend on the preferred stock:

- in cash;
- by delivery of our common stock; or
- through any combination of cash and our common stock.

We will make each dividend payment on the preferred stock in cash, except to the extent we elect to make all or any portion of such payment in our common stock. We will give the holders of the preferred stock notice of any such election and the portion of such payment that will be made in cash and the portion that will be made in common stock 10 trading days prior to the dividend record date for such dividend payment.

If we elect to make any dividend payment, or any portion thereof, in our common stock, such shares of common stock shall be valued for such purpose at 97% of the average volume weighted average price (as defined under “—Certain Definitions”) of our common stock for a period of five consecutive trading days (as defined under “—Certain Definitions”) ending on the third trading day immediately prior to the dividend payment date for such dividend; provided, however, that we have a sufficient number of authorized shares of common stock.

No fractional shares of common stock will be delivered to the holders of the preferred stock. We will deliver cash in lieu of any fractional shares of common stock based on the value of the common stock determined pursuant to the preceding paragraph.

Notwithstanding the above, we will not pay any portion of a dividend on the preferred stock by delivery of common stock unless, prior to 5:00 p.m. (New York City time) on the business day immediately preceding the dividend payment date, the common stock to be delivered as payment therefor:

- is freely transferable by the recipient without further action on its behalf, other than by reason of the fact that such recipient is our affiliate;
- has been qualified or registered under applicable state securities laws, if required; and
- has been approved for listing on the NYSE (or if our common stock is not listed on the NYSE, on the principal other U.S. national or regional securities exchange on which our common stock is then listed or, if our common stock is not listed on a U.S. national or regional securities exchange, on the Nasdaq National Market) (collectively, the “Common Stock Settlement Conditions”).

Restrictions on Declaration and Payment of Dividends

We are prohibited from declaring dividends payable in cash for payment on the preferred stock on any dividend payment date (commencing with the December 15, 2006, dividend payment date) in an aggregate amount exceeding the New Common Equity Amount, if on that declaration date:

1. the Total Shareholders' Equity Amount was less than \$585 million based on the financial statements for the fiscal quarter ended prior to the most recently completed quarter prior to such dividend payment date; and
2. for each of the two most recently completed quarterly periods ending prior to the most recently completed quarter prior to such dividend payment date, the Consolidated Net Income Amount was less than or equal to \$0.

If we fail to satisfy the above test for any dividend payment date, the restrictions on dividends will continue until we are able again to satisfy the test for a dividend payment date. The above test will not restrict our ability to pay dividends in shares of our common stock.

For purposes of this test:

- our Total Shareholders' Equity Amount as of December 31, 2005, was \$808.2 million; and
- for the quarters ended on December 31, 2005, and September 30, 2005, our Consolidated Net Income Amounts were a loss of \$5.7 million and income of \$26.5 million, respectively.

Although the foregoing tests would not restrict our board of directors from declaring dividends on the preferred stock currently, there can be no assurance that future financial results will not result in these tests restricting the declaration of dividends payable in cash.

As used in this section:

"Consolidated Net Income Amount" means, for any quarter, our consolidated net income before extraordinary items, changes in accounting principles and discontinued operations (all as determined in accordance with GAAP) for such quarter.

"GAAP" means, at any date or for any period, U.S. generally accepted accounting principles as in effect on such date or for such period.

"New Common Equity Amount" means, at any date, the net proceeds (after underwriters' or placement agents' fees, commissions or discounts and other fees relating to the issuances) received by us from new issuances of our common stock (whether in one or more public offerings registered under the Securities Act or private placements or other transactions exempt from registration under the Securities Act) during the period commencing on the 90th day prior to such date, and which are designated by our board of directors at or before the time of issuance as available to pay dividends on the preferred stock, less the aggregate amount of dividends and distributions on, and redemptions and repurchases of, junior stock during the period commencing on the 90th day prior to such date.

"Securities Act" means the Securities Act of 1933, as amended.

"Total Shareholders' Equity Amount" means, as of any quarter end, our shareholders' equity (determined in accordance with GAAP and in any event including the proceeds of this offering of preferred stock), as reflected on our consolidated balance sheet as of such quarter end.

By not later than the 10th trading day prior to each dividend record date for which dividends are being suspended because we have failed the test set forth above and we are not (1) electing to pay dividends in

shares of our common stock or (2) able to pay dividends out of the New Common Equity Amount, we will give notice of such suspension by first class mail, postage prepaid, addressed to the holders of record of the preferred stock, and will file a copy of such notice on Form 8-K with the Securities and Exchange Commission.

In order to give effect to the foregoing, the terms of the preferred stock prohibit our board of directors or any committee of the board from declaring dividends on the preferred stock on a date that is (i) more than 60 days prior to the related dividend payment date or (ii) earlier than the date on which our financial statements for the most recently completed quarter prior to the most recently completed quarter immediately preceding the related dividend payment date have been filed with or furnished to the Securities and Exchange Commission — for example, on a Form 10-K, 10-Q or 8-K — or have otherwise been made publicly available. The limitation in clause (ii) of the preceding sentence is subject to the exception that if the board of directors determines to delay filing our financial statements with the Securities and Exchange Commission to a date later than the date on which, under the Securities and Exchange Commission's rules, we would normally be required to file such financial statements, for example because of concerns over the accuracy of such financial statements or their compliance with GAAP, then the board of directors or a committee of the board will be permitted to determine the ability of the board of directors or a committee of the board to declare dividends under the test outlined above based upon our financial statements as most recently filed with the Securities and Exchange Commission or otherwise made publicly available.

Conversion Rights

Holders of the preferred stock may, at any time, convert shares of preferred stock into fully paid and nonassessable shares of our common stock initially at a conversion rate of 21.4001 shares of common stock per \$1,000 liquidation preference of preferred stock, subject to adjustments as described below. This represents an initial conversion price of approximately \$46.73 per share of common stock.

Upon conversion, we may choose to deliver, in lieu of shares of our common stock, cash or a combination of cash and shares of our common stock, as described below. We intend that, if we elect to settle a portion of these conversions in cash, the cash portion will not exceed the net proceeds to us of sales of certain types of securities having sufficient equity characteristics, in each case that are issued within six months (or, in the case of common stock issued upon the exercise of options, within 12 months) before the conversion.

A holder of shares of the preferred stock may convert any or all of those shares by surrendering to us at our principal office or at the office of the conversion agent, as may be designated by our board of directors, the certificate or certificates for those shares of the preferred stock accompanied by a written conversion notice stating that the holder elects to convert all or a specified whole number of those shares in accordance with the provisions described in this prospectus supplement and specifying the name or names in which the holder wishes the certificate or certificates for shares of common stock to be issued. In case the notice specifies a name or names other than that of the holder, the notice will be accompanied by payment of all transfer taxes payable upon the issuance of shares of common stock in that name or names. Other than those taxes, we will pay any documentary, stamp or similar issue or transfer taxes that may be payable in respect of any issuance or delivery of shares of common stock upon conversion of shares of the preferred stock.

If we choose to satisfy all or any portion of our conversion obligation in cash, we will notify you of the dollar amount to be satisfied in cash (which must be expressed either as 100% of the conversion obligation or as a fixed dollar amount) at any time on or before the date that is two business days following receipt of your notice of conversion (the "cash settlement notice period"). If we timely elect to pay cash for any portion of the shares of common stock otherwise issuable to you, you may retract the conversion notice at any time during the two business day period beginning on the day after the final day of the cash settlement notice period (the "conversion retraction period"). No such retraction can be made (and a conversion notice shall be irrevocable) if we do not elect to deliver cash in lieu of shares (other than cash in lieu of fractional shares). If the conversion notice has not been retracted, settlement (in cash

and/or shares) will occur on the business day following the final day of the ten-trading-day period beginning on the day after the final day of the conversion retraction period (the “cash settlement averaging period”). Settlement amounts will be calculated as follows:

- If we elect to satisfy the entire conversion obligation in shares of common stock, we will deliver to you a number of shares of common stock equal to (1) the number of shares of preferred stock to be converted multiplied by (2) the conversion rate.
- If we elect to satisfy the entire conversion obligation in cash, we will deliver to you cash in an amount equal to the product of: (x) a number equal to (1) the number of shares of preferred stock to be converted multiplied by (2) the conversion rate; and (y) the average volume weighted average price of our common stock during the cash settlement averaging period.
- If we elect to satisfy a fixed portion other than 100% of the conversion obligation in cash, we will deliver to you such cash amount (the “cash amount”) and a number of shares of common stock equal to the greater of (1) zero and (2) the excess, if any, of (A) the number of shares of common stock equal to (i) the number of shares of preferred stock to be converted multiplied by (ii) the conversion rate over (B) the number of shares of common stock equal to the sum, for each day of the cash settlement averaging period, of (x) 10% of the cash amount, divided by (y) the volume-weighted average price of our common stock on such day.

In the case that any portion of the conversion obligation will be satisfied with common stock, as promptly as practicable after the surrender of a certificate or certificates of preferred stock and the receipt of the notice relating to the conversion and payment of all required transfer taxes, if any, or the demonstration to our satisfaction that those taxes have been paid, we will deliver or cause to be delivered (1) certificates representing the whole number of validly issued, fully paid and nonassessable shares of our common stock to which the holder, or the holder’s transferee, of shares of the preferred stock being converted will be entitled and (2) if less than the full number of shares of preferred stock evidenced by the surrendered certificate or certificates is being converted, a new certificate or certificates, of like tenor, for the number of shares of preferred stock evidenced by the surrendered certificate or certificates less the number of shares being converted, along with cash payment for any fractional shares.

This conversion will be deemed to have been made at the close of business on the date of the last of the giving of the notice of conversion, the receipt of payment of all required transfer taxes, if any, and of surrendering the certificate or certificates representing the shares of preferred stock to be converted so that the rights of the holder thereof as to the shares being converted will cease except for the right to receive shares of common stock or cash, and the person entitled to receive any such shares of common stock will be treated for all purposes as having become the record holder of those shares of common stock at that time.

In lieu of the foregoing procedures, if the preferred stock is held in global form, you must comply with The Depository Trust Company (“DTC”) procedures to convert your beneficial interest in preferred stock.

Holders of shares of preferred stock who convert their shares into our common stock will not be entitled to, nor will the conversion rate be adjusted for, any declared and unpaid dividends. Accordingly, shares of preferred stock surrendered for conversion after the close of business on any record date for the payment of dividends declared and before the opening of business on the dividend payment date relating to that record date must be accompanied by a payment in cash of an amount equal to the dividend payable in respect of those shares of preferred stock for the dividend period in which the shares are converted. A holder of shares of preferred stock on a dividend payment record date who converts such shares into shares of our common stock on the corresponding dividend payment date will be entitled to receive the dividend payable on such shares of preferred stock on such dividend payment date, and the converting holder need not include payment of the amount of such dividend upon surrender of shares of preferred stock for conversion.

Notwithstanding the preceding paragraph, if (1) shares of preferred stock are converted during the period between the close of business on any dividend payment record date and the opening of business on the corresponding dividend payment date, in each case with respect to which a dividend has been declared and (2) we have called such shares of preferred stock for redemption during such period, then the holder who so tenders such shares for conversion will receive the dividend payable on such dividend payment date and need not include payment of the amount of such dividend upon surrender of shares of preferred stock for conversion.

In case any shares of preferred stock are to be redeemed, the right to convert those shares of the preferred stock will terminate at 5:00 p.m., New York City time, on the business day immediately preceding the date fixed for redemption unless we default in the payment of the redemption price of those shares.

In connection with the conversion of any shares of preferred stock, no fractional shares of common stock will be issued, but we will pay a cash adjustment in respect of any fractional interest in an amount equal to the fractional interest multiplied by the closing sale price of our common stock on the date the shares of preferred stock are surrendered for conversion. If more than one share of preferred stock will be surrendered for conversion by the same holder at the same time, the number of whole shares of common stock issuable on conversion of those shares will be computed on the basis of the total number of shares of preferred stock so surrendered.

We will at all times reserve and keep available, free from preemptive rights, for issuance upon the conversion of shares of preferred stock a number of our authorized but unissued shares of common stock that will from time to time be sufficient to permit the conversion of all outstanding shares of preferred stock.

Before the delivery of any securities that we will be obligated to deliver upon conversion of the preferred stock, we will comply with all applicable federal and state laws and regulations that require action to be taken by us. All shares of common stock delivered upon conversion of the preferred stock will upon delivery be duly and validly issued, fully paid and nonassessable, free of all liens and charges and not subject to any preemptive rights.

Fundamental Change

A Fundamental Change Requires Us to Redeem Shares of Preferred Stock at the Option of the Holder

If a fundamental change (as defined below) occurs, you will have the right, exercisable at your option, subject to legally available funds and to the terms and conditions of our articles of incorporation, to require us to redeem any or all of your shares of preferred stock. We will redeem the preferred stock at a price equal to 100% of the liquidation preference of the preferred stock to be redeemed plus an amount equal to any declared and unpaid dividends, unless such fundamental change redemption date falls after a record date for which a dividend has been declared and on or prior to the corresponding dividend payment date, in which case (1) we will pay the full amount of declared and unpaid dividends, if any, payable on such dividend payment date only to the holder of record at the close of business on the corresponding record date and (2) the redemption price payable on the fundamental change redemption date will include only the liquidation preference, but will not include any amount in respect of dividends declared and payable on such corresponding dividend payment date. We will be required to redeem the preferred stock as of a date (which we refer to as the fundamental change redemption date) that is not more than 30 calendar days after we mail to all holders of the preferred stock a notice regarding the fundamental change as described below. If such 30th calendar day is not a business day, the fundamental change redemption date will be the next succeeding business day.

We may, subject to legally available funds, choose to pay the redemption price in cash, shares of common stock, or a combination thereof. If we elect to pay all or a portion of the redemption price in shares of common stock, the shares of common stock will be valued at the price per share of our common stock determined during the ten consecutive trading days ending on the fifth trading day prior to

the redemption date (such period, the “redemption averaging period” with respect to such redemption date) as the sum of the daily price fractions, whereby “daily price fraction” means for each trading day during the averaging period, 10% multiplied by the daily volume-weighted average price per share of our common stock for such day. However, we may not pay the redemption price in shares of common stock or a combination of shares of common stock and cash unless we satisfy certain conditions prior to the redemption date as provided in the certificate of designation.

If we will pay all or a portion of the redemption price in shares of common stock, we will notify you of such payment in our notice regarding the fundamental change. Because the volume-weighted average price of our shares of common stock will be determined prior to the fundamental change redemption date, holders of preferred stock bear the market risk that our shares of common stock will decline in value between the date the average closing sale is calculated and the redemption date. In addition, because the number of our shares of common stock that you will receive is based on the volume-weighted average price for a ten-trading-day period, the market value of those shares on the date of receipt may be less than the value of those shares based on the average closing sale price. However, in no event will we be required to deliver more than the number of our authorized shares of common stock.

A “fundamental change” will be deemed to have occurred upon the occurrence of any of the following:

- (1) the consolidation or merger of us with or into any other person (other than any merger primarily for the purpose of changing our jurisdiction of incorporation and resulting in a reclassification, conversion or exchange of outstanding common stock solely into common stock of the surviving entity) or (2) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of our assets (determined on a consolidated basis) to any person or group (as such term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) other than a sale, lease or transfer to the Company or any of its subsidiaries;
- the adoption of a plan the consummation of which would result in our liquidation or dissolution;
- the acquisition, directly or indirectly, by any person or group (as such term is used in Section 13(d)(3) of the Exchange Act) of more than 50% of the aggregate voting power of our voting stock; or
- during any period of two consecutive years, individuals who at the beginning of such period comprised our board of directors (together with any new directors whose election by such board of directors or whose nomination for election by our shareholders was approved by a vote of 66 2/3% of our directors then still in office who were either directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of our board of directors then in office.

However, a fundamental change will not be deemed to have occurred in the case of a merger or consolidation, if (i) at least 90% of the consideration (excluding cash payments for fractional shares and cash payments pursuant to dissenters’ appraisal rights) in the merger or consolidation consists of common stock of a United States company traded on a national securities exchange or quoted on the Nasdaq National Market (or which will be so traded or quoted when issued or exchanged in connection with such transaction) and (ii) as a result of such transaction or transactions the shares of the preferred stock become convertible solely into such common stock.

In addition, holders of shares of preferred stock shall not have the right to require us to repurchase shares of preferred stock upon a fundamental change (1) unless such purchase complies with our indentures and credit facilities and (2) unless and until our board of directors has approved such fundamental change or elected to take a neutral position with respect to such fundamental change.

Within 30 calendar days after the occurrence of a fundamental change, we are obligated (1) to mail to all holders of preferred stock at their addresses shown in the register of the registrar and to beneficial owners as required by applicable law (2) or to cause DTC to send a notice to its participants that own preferred stock (and issue a press release and publish on our website) a notice regarding the fundamental change, stating, among other things:

- the event causing a fundamental change;
- the date of such fundamental change;
- the last date on which the redemption right triggered by such fundamental change may be exercised;
- the fundamental change redemption price;
- the fundamental change redemption date;
- the name and address of the paying agent and the conversion agent;
- the conversion rate and any adjustments to the conversion rate;
- that the preferred stock with respect to which a fundamental change redemption notice (as described below) is given by the holder may be converted only if the fundamental change redemption notice has been withdrawn in accordance with the terms of the preferred stock; and
- the procedures that holders must follow to exercise these rights.

To exercise this right, you must deliver a written notice to the transfer agent prior to the close of business on the business day immediately before the fundamental change redemption date. The required redemption notice upon a fundamental change must state:

- if certificated shares of preferred stock have been issued, the preferred stock certificate numbers, or if not, such information as may be required under applicable DTC procedures;
- the number of preferred shares to be redeemed; and
- that we are to redeem such preferred stock pursuant to the applicable provisions of the preferred stock and our amended and restated certificate of incorporation.

You may withdraw any fundamental change redemption notice by a written notice of withdrawal delivered to the transfer agent prior to the close of business on the business day before the fundamental change redemption date. The notice of withdrawal must state:

- the number of the withdrawn shares of preferred stock;
- if certificated shares of preferred stock have been issued, the preferred stock certificate numbers, or if not, such information as may be required under applicable DTC procedures; and
- the number, if any, of shares of preferred stock that remain subject to your fundamental change redemption notice.

A holder must either effect book-entry transfer or deliver the preferred stock to be redeemed, together with any necessary endorsements, to the office of the transfer agent after delivery of the fundamental change redemption notice to receive payment of the fundamental change redemption price. You will

receive payment in cash or shares of common stock, as applicable, on the later of the fundamental change redemption date or the time of book-entry transfer or the delivery of the preferred stock. If the transfer agent holds cash or shares of common stock, as applicable, sufficient to pay the fundamental change redemption price of the preferred stock on the business day following the fundamental change redemption date, then, immediately after the fundamental change redemption date:

- the shares of preferred stock will cease to be outstanding; and
- all other rights of the holder will terminate.

This will be the case whether or not book-entry transfer of the preferred stock is made or whether or not the preferred stock is delivered to the transfer agent.

The fundamental change redemption feature of the preferred stock may in certain circumstances make more difficult or discourage a takeover of our company. The fundamental change redemption feature, however, is not the result of our knowledge of any specific effort:

- to accumulate shares of common stock;
- to obtain control of our company by means of a merger, tender offer, solicitation or otherwise; or
- by management to adopt a series of anti-takeover provisions.

Instead, the terms of the fundamental change redemption feature resulted from negotiations between the underwriters and us.

We could, in the future, enter into certain transactions, including certain recapitalizations, that would not constitute a fundamental change with respect to the fundamental change redemption feature of the preferred stock but that would increase the amount of our (or our subsidiaries') outstanding indebtedness.

Our ability to redeem shares of preferred stock upon the occurrence of a fundamental change is subject to important limitations. Because we are a holding company, our ability to redeem the preferred stock for cash may be limited by restrictions on our ability to obtain funds for such redemption through dividends from our subsidiaries and the terms of our current and then existing borrowing agreements. Our ability to redeem the preferred stock is also subject to restrictions under Virginia law. If a fundamental change were to occur, we may not have sufficient legally available funds to pay the redemption price in cash for all tendered shares of preferred stock. Our current revolving credit facilities do, and any future credit agreements or other agreements relating to our indebtedness may, contain provisions prohibiting the redemption of the preferred stock under certain circumstances, or expressly prohibit our redemption of the preferred stock upon a fundamental change or provide that a fundamental change constitutes an event of default under that agreement. If a fundamental change occurs at a time when we are prohibited from redeeming shares of preferred stock for cash, we could seek the consent of our lenders to redeem the preferred stock or attempt to refinance this debt. If we do not obtain such consent, we would not be permitted to redeem the preferred stock for cash.

If, following a fundamental change, we are prohibited from paying the redemption price of the preferred stock in cash under the terms of any indebtedness or by applicable law, we will, if permitted under terms of such indebtedness and under applicable law, elect to pay the redemption price of the preferred stock in shares of common stock or, in the case of a merger in which we are not the surviving corporation, common stock of the surviving corporation or its direct or indirect parent corporation.

We will comply with any applicable provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act in connection with any offer by us to redeem the preferred stock.

Make Whole Payment Upon the Occurrence of a Fundamental Change

If you elect to convert your preferred stock upon the occurrence of a fundamental change (as defined above) that occurs prior to March 15, 2018, in certain circumstances, you will be entitled to receive, in addition to a number of shares of common stock equal to the applicable conversion rate (or cash as described under “—Conversion Rights” above), an additional number of shares of common stock (the “additional shares”) upon conversion as described below.

We must give notice to all holders and to the conversion agent at least 15 trading days prior to the anticipated effective date of such fundamental change. We must also give notice to all holders and to the conversion agent that such fundamental change has become effective. Holders may surrender preferred stock for conversion and receive the additional shares described below at any time from and after the effective date of such fundamental change until and including the date that is 30 days after the effective date (or, if such transaction also results in holders having a right to require us to redeem their preferred stock, until the fundamental change redemption date).

The number of additional shares will be determined for the preferred stock by reference to the table below, based on the date on which the fundamental change becomes effective (the “effective date”) and the “share price.” If holders of our common stock receive only cash in the transaction constituting a fundamental change, the share price shall be the cash amount paid per share. Otherwise, the share price shall be the average of the closing sale prices of our common stock on the five trading days prior to but not including the effective date of the transaction constituting a fundamental change.

The stock prices set forth in the first row of each table below (i.e., the column headers) will be adjusted as of any date on which the conversion rate of the preferred stock is adjusted. The adjusted stock prices will equal the stock prices applicable immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the conversion rate immediately prior to the adjustment giving rise to the stock price adjustment and the denominator of which is the conversion rate as so adjusted. The number of additional shares will be adjusted in the same manner as the conversion rate as set forth under “— Adjustments to the Conversion Rate.”

The following table sets forth the number of additional shares to be received per \$1,000 liquidation preference per share of preferred stock:

<u>Fundamental</u> <u>Change date</u> <u>in years</u>	<u>Stock price on the Effective Date</u>							
	\$36.65	\$40.00	\$42.00	\$45.00	\$50.00	\$55.00	\$60.00	Continued Below
15-Mar-06	5.88	5.18	4.76	4.23	3.54	3.01	2.61	
15-Mar-07	5.88	5.07	4.64	4.10	3.39	2.86	2.45	
15-Mar-08	5.81	4.94	4.50	3.95	3.22	2.69	2.28	
15-Mar-09	5.68	4.79	4.34	3.77	3.03	2.48	2.07	
15-Mar-10	5.54	4.62	4.16	3.57	2.80	2.24	1.82	
15-Mar-11	5.36	4.40	3.91	3.29	2.48	1.90	1.48	
15-Mar-12	5.19	4.18	3.66	2.99	2.10	1.46	1.02	
15-Mar-13	5.05	4.03	3.51	2.81	1.85	1.05	0.40	
15-Mar-14	4.87	3.85	3.33	2.66	1.74	0.99	0.37	
15-Mar-15	4.63	3.61	3.10	2.44	1.57	0.88	0.33	
15-Mar-16	4.30	3.25	2.74	2.11	1.32	0.72	0.25	
15-Mar-17	3.87	2.73	2.19	1.57	0.88	0.44	0.13	
15-Mar-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	\$70.00	\$80.00	\$100.00	\$125.00	\$150.00	\$200.00	\$250.00	\$300.00
15-Mar-06	2.03	1.66	1.19	0.87	0.67	0.43	0.29	0.00
15-Mar-07	1.89	1.52	1.09	0.79	0.61	0.39	0.26	0.00
15-Mar-08	1.72	1.37	0.96	0.69	0.53	0.34	0.23	0.00
15-Mar-09	1.52	1.19	0.82	0.59	0.45	0.29	0.20	0.00
15-Mar-10	1.28	0.97	0.66	0.47	0.36	0.23	0.16	0.00
15-Mar-11	0.96	0.70	0.46	0.34	0.26	0.17	0.11	0.00
15-Mar-12	0.54	0.35	0.23	0.17	0.14	0.09	0.06	0.00
15-Mar-13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Mar-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Mar-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Mar-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Mar-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15-Mar-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The exact stock prices and fundamental change effective dates may not be set forth in the table above, in which case:

- If the stock price is between two stock price amounts in the table or the effective date is between two effective dates in the table, the number of additional shares will be determined by a straight-line interpolation between the number of additional shares set forth for the higher and lower stock price amounts or the two dates, as applicable, based on a 365-day year.
- If the stock price is equal to or in excess of \$300.00 per share (subject to adjustment), no additional shares will be issued upon conversion.
- If the stock price is less than \$36.65 per share (subject to adjustment), no additional shares will be issued upon conversion.

Notwithstanding the foregoing, in no event will the total number of shares of common stock issuable upon conversion exceed 5.8850 per share of preferred stock, subject to adjustments in the same manner of the conversion rate as set forth under “— Adjustments to the Conversion Rate” below.

Our obligation to deliver the additional shares could be considered a penalty under applicable law, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

Notwithstanding the foregoing, in the case of a public acquirer fundamental change (as defined below), we may, in lieu of increasing the conversion rate by additional shares as described above, elect to adjust the conversion rate and the related conversion obligation such that, from and after the effective date of such public acquirer fundamental change, holders of the preferred stock who elect to convert will be entitled to convert their preferred stock into a number of shares of public acquirer common stock (as defined below) that have been registered, or the resale of which will be registered, under the Securities Act, by multiplying the conversion rate in effect immediately before the public acquirer fundamental change by a fraction:

- the numerator of which will be (i) in the case of a consolidation, merger or binding share exchange, pursuant to which our common stock is converted into or exchanged for the right to receive cash, securities or other property, the value of all cash and any other consideration (as determined by our board of directors) paid or payable per share of common stock or (ii) in the case of any other public acquirer fundamental change, the average of the closing sale prices of our common stock for the five consecutive trading days prior to but excluding the effective date of such public acquirer fundamental change, and
- the denominator of which will be the average of the last closing sale prices of the public acquirer common stock for the five consecutive trading days commencing on the trading day next succeeding the effective date of such public acquirer fundamental change.

A “public acquirer fundamental change” means any fundamental change that would otherwise obligate us to increase the conversion rate as described above and where the acquirer has a class of common stock traded on a national securities exchange or quoted on the Nasdaq National Market or which will be so traded or quoted when issued or exchanged in connection with such fundamental change (the “public acquirer common stock”). If an acquirer does not itself have a class of common stock satisfying the foregoing requirement, it will be deemed to have public acquirer common stock if a corporation that directly or indirectly owns at least a majority of the acquirer has a class of common stock satisfying the foregoing requirement and all references to public acquirer common stock will be deemed to refer to such class of common stock. Majority owned for these purposes means having the “beneficial ownership” (as defined in Rule 13d-3 under the Exchange Act) of more than 50% of the total voting power of all shares of the respective entity’s capital stock that are entitled to vote generally in the election of directors.

Upon our decision to adjust the conversion rate and related conversion obligation upon a public acquirer fundamental change, holders may convert their preferred stock at the adjusted conversion rate described in the preceding paragraph but will not be entitled to the additional shares as described above. The registered shares of public acquirer common stock, or the shares of public acquirer common stock registered for resale, as the case may be, shall be listed, or approved for listing subject only to the official notice of issuance, on a national securities exchange or the Nasdaq National Market.

Adjustments to the Conversion Rate

The conversion rate is subject to adjustment from time to time if any of the following events occurs:

- the issuance of our common stock as a dividend or distribution on our common stock;
- certain subdivisions and combinations of our common stock;

- the issuance to all holders of our common stock of certain rights or warrants to purchase our common stock (or securities convertible into our common stock) at less than (or at a conversion price per share less than) the current market price of our common stock, provided that no such adjustment shall be made for the rights of holders of our common stock to participate in any dividend reinvestment plan in existence on the date hereof and made available to all holders of our common stock or our employee stock benefit plans or the purchase of shares pursuant to any such plan;
- the dividend or other distribution to all holders of our common stock of shares of our capital stock (other than common stock) or evidences of indebtedness or assets (including securities, but excluding (1) those rights and warrants referred to above or (2) dividends or distributions paid exclusively in cash);

In the event that we make a dividend or distribution to all or substantially all holders of our common stock consisting of capital stock of, or similar equity interest in, a subsidiary or other business unit of ours, unless we distribute such capital stock or equity interests to holders of the preferred stock in such distribution on the same basis as they would have received had they converted their shares of preferred stock into shares of our common stock immediately prior to such distributions, the conversion rate will be adjusted based on the market value of the securities so distributed relative to the market value of our common stock, in each case based on the average closing sale prices of those securities for the 10 trading days commencing on and including the fifth trading day after the date on which “ex-dividend trading” commences for such dividend or distribution on the New York Stock Exchange or such other national or regional exchange or market on which the securities are then listed or quoted;

- distributions consisting exclusively of cash to all holders of shares of our common stock (excluding (1) any dividend or distribution in connection with our liquidation, dissolution or winding up and (2) any quarterly cash dividend on our shares of common stock to the extent that the aggregate cash dividend per share of our common stock in any quarter does not exceed \$0.43 (such amount being the “Dividend Threshold Amount”); if there is a dividend or distribution to which this bullet point applies, the conversion rate will be adjusted by multiplying the applicable conversion rate by the following fraction:

$$\frac{\text{Pre Dividend Stock Price}}{\text{Pre Dividend Stock Price} - \text{Dividend Adjustment Amount}}$$

“Pre Dividend Stock Price” means the average common stock price for the three consecutive trading days ending on the trading day immediately preceding the ex date for such dividend or distribution. “Dividend Adjustment Amount” means the full amount of the dividend or distribution to the extent payable in cash applicable to one common share less the Dividend Threshold Amount. If an adjustment is required to be made as a result of a distribution that is not a quarterly dividend, the dividend threshold amount will be deemed to be zero; and

- we or one of our subsidiaries makes a payment in respect of a tender offer or exchange offer for our common stock (other than payments made under our “odd-lot” stock sales program in existence on the date hereof) to the extent that the cash and value of any other consideration included in the payment per share of common stock exceeds the closing sale price per share of common stock on the trading day next succeeding the last date on which tenders or exchanges may be made pursuant to such tender or exchange offer.

No adjustment in the conversion rate will be required (except in the case of the fifth bullet point under “— Adjustments to the Conversion Rate”) unless such adjustment would require a change of at least 1% in the conversion rate then in effect at such time. However, we will carry forward any adjustments that are less than 1% of the conversion rate and make such carried forward adjustments, regardless of whether the aggregate adjustment is less than 1%, within one year of the first such adjustment carried forward,

upon conversion, upon redemption or upon a fundamental change. Except as stated above, the conversion rate will not be adjusted for the issuance of our common stock or any securities convertible into or exchangeable for our common stock or carrying the right to purchase any of the foregoing.

We have adopted a rights agreement pursuant to which each share of our common stock has associated with it one Preferred Share Purchase Right. You will receive, upon conversion of your preferred stock, in addition to the common stock, the rights under such rights agreement or any other rights plan then in effect unless, prior to conversion, the rights have expired, terminated or been redeemed or unless the rights have separated from the common stock. In the case of such separation, the conversion rate would be adjusted at the time of separation as if we had distributed to all holders of our common stock, shares of our capital stock, evidences of indebtedness or assets as described in the fourth bullet point under “— Adjustments to the Conversion Rate” (provided that no such adjustment to the conversion rate shall be made if at the time of such separation, (1) we set aside for issuance upon conversion of the preferred stock a number of rights equal to the rights the holders of preferred stock would have received if conversion had occurred immediately prior to such separation and (2) the rights so set aside are perpetual in duration), subject to readjustment in the event of the expiration, termination or redemption of such rights.

In the event of:

- any reclassification of our common stock;
- a consolidation, merger or combination involving us; or
- a sale or conveyance to another person or entity of all or substantially all of our property and assets;

in which holders of our common stock would be entitled to receive stock, other securities, other property, assets or cash for their common stock, upon conversion of your preferred stock, you will be entitled to receive the same type of consideration that you would have been entitled to receive if you had converted the preferred stock into our common stock immediately prior to any of these events. For purposes of the foregoing, the type and amount of consideration that a holder of our common stock would have been entitled to in the case of reclassifications, consolidations, mergers, sales or transfers of assets or other transactions that cause our common stock to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of stockholder election) will be deemed to be the weighted average of the types and amounts of consideration received by the holders of our common stock that affirmatively make such an election. However, if we elect to adjust the conversion rate and the related conversion obligation so that the preferred stock will be convertible into shares of the acquiring or surviving company after a public acquirer fundamental change, then the previous sentence will not be applicable.

We may not become a party to any such transaction unless its terms are consistent with the foregoing.

You may in certain situations be deemed to have received a distribution subject to United States federal income tax as a dividend in the event of any taxable distribution to holders of common stock or in certain other situations requiring a conversion rate adjustment. See “Certain United States Federal Income Tax Consequences.”

We may, from time to time, increase the conversion rate if our board of directors has made a determination that this increase would be in our best interests. Any such determination by our board of directors will be conclusive. In addition, we may increase the conversion rate if our board of directors deems it advisable to avoid or diminish any income tax to holders of common stock resulting from any stock or rights distribution. See “Certain United States Federal Income Tax Consequences.”

If we adjust the conversion rate pursuant to the above provisions, we will issue a press release through PRNewswire, Reuters Economic Services and Bloomberg Business News containing the relevant information and make this information available on our website or through another public medium as we may use at that time.

Mandatory Conversion

At any time on or after March 15, 2013, and on or before March 15, 2018, we may at our option cause the preferred stock to be automatically converted into that number of shares of common stock at the then prevailing conversion rate. We may exercise this right only if the closing sale price of our common stock equals or exceeds 135% of the then prevailing conversion price for at least 20 trading days in a period of 30 consecutive trading days, including the last trading day of such 30-day period, ending on the trading day prior to our issuance of a press release announcing the mandatory conversion as described below. Upon conversion, we may choose to deliver, in lieu of shares of our common stock, cash or a combination of cash and shares of our common stock, as described above under “—Conversion Rights.” We intend that, if we elect to settle a portion of these conversions in cash, the cash portion will not exceed the net proceeds to us of sales of certain types of securities having sufficient equity characteristics, in each case that are issued within six months (or, in the case of common stock issued upon the exercise of options, within 12 months) before the conversion.

To exercise the mandatory conversion right described above, we must issue a press release for publication on PRNewswire, Reuters Economic Services and Bloomberg Business News prior to the opening of business on the first trading day following any date on which the conditions described in the preceding paragraph are met, announcing such a mandatory conversion. We will also give notice by mail or by publication (with subsequent prompt notice by mail) to the holders of the preferred stock, or cause DTC to send notice to its participants that own preferred stock (which notice or publication shall be given not more than four business days after the date of the press release), of the mandatory conversion announcing our intention to convert the preferred stock. The conversion date will be a date selected by us, which we will refer to as the Mandatory Conversion Date, and will be no more than five days after the earlier of (1) the date on which we issue such press release or (2) the date that such notice is sent by DTC to its participants that own preferred stock as described above. In addition to any information required by applicable law or regulation, the press release and notice of a mandatory conversion shall state, as appropriate:

- the Mandatory Conversion Date;
- the number of shares of common stock to be issued and/or the amount of cash to be paid upon conversion of each share of preferred stock; and
- the number of shares of preferred stock to be converted.

On and after the Mandatory Conversion Date, all rights of holders of such preferred stock will terminate except for the right to receive the shares of common stock issuable upon conversion thereof. The dividend payment with respect to the preferred stock called for a mandatory conversion on a date during the period between the close of business on any record date for the payment of dividends to the close of business on the corresponding dividend payment date will be payable on such dividend payment date to the record holder of such share on such record date if such share has been converted after such record date and prior to such dividend payment date.

We may not authorize, issue a press release or give notice of any mandatory conversion unless, prior to giving the conversion notice, all accumulated and unpaid dividends on the preferred stock for dividend payment dates ending prior to the date of such conversion notice shall have been paid in cash.

Optional Redemption

On or after March 15, 2018, we will have the option from time to time to redeem the shares of outstanding preferred stock, in whole or in part. We will redeem the preferred stock at a price equal to 100% of the liquidation preference of the preferred stock to be redeemed plus an amount equal to any declared and unpaid dividends, unless such redemption date falls after the record date for which a dividend has been declared and on or prior to the corresponding dividend payment date, in which case (1) we will pay the full amount of declared and unpaid dividends, if any, payable on such dividend payment date only to the holder of record at the close of business on the corresponding record date and (2) the redemption price payable on the redemption date will include only the liquidation preference, but will not include any amount in respect of dividends declared and payable on such corresponding dividend payment date. We will pay such redemption price in cash.

We intend that, if we redeem the preferred stock, we will redeem it only to the extent that the aggregate liquidation preference of the preferred stock redeemed is less than the amount, if any, of the net proceeds to us of sales of certain types of securities having sufficient equity characteristics, in each case that are issued within six months (or, in the case of common stock issued upon the exercise of options, within 12 months) before the redemption.

In the event of an optional redemption pursuant to this provision, we will (1) send a written notice by first class mail to each holder of record of the preferred stock at such holder's registered address, not fewer than 30 nor more than 60 days prior to the redemption date and (2) if the preferred shares are held by DTC or its nominee, request that DTC send a copy of such notice to its participants. The notice will include, among other things, a statement that the holders of preferred stock may elect to convert their shares into our common stock prior to the redemption date. In addition, we will (1) publish such information once in a daily newspaper printed in the English language and of general circulation in the Borough of Manhattan, City of New York, (2) issue a press release containing such information and (3) publish such information on our web site.

If we give notice of redemption, then, by 12:00 p.m., New York City time, on the redemption date, to the extent funds are legally available, we shall, with respect to:

- shares of preferred stock held by DTC or its nominees, deposit or cause to be deposited, irrevocably with DTC, cash sufficient to pay the redemption price and will give DTC irrevocable instructions and authority to pay the redemption price to holders of such shares of preferred stock; and
- shares of preferred stock held in certificated form, deposit or cause to be deposited, irrevocably with the paying agent, cash sufficient to pay the redemption price and will give the paying agent irrevocable instructions and authority to pay the redemption price to holders of such shares of preferred stock upon surrender of their certificates evidencing their shares of preferred stock.

If on the redemption date DTC and the paying agent hold cash sufficient to pay the redemption price for the shares of preferred stock delivered for redemption in accordance with the terms of the certificate of designation, all rights of holders of such shares will terminate except for the right to receive the redemption price.

Payment of the redemption price for the shares of preferred stock is conditioned upon book-entry transfer of or physical delivery of certificates representing the preferred stock, together with necessary endorsements, to the paying agent, or to the paying agent's account at DTC, at any time after delivery of the redemption notice. Payment of the redemption price for the preferred stock will be made (1) if book-entry transfer of or physical delivery of the preferred stock has been made by or on the redemption date, or (2) if book-entry transfer of or physical delivery of the preferred stock has not been made by or on such date, at the time of book-entry transfer of or physical delivery of the preferred stock.

Voting Rights

Holders of shares of preferred stock will not have any voting rights except as described below or as otherwise required from time to time by law. Whenever (1) dividends on any shares of preferred stock or any other class or series of stock ranking on a parity with the preferred stock with respect to the payment of dividends shall not have been declared and paid for the equivalent of any four dividend periods, whether or not consecutive, or (2) we fail to pay the redemption price on the date shares of preferred stock are called for redemption (whether the redemption is pursuant to the optional redemption provisions or the redemption is in connection with a fundamental change) then, immediately prior to the next annual meeting of shareholders or special meeting of shareholders called for as provided in the last sentence of this paragraph, the total number of directors constituting the entire board will automatically be increased by two and, in each case, the holders of shares of preferred stock (voting separately as a class with all other series of other preferred stock on parity with the preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two of the authorized number of our directors at the next annual meeting of stockholders or special meeting of shareholders called for as provided in the last sentence of this paragraph and each subsequent meeting until the redemption price shall have been fully paid or dividends on the preferred stock shall have been fully paid for at least four consecutive dividend periods. The directors elected by the holders of the preferred stock shall not be divided into the classes of the board of directors and the term of office of all such directors will terminate immediately upon the termination of the right of the holders of preferred stock to vote for directors and upon such termination the total number of directors constituting the entire board will automatically be reduced by two. Each holder of shares of the preferred stock will have one vote for each share of preferred stock held. At any time after the power to elect directors becomes vested and continuing in the holders of shares of preferred stock, or if a vacancy exists in the office of the directors elected by the holders of the preferred stock, the board may, and upon the written request of the holders of record of at least 25% of the outstanding preferred stock shall, call a special meeting of the holders of the preferred stock (voting separately as a class with all other series of stock ranking on a parity with the preferred stock) for the purpose of electing those directors.

So long as any shares of the preferred stock remain outstanding, we will not, without the consent of the holders of at least two-thirds of the shares of preferred stock outstanding at the time, voting separately as a class with all other series of preferred stock upon which like voting rights have been conferred and are exercisable issue or increase the authorized amount of any class or series of stock ranking senior to the outstanding preferred stock as to dividends or upon liquidation. In addition, we will not amend, alter or repeal provisions of our articles of incorporation or of the resolutions contained in the certificate of designation, whether by merger, consolidation or otherwise, so as to amend, alter or adversely affect any power, preference or special right of the outstanding preferred stock or the holders thereof without the affirmative vote of not less than two-thirds of the issued and outstanding preferred stock voting separately as a class with all other series of preferred stock upon which like voting rights have been conferred and are exercisable; provided, however, that any increase in the amount of the authorized common stock or authorized preferred stock or the creation and issuance of other series of common stock or preferred stock ranking on a parity with or junior to the preferred stock as to dividends and upon liquidation will not be deemed to adversely affect such powers, preference or special rights.

Liquidation Preference

Upon any voluntary or involuntary liquidation, dissolution or winding up of our company resulting in a distribution of assets to the holders of any class or series of our capital stock, each holder of shares of preferred stock will be entitled to payment out of our assets available for distribution to stockholders of an amount equal to the liquidation preference per share of preferred stock held by that holder, before any distribution is made on any junior stock, including our common stock, but after any distributions on any of our indebtedness and senior stock. After payment in full of the liquidation preference to which holders of shares of preferred stock are entitled, holders will not be entitled to any further participation in any distribution of our assets. If, upon any voluntary or involuntary liquidation, dissolution or winding up of our company, the amounts payable with respect to shares of preferred stock and all other parity stock are not paid in full, holders of shares of preferred stock and holders of the parity stock will share equally and

ratably in any distribution of our assets in proportion to the liquidation preference to which each such holder is entitled.

Neither the voluntary sale, conveyance, exchange or transfer, for cash, shares of stock, securities or other consideration, of all or substantially all of our property or assets nor the consolidation, merger or amalgamation of our company with or into any corporation or the consolidation, merger or amalgamation of any corporation with or into our company will be deemed to be a voluntary or involuntary liquidation, dissolution or winding up of our company.

We are not required to set aside any funds to protect the liquidation preference of the shares of preferred stock.

Certain Definitions

As used in this “Description of the Preferred Stock”, the following terms have the meanings ascribed to them below:

“Trading day” means a day during which trading in securities generally occurs on the New York Stock Exchange or, if our common stock is not listed on the New York Stock Exchange, on the principal other national or regional securities exchange on which our common stock is then listed or, if our common stock is not listed on a national or regional securities exchange, on the Nasdaq National Market or, if our common stock is not quoted on the Nasdaq National Market, on the principal other market on which our common stock is then traded or, if our common stock is not so traded on a principal other market, on the New York Stock Exchange.

The “closing sale price” of our common stock or other capital stock or similar equity interests on any date means the closing sale price per share (or if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported on the New York Stock Exchange or such other national or regional exchange or market on which our common stock or such other capital stock or equity interests are then listed or quoted. In the absence of such a quotation, we will determine the closing sale price on a basis we consider appropriate. The closing sale price shall be determined without reference to any extended or after-hours trading.

“Current market price” of our common stock on any day means the average of the closing price of our common stock for each of the ten consecutive trading days ending on the earlier of the day in question and the day before the “ex-date” with respect to the issuance or distribution requiring such calculation. For purposes of this paragraph, “ex-date” means the first date on which the shares of common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such issuance or distribution.

The “volume weighted average price” per share of our common stock on any trading day means such price as displayed on Bloomberg (or any successor service) page UVV <equity> VAP in respect of the period from 9:30 a.m. to 4:00 p.m., New York City time, on such trading day; or, if such price is not available, the volume weighted average price means the market value per share of our common stock on such day as determined using a volume weighted method by a nationally recognized independent investment banking firm retained for this purpose by us.

Transfer Agent, Paying Agent, Conversion Agent and Registrar

The transfer agent, paying agent, conversion agent and registrar for the preferred stock is Wells Fargo Bank, N.A.

Book-Entry, Delivery and Form

The Depository Trust Company, or DTC, will act as securities depository for the preferred stock. The shares of preferred stock will be issued only as fully-registered securities registered in the name of Cede & Co., the depository's nominee. One or more fully-registered global security certificates, representing the total aggregate number of shares of preferred stock, will be issued and deposited with the depository.

The laws of some jurisdictions require that some purchasers of securities take physical delivery of securities in definitive form. Those laws may impair the ability to transfer beneficial interests in shares of preferred stock so long as shares of preferred stock are represented by global security certificates.

The depository is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

The depository holds securities that its participants deposit with the depository. The depository also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes in participants' accounts, thus eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. The depository is owned by a number of its direct participants and by the New York Stock Exchange, the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc., collectively referred to as "participants". Access to the depository system is also available to others, including securities brokers and dealers, bank and trust companies that clear transactions through or maintain a direct or indirect custodial relationship with a direct participant, collectively referred to as "indirect participants". The rules applicable to the depository and its participants are on file with the SEC.

We will issue shares of preferred stock in definitive certificated form if the depository notifies us that it is unwilling or unable to continue as depository or the depository ceases to be a clearing agency registered under the Exchange Act and a successor depository is not appointed by us within 90 days. In addition, beneficial interests in a global security certificate may be exchanged for physical certificates upon request by or on behalf of the depository in accordance with customary procedures. The certificate of designation permits us to determine at any time and in our sole discretion that shares of preferred stock shall no longer be represented by global security certificates. The depository has advised us that, under its current practices, it would notify its participants of our request, but will only withdraw beneficial interests from the global security certificate at the request of each depository participant. We would issue physical certificates in exchange for any such beneficial interests withdrawn.

As long as the depository or its nominee is the registered owner of the global security certificates, the depository or that nominee will be considered the sole owner and holder of the global security certificates and all of the shares of preferred stock represented by those certificates for all purposes under the preferred stock. All payments on the shares of preferred stock represented by the global security certificates and all related transfers and deliveries of common stock will be made to the depository or its nominee as their holder.

Ownership of beneficial interests in the global security certificates will be limited to participants or persons that may hold beneficial interests through institutions that have accounts with the depository or its nominee. Ownership of beneficial interests in global security certificates will be shown only on, and the transfer of those ownership interests will be effected only through, records maintained by the depository or its nominee with respect to participants' interests or by the participant with respect to interests of persons held by the participants on their behalf.

Procedures for conversion will be governed by arrangements among the depository, participants and persons that may hold beneficial interests through participants designed to permit the settlement without

the physical movement of certificates. Payments, transfers, deliveries, exchanges and other matters relating to beneficial interests in global security certificates may be subject to various policies and procedures adopted by the depositary from time to time.

Neither we nor any of our agents will have any responsibility or liability for any aspect of the depositary's or any participant's records relating to, or for payments made on account of, beneficial interests in global security certificates, or for maintaining, supervising or reviewing any of the depositary's records or any participant's records relating to those beneficial ownership interests.

Replacement of Preferred Stock Certificates

If physical certificates are issued, we will replace any mutilated certificate at your expense upon surrender of that certificate to the transfer agent. We will replace certificates that become destroyed or lost at your expense upon delivery to us and the transfer agent of satisfactory evidence that the certificate has been destroyed or lost, together with any indemnity that may be required by the transfer agent and us.

We, however, are not required to issue any certificates representing shares of preferred stock on or after the applicable conversion date. In place of the delivery of a replacement certificate following the applicable conversion date, the transfer agent, upon delivery of the evidence and indemnity described above, will deliver the shares of our common stock issuable pursuant to the terms of the preferred stock formerly evidenced by the certificate.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax consequences relevant to the purchase, ownership, and disposition of the preferred stock and common stock received in respect thereof. This discussion is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations under the Internal Revenue Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. Other federal tax consequences (such as estate and gift tax consequences) and state, local and foreign tax consequences are not summarized, nor are tax consequences to special classes of investors including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, dealers in securities, persons liable for the alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons that will hold the preferred stock or common stock as a position in a hedging, "straddle" or "conversion transaction" or other risk reduction transaction, and United States holders (as defined below) whose functional currency for tax purposes is not the U.S. dollar. Tax consequences may vary depending upon the particular status of an investor. This discussion is limited to taxpayers who will hold the preferred stock and the common stock received in respect thereof as "capital assets" and who purchase the preferred stock in the initial offering at the initial offering price.

Please consult your own tax advisor concerning the consequences of owning the preferred stock and common stock received in respect thereof in your particular circumstances under the Internal Revenue Code and the laws of any other taxing jurisdiction.

You are a "U.S. holder" if you are a beneficial owner of the preferred stock and common stock received in respect thereof and you are for United States federal income tax purposes, an individual citizen or resident of the United States, a domestic corporation, an estate whose income is subject to United States federal income tax regardless of its source, or a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or if the trust has a valid election in effect to be treated as a United States person.

A "non-U.S. holder" is a beneficial owner of the preferred stock and common stock received in respect thereof that is an individual, corporation, trust or estate that is not a U. S. holder.

Distributions

Distributions with respect to the preferred stock (whether paid in cash, our common stock, or any combination thereof) and distributions with respect to our common stock (other than certain stock distributions) will be taxable as dividend income when actually or constructively received to the extent of our current or accumulated earnings and profits as determined for U.S. federal income tax purposes. In the event of a distribution paid in common stock, the amount of such distribution will be equal to the then fair market value of the shares of common stock distributed. To the extent that the amount of a distribution with respect to preferred stock or common stock exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of your adjusted tax basis in such preferred stock or common stock, as the case may be, and thereafter as capital gain.

Your adjusted tax basis in any shares of common stock received as a distribution will be equal to the then current fair market value of such common stock, and your holding period for such shares will begin on the day after receipt thereof.

U.S. Holders

Subject to certain exceptions for short-term and hedged positions, distributions constituting dividend income received by certain non-corporate U.S. holders, including individuals, in respect of the preferred

stock and common stock before January 1, 2009 are generally taxed at a maximum rate of 15%. Similarly, subject to similar exceptions for short-term and hedged positions, distributions on the preferred stock and common stock constituting dividend income paid to holders that are domestic corporations generally will qualify for the dividends received deduction. You should consult your own tax advisor regarding the availability of the reduced dividend tax rate and the dividends received deduction in light of your particular circumstances.

Non-U.S. Holders

Except as described below, if you are a non-U.S. holder of preferred or common stock, dividends paid to you are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to us or another payor:

- a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, your status as (or, in the case of a United States alien holder that is an estate or trust, such forms certifying the status of each beneficiary of the estate or trust as) a non-United States person and your entitlement to the lower treaty rate with respect to such payments, or
- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with U.S. Treasury regulations.

If you are eligible for a reduced rate of United States federal withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the Internal Revenue Service.

If dividends paid to you are “effectively connected” with your conduct of a trade or business within the United States, we and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to us or another payor a valid Internal Revenue Service Form W-8ECI or W-8BEN, or an acceptable substitute form, upon which you represent, under penalties of perjury, that:

- you are a non-United States person, and
- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income (in which case, the W-8ECI would apply) or the dividends are exempt from taxation under an income tax treaty because the dividends are not attributable to an United States permanent establishment (in which case, the W-8BEN would apply).

“Effectively connected” dividends are taxed at rates applicable to U.S. holders, unless an applicable income tax treaty provides otherwise.

If you are a corporate non-U.S. holder, “effectively connected” dividends that you receive may, under certain circumstances, be subject to an additional “branch profits tax” at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Adjustment of Conversion Rate

The conversion rate of the preferred stock is subject to adjustment under certain circumstances. Treasury regulations promulgated under Section 305 of the Code would treat a holder of preferred stock as having

received a constructive distribution includible in such holder's U.S. income in the manner described under "—Distributions," above, if and to the extent that certain adjustments in the conversion rate increase the holder's proportionate interest in our earnings and profits. For example, an increase in the conversion rate to reflect a taxable dividend to holders of common stock will generally give rise to a deemed taxable dividend to the holders of the preferred stock to the extent of our current and accumulated earnings and profits. Thus, under certain circumstances, you may recognize income in the event of a deemed distribution even though you may not receive any cash or property. Adjustments to the conversion rate made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution in the interests of the holders of the preferred stock, however, will generally not be considered to result in a constructive dividend distribution.

Dispositions

U.S. Holders

If you are a U.S. holder and you sell or otherwise dispose of the preferred stock or common stock, you will generally recognize capital gain or loss equal to the difference between the amount you realize and your adjusted tax basis in the stock. Such capital gain or loss will be long-term capital gain or loss if your holding period for the shares is more than one year. Long-term capital gain of a noncorporate United States holder that is recognized in taxable years beginning before January 1, 2009 is generally taxed at a maximum rate of 15%. The deductibility of net capital losses is subject to limitations.

Non-U.S. Holders

If you are a non-U.S. holder, you generally will not be subject to United States federal income tax on gain that you recognize on a disposition of preferred stock or common stock unless:

- the gain is "effectively connected" with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition for subjecting you to United States taxation on a net income basis,
- you are an individual, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist, or
- we are or have been a United States real property holding corporation for federal income tax purposes at any time within the shorter of the five-year period preceding such disposition or your holding period (the "Applicable Period").

We have not been, are not and do not anticipate becoming a United States real property holding corporation for United States federal income tax purposes. Even if we were treated as a United States real property holding corporation, gain realized by a non-U.S. holder on a disposition of our preferred stock or common stock would not be subject to U.S. federal income tax so long as (i) the non-U.S. holder was considered to have owned (directly or indirectly) no more than five percent of the value of such class of stock at all times within the Applicable Period and (ii) such class of stock was regularly traded on an established securities market. We do not intend to apply for listing of the preferred stock on any securities exchange, and there can be no assurance that our common stock will continue to qualify as regularly traded on an established securities market.

If you are a corporate non-U.S. holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Conversion into Common Stock

U.S. Holders

Conversion entirely for stock. You generally will not recognize any gain or loss in respect of the receipt of common stock upon the conversion of the preferred stock. The adjusted tax basis of shares of common stock received on conversion will equal the adjusted tax basis of the preferred stock converted (reduced by the portion of adjusted tax basis allocated to any fractional share of common stock exchanged for cash), and the holding period of such common stock received on conversion will generally include your holding period for the converted preferred stock.

Cash received in lieu of fractional shares of common stock will generally be treated as a payment in a taxable exchange, and you will generally recognize gain or loss on the receipt of such cash in an amount equal to the difference between the amount of cash received and the amount of adjusted tax basis allocable to the fractional shares.

Conversion entirely for cash. You will generally recognize capital gain or loss equal to the difference between the amount you realize and your adjusted tax basis in the preferred stock. Such capital gain or loss will be long-term capital gain or loss if your holding period for the shares is more than one year. Long-term capital gain of a noncorporate U.S. holder that is recognized in taxable years beginning before January 1, 2009 is generally taxed at a maximum rate of 15%. The deductibility of net capital losses is subject to limitations.

Conversion for part stock and part cash. The U.S. federal income tax treatment of a U.S. holder's conversion of preferred stock into common stock and cash is uncertain. You should consult your own tax advisor to determine the correct treatment of such a conversion.

Treatment as a separate conversion and disposition. The conversion of preferred stock into our common stock and cash may be treated for U.S. federal income tax purposes as in part a conversion into common stock and in part as a separate disposition of the remaining portion of preferred stock. In that event, the portion converted into common stock would be treated as described above in “—Conversion entirely for stock.” The portion converted into cash would be treated as described above in “—Conversion entirely for cash,” in which case you will generally recognize gain or loss equal to the difference between the amount of cash received and your adjusted tax basis allocable to such portion of the preferred stock.

You generally may allocate your adjusted tax basis in preferred stock among the portion of the preferred stock that is deemed to have been converted and the portion of the preferred stock that is deemed to have been redeemed based on the relative fair market value of the common stock and the amount of cash received upon conversion.

Treatment as a single recapitalization with “boot.” Alternatively, the conversion of preferred stock into common stock and cash may instead be treated in its entirety as a recapitalization for U.S. federal income tax purposes, in which case you would be required to recognize gain on the conversion but would not be allowed to recognize any loss. In this case, you generally would recognize gain (but not loss) in an amount equal to the lesser of (i) the excess (if any) of (A) the amount of cash (not including cash received in lieu of fractional shares) and the fair market value of common stock received (treating fractional shares as received for this purpose) in the exchange over (B) your adjusted tax basis in preferred stock, and (ii) the amount of cash received upon conversion (other than cash received in lieu of fractional shares, which would be treated as described above in “—Conversion entirely for stock”).

You would have an aggregate tax basis in the common stock received in the conversion equal to the aggregate tax basis of preferred stock converted, decreased by the aggregate amount of cash (other than cash received in lieu of fractional shares) received upon conversion and increased by the aggregate amount of gain (if any) recognized upon conversion (other than gain realized as a result of cash received in lieu of fractional shares). Your holding period for the received common stock would include your

holding period for the preferred stock. Gain recognized would be long-term capital gain if you held the preferred stock for more than one year. Long-term capital gain of a noncorporate United States holder that is recognized in taxable years beginning before January 1, 2009 is generally taxed at a maximum rate of 15%.

Non-U.S. holders

If you are a non-U.S. holder, you generally will not be subject to United States federal income tax on gain that you recognize on a taxable exchange of preferred stock for cash (including cash received in lieu of fractional shares) unless you are subject to the exceptions discussed above in “—Dispositions—Non-U.S. Holders.”

Conversion as a Result of a Fundamental Change Transaction

U.S. federal income tax consequences of a fundamental change transaction depend on the structure of the transaction and cannot be known without knowing the specific nature of the transaction. Such a transaction may be taxable to you, even if you receive no cash pursuant to the transaction, or it may be tax-free depending on the particular circumstances of the transaction.

Information Reporting and Backup Withholding

U.S. holders

For noncorporate U.S. holders, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to the payment of dividends on the preferred stock or common stock and the payment of the proceeds from the sale or redemption of shares.

Additionally, backup withholding will apply to such payments if a noncorporate United States holder fails to provide an accurate taxpayer identification number, is notified by the Internal Revenue Service that it has failed to report all dividends required to be shown on its federal income tax returns, or in certain circumstances, fails to comply with applicable certification requirements.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by timely filing a refund claim with the Internal Revenue Service.

Non-U.S. holders

If you are a non-U.S. holder, you are generally exempt from backup withholding with respect to

- dividend payments on the preferred stock or common stock and
- the payment of the proceeds from the sale (including a redemption) of the preferred stock or common stock effected at a United States office of a broker,

as long as:

- the payor or broker does not have actual knowledge or reason to know that you are a United States person and you have furnished to the payor or broker:
 - a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are (or, in the case of a non-U.S. holder that is an estate or trust, such forms certifying that each beneficiary of the estate or trust is) a non-United States person, or

- other documentation upon which it may rely to treat the payments as made to a non-United States person in accordance with U.S. Treasury Regulations, or
- you otherwise establish an exemption.

Information reporting will generally apply to dividend payments.

Payment of the proceeds from the sale of preferred stock or common stock effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale or redemption of preferred stock or common stock that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States,
- the payment of proceeds or the confirmation of the sale or redemption is mailed to you at a United States address, or
- the sale or redemption has some other specified connection with the United States as provided in U.S. Treasury regulations,

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above are met or you otherwise establish an exemption.

In addition, a sale of common stock or preferred stock will be subject to information reporting if it is effected at a foreign office of a broker that is:

- a United States person,
- a controlled foreign corporation for United States tax purposes,
- a foreign person 50% or more of whose gross income is effectively connected with the conduct of a United States trade or business for a specified three-year period, or

unless the broker does not have actual knowledge or reason to know that you are a United States person and the documentation requirements described above are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a United States person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by timely filing a refund claim with the Internal Revenue Service.

UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, dated the date hereof, the underwriters named below, through their representatives Deutsche Bank Securities Inc., Wachovia Capital Markets, LLC, UBS Securities LLC, LaSalle Financial Services, Inc. and Rabo Securities USA, Inc. have severally agreed to purchase from us the following respective number of shares of preferred stock:

<u>Underwriters</u>	<u>Number of Shares</u>
Deutsche Bank Securities Inc.	136,000
Wachovia Capital Markets, LLC.....	45,000
UBS Securities LLC	11,000
LaSalle Financial Services, Inc.	4,000
Rabo Securities USA, Inc.....	4,000
Total	200,000

The underwriting agreement provides that the obligations of the several underwriters to purchase the shares of preferred stock offered hereby are subject to certain conditions precedent and that the underwriters will purchase all of the shares of preferred stock offered by this prospectus, other than those covered by the over-allotment option described below, if any of these shares are purchased.

We have been advised by the representatives of the underwriters that the underwriters propose to offer the shares of preferred stock to the public at the public offering price set forth on the cover of this prospectus supplement. After the initial public offering, representatives of the underwriters may change the offering price and other selling terms.

We have granted to the underwriters an option, exercisable not later than 30 days after the date of this prospectus, to purchase up to 20,000 additional shares of preferred stock at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus. The underwriters may exercise this option only to cover over-allotments made in connection with the sale of the preferred stock offered by this prospectus. To the extent that the underwriters exercise this option, each of the underwriters will become obligated, subject to conditions, to purchase approximately the same percentage of these additional shares of preferred stock as the number of shares of preferred stock to be purchased by it in the above table bears to the total number of shares of preferred stock offered by this prospectus. We will be obligated, pursuant to the option, to sell these additional shares of preferred stock to the underwriters to the extent the option is exercised. If any additional shares of preferred stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the 200,000 shares are being offered.

The underwriting discounts and commissions per share are equal to the public offering price per share of preferred stock less the amount paid by the underwriters to us per share of preferred stock. The underwriting discounts and commissions are 3.0% of the initial public offering price. We have agreed to pay the underwriters the following discounts and commissions, assuming either no exercise or full exercise by the underwriters of the underwriters' over-allotment option:

	<u>Fee Per Share</u>	<u>Total Fees</u>	
		<u>Without Exercise of Over-Allotment Option</u>	<u>With Full Exercise of Over- Allotment Option</u>
Discounts and commissions paid by us	\$30.00	\$6,000,000	\$6,600,000

In addition, we estimate that our share of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately \$0.4 million.

We have agreed to indemnify the underwriters against some specified types of liabilities, including liabilities under the Securities Act, and to contribute to payments the underwriters may be required to make in respect of any of these liabilities.

Certain of our executive officers have agreed not to offer, sell, contract to sell or otherwise dispose of, or enter into any transaction that is designed to, or could be expected to, result in the disposition of any shares of our capital stock or other securities convertible into or exchangeable or exercisable for shares of our capital stock or derivatives of our capital stock owned by these persons prior to this offering or capital stock issuable upon exercise of options held by these persons for a period of 90 days after the date of this prospectus supplement without the prior written consent of Deutsche Bank Securities Inc., subject to extension in specified circumstances. This consent may be given at any time without public notice. Subject to certain limitations, these restrictions do not apply to:

- dispositions of shares of our capital stock pursuant to a written plan for trading securities that is designed to satisfy the requirements of Rule 10b5-1 under the Securities Exchange Act and is existing on the date of this prospectus supplement;
- the entering into of a written plan for trading securities that is designed to satisfy the requirements of Rule 10b5-1 under the Securities Exchange Act, provided that no shares of capital stock may be sold thereunder until more than 90 days after the date of this prospectus supplement; or
- transfers or dispositions can be made during the lock-up period in the case of gifts or for estate planning purposes where the transferee or donee signs a lock-up agreement.

There are no agreements between the representatives and any of our stockholders or affiliates releasing them from these lock-up agreements prior to the expiration of the lock-up period.

We have entered into a similar agreement with the representatives of the underwriters except that without such consent we may grant options or issue shares pursuant to our equity incentive plans, and we may issue shares of our capital stock in exchange for all or substantially all of the equity or assets of a company in connection with a merger or acquisition.

In connection with this offering, the underwriters may purchase and sell shares of our preferred stock in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares of preferred stock from us in this offering. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or by purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Naked short sales are any sales in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if underwriters are concerned that there may be downward pressure on the price of the shares in the open market prior to the completion of this offering. Stabilizing transactions consist of various bids for or purchases of our preferred stock made by the underwriters in the open market prior to the completion of this offering. The underwriters may impose a penalty bid. This occurs when a particular underwriter repays to the other underwriters a portion of the underwriting discount received by it because the representatives of the underwriters have repurchased shares sold by or for the account of that underwriter in stabilizing or short covering transactions. Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of our preferred stock. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our preferred stock. As a result, the price of our preferred stock may be higher than the

price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise.

A prospectus in electronic format may be made available on Internet websites maintained by one or more of the representatives of the underwriters of this offering and may be made available on websites maintained by other underwriters. Other than the prospectus in electronic format, the information on any underwriter's website and any information contained in any other website maintained by any underwriter is not part of this prospectus.

In the ordinary course of their businesses, certain of the underwriters and their affiliates have provided, or may in the future provide, investment banking and other financial services to us or our subsidiaries, including the provision of financial advice and the extension of credit. Such underwriters and their affiliates have received, and would in the future receive, customary fees and commissions for their services. Affiliates of each of the underwriters are agents and/or lenders under our 2005 revolving credit facility, a portion of which will be repaid with proceeds from this offering.

Because we anticipate that the underwriters or their affiliates will receive more than 10% of the net proceeds of this offering in connection with our application of the net proceeds, this offering is being conducted in accordance with Rules 2710(h)(1) and 2720(c) of the Conduct Rules of the NASD Manual.

LEGAL MATTERS

The validity of the preferred stock will be passed upon for us by Preston Wigner, the General Counsel of the company. Certain legal matters will be passed upon for the underwriters by Cahill Gordon & Reindel LLP, New York, NY.

EXPERTS

Our consolidated financial statements appearing in our annual report on Form 10-K for the year ended March 31, 2005, and our management's assessment of the effectiveness of internal control over financial reporting as of March 31, 2005, included therein, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in its reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and management's assessment are incorporated herein by reference in reliance upon such reports given on authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement incorporates documents by reference that are not presented in or delivered with this prospectus supplement. You should rely only on the information contained in this prospectus supplement, the attached prospectus and the documents that we have incorporated by reference into this prospectus supplement and the attached prospectus. We have not authorized anyone to provide you with information that is different from or in addition to the information contained herein and incorporated by reference into this prospectus supplement.

We file annual, quarterly and current reports, proxy statements and other information with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). You may read and copy any reports, statements or other information on file at the SEC's public reference room located at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC filings are also available to the public from commercial document retrieval services and at the Internet website maintained by the SEC at <http://www.sec.gov>.

We incorporate information into this prospectus supplement by reference, which means that we disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement, except to the extent superseded by information contained herein or by information contained in documents filed with or furnished to the SEC after the date of this prospectus supplement. This prospectus supplement incorporates by reference the documents set forth below that have been previously filed with the SEC. These documents contain important information about us and our financial condition. We incorporate by reference the following documents:

- our annual report on Form 10-K (including the portions of our proxy statement for our 2005 annual meeting of shareholders incorporated by reference therein) for the fiscal year ended March 31, 2005;
- our quarterly reports on Form 10-Q for the quarters ended June 30, 2005, September 30, 2005, and December 31, 2005;
- our current reports on Form 8-K that were filed on May 13, 2005, May 25, 2005 (with respect to Item 8.01 only), May 31, 2005, June 1, 2005, June 9, 2005, August 2, 2005, August 8, 2005 (with respect to Item 8.01 only), October 17, 2005, October 25, 2005, November 8, 2005 (with respect to Item 8.01 only), November 16, 2005, December 16, 2005 (on which date we filed two current reports on Form 8-K, both of which are incorporated herein), February 8, 2006, March 14, 2006, and March 16, 2006; and
- the description of our common stock and associated preferred share purchase rights contained in our registration statement on Form 8-A, filed December 29, 1998, Amendment No. 1 to the Form 8-A, filed May 7, 1999, and our registration statement on Form S-3, dated February 25, 1993.

We also incorporate by reference into this prospectus supplement additional documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus supplement to the end of the offering of the preferred stock. These documents may include annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as proxy statements.

You may obtain copies of any of these filings through Universal as described below, through the SEC or through the SEC's Internet website as described above. Documents incorporated by reference are available to you and all beneficial owners without charge, excluding all exhibits unless an exhibit has been specifically incorporated by reference into this prospectus supplement, by requesting them in writing, by telephone or via the Internet at:

Universal Corporation
1501 North Hamilton Street
Richmond, Virginia 23230
Attn: Corporate Secretary
(804) 359-9311
www.universalscorp.com

The information contained on our website does not constitute a part of this prospectus supplement.

PROSPECTUS



Universal Corporation

Universal Corporation

Debt Securities
Preferred Stock
Common Stock
Warrants
Stock Purchase Contracts
Units

We may offer and sell from time to time in one or more offerings any combination of the securities listed above. We will provide the specific terms for securities to be offered in one or more supplements to this prospectus. The prospectus supplement may also add, update, or change information contained in this prospectus. You should read this prospectus and any prospectus supplement carefully before you invest. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

We may offer and sell these securities directly to purchasers or through one or more underwriters, dealers, and agents, on a continuous or delayed basis.

Our common stock is listed on the New York Stock Exchange under the symbol "UVV."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 1, 2005

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a “shelf” registration process. Under this shelf process, we may offer and sell from time to time any combination of the securities described in this prospectus in one or more offerings. This prospectus only provides you with a general description of the company and the securities we may offer. Each time we offer and sell securities, we will provide a supplement to this prospectus that contains specific information about the terms of the securities. The supplement may also add, update, or change information contained in this prospectus. You should read this prospectus and any applicable prospectus supplement together with the additional information described under the heading “Where You Can Find More Information.”

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Securities Exchange Act of 1934, and we file annual, quarterly, and current reports, proxy statements, and other information with the Securities and Exchange Commission. You may read and copy any document that we file at the SEC’s public reference room facility located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at www.sec.gov that contains reports, proxy, and information statements and other information regarding issuers, including us, that file documents with the SEC electronically through the SEC’s electronic data gathering, analysis, and retrieval system known as EDGAR.

Our common stock is listed on the New York Stock Exchange under the symbol “UVV.” Our reports, proxy statements, and other information may also be reviewed at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement filed by us with the SEC. Because the rules and regulations of the SEC allow us to omit certain portions of the registration statement from this prospectus, this prospectus does not contain all the information set forth in the registration statement. You may review the registration statement and the exhibits filed with the registration statement for further information regarding us and the securities being sold by this prospectus and the applicable prospectus supplement. The registration statement and its exhibits may be inspected at the public reference facilities of the SEC at the addresses set forth above.

We also maintain an internet site at www.universalcorp.com, which contains information relating to us and our business.

INCORPORATION OF INFORMATION THAT WE FILE WITH THE SEC

This prospectus incorporates by reference important business and financial information that we file with the Securities and Exchange Commission and that we are not including in or delivering with this prospectus. As the SEC allows, incorporated documents are considered part of this prospectus, and we can disclose important information to you by referring you to those documents.

We incorporate by reference the documents listed below, which have been filed with the SEC:

- our annual report on Form 10-K for the fiscal year ended March 31, 2005;
- our quarterly reports on Form 10-Q for the periods ended June 30, 2005, and September 30, 2005;
- our current reports on Form 8-K filed on May 13, 2005, May 25, 2005 (with respect to Item 8.01 only), May 31, 2005, June 1, 2005, June 9, 2005, August 2, 2005, August 8, 2005 (with respect to Item 8.01 only), October 17, 2005, October 25, 2005, November 8, 2005 (with respect to Item 8.01 only), and November 16, 2005; and
- the description of our common stock and associated preferred share purchase rights contained in our registration statement on Form 8-A, filed December 29, 1998, Amendment No. 1 to the Form 8-A, filed May 7, 1999, and our Registration Statement on Form S-3, dated February 25, 1993.

We also incorporate by reference all documents filed with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and prior to the completion or termination of this offering. Information in this prospectus supersedes related information in the documents listed above, and information in subsequently filed documents supersedes related information in both this prospectus and the incorporated documents.

We will promptly provide, without charge to you, upon written or oral request, a copy of any or all of the documents incorporated by reference in this prospectus, other than exhibits to those documents, unless the exhibits are specifically incorporated by reference in those documents. Requests should be directed to:

Corporate Secretary
Universal Corporation
1501 North Hamilton Street
Richmond, Virginia 23230
Telephone: (804) 359-9311

You should rely only on the information incorporated by reference or provided in this prospectus or any supplement relating to the offered securities. No one else is authorized to provide you with different information. You should not assume that the information in this prospectus or any supplement is accurate as of any date other than the date on the front of those documents because our business, financial condition and results of operations may have changed since that date.

USE OF PROCEEDS

We intend to use the net proceeds from the sales of the offered securities as set forth in the applicable prospectus supplement.

DESCRIPTION OF DEBT SECURITIES

General

We may issue senior debt securities. The senior debt securities will not be secured by any of our property or assets. As a result, holders of our debt securities will be unsecured creditors. The senior debt securities will constitute part of our senior debt, will be issued under an indenture described below, and will rank equally with all of our other unsecured and unsubordinated debt.

The indenture does not limit our ability to incur additional senior indebtedness.

When we use the terms “debt security” or “debt securities” in this description, we mean the senior debt securities being offered by this prospectus and the applicable prospectus supplement.

General Subordination

Because our assets consist principally of interests in the subsidiaries through which we conduct our businesses, our cash flow and our consequent ability to service our debt, including the debt securities, are largely dependent upon the cash flow and earnings of our subsidiaries, including dividends we receive from some of those subsidiaries. Since we also guarantee some of the obligations of our subsidiaries, any liability we may incur for our subsidiaries’ obligations could reduce the assets that are available to satisfy claims of our direct creditors, including investors in the debt securities. Additionally, our right to participate as an equity holder in any distribution of assets of any of our subsidiaries upon the subsidiary’s liquidation or otherwise, and thus the ability of our security holders to benefit from the distribution, is junior to creditors of the subsidiary, except to the extent that any claims we may have as a creditor of the subsidiary are recognized.

Indenture and Trustee

Federal law requires that our debt securities be governed by a document called an indenture. The indenture is a contract between us and JPMorgan Chase Bank, N.A., which acts as trustee.

The trustee has two main roles:

- The trustee can enforce the rights of holders against us if we default on our obligations under the terms of the indenture or debt securities. There are some limitations on the extent to which the trustee acts on holders’ behalf, as described under “—Default and Related Matters— Events of Default” below; and
- The trustee performs administrative duties for us, such as sending interest payments to holders, transferring holders’ debt securities to a new buyer if they sell and sending notices to holders.

The indenture and its associated documents contain the full legal text of the matters described in this section. The indenture and the debt securities are governed by the laws of the State of New York. A copy of the form of indenture appears as an exhibit to the registration statement of which this prospectus is a part. See “Where You Can Find More Information” for information on how to obtain copies.

Different Series of Debt Securities

General

We may issue more than one distinct series of debt securities under the indenture. This section summarizes the material terms of the debt securities that are common to all series, although the prospectus supplement that describes the terms of each series of debt securities will also describe any differences with the material terms summarized here.

Because this section is a summary, it does not describe every aspect of the debt securities. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including definitions of some of the terms used in the indenture. We describe the meaning for only the more important terms. Whenever

we refer to the defined terms of the indenture in this prospectus or in the prospectus supplement, those defined terms are incorporated by reference here or in the prospectus supplement. Prospective investors must look to the indenture for the most complete description of what we describe in summary form in this prospectus.

This summary also is subject to and qualified by reference to the description of the particular terms of the series described in the prospectus supplement. Those terms may vary from the terms described in this prospectus. There may also be a further prospectus supplement, known as a pricing supplement, which contains the precise terms of debt securities that we offer.

Tax Treatment

The prospectus supplement relating to specific debt securities will describe any special considerations and any additional material tax considerations applicable to such specific debt securities. We may issue debt securities as original issue discount securities, which are securities that are offered and sold at a substantial discount to their stated principal amount. The prospectus supplement relating to original issue discount securities will describe federal income tax consequences and other special considerations applicable to them. The debt securities may also be issued as indexed securities or securities denominated in foreign currencies or currency units, which may trigger special federal income tax, accounting and other consequences, all as described in more detail in the prospectus supplement relating to any of the particular debt securities.

Specific Terms of a Series

The specific financial, legal, and other terms particular to a series of debt securities will be described in the prospectus supplement and the pricing supplement relating to the series. The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

- the title of the series of debt securities;
- the aggregate principal amount of the series of debt securities and any limit on it;
- the person to whom interest on a debt security is payable, if that person is not a holder on the regular record date;
- the date or dates on which the series of debt securities will mature;
- the rate or rates, which may be fixed or variable, per annum at which the series of debt securities will bear interest, if any, and the date or dates from which that interest, if any, will accrue;
- the place or places where the principal of (and premium, if any) and interest on the debt securities is payable;
- the dates on which interest, if any, on the series of debt securities will be payable and the regular record dates for the interest payment dates;
- any mandatory or optional sinking funds or analogous provisions or provisions for redemption at our option or the option of the holder;
- the date, if any, on or after which and the price or prices at which the series of debt securities, in accordance with any optional or mandatory redemption provisions, may be redeemed and the other detailed terms and provisions of those optional or mandatory redemption provisions, if any;
- if the debt securities may be converted into or exercised or exchanged for our common stock or preferred stock or any other of our securities or for other property, the terms on which conversion, exercise, or exchange may occur, including whether conversion, exercise, or exchange is mandatory, at the option of the holder, or at our option; the date on or the period during which conversion, exercise, or exchange may occur; the initial conversion, exercise, or exchange price or rate; and the circumstances or manner in which the amount of common stock or preferred stock or other securities or property issuable upon conversion, exercise, or exchange may be adjusted;

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- whether the debt securities are subject to mandatory or optional remarketing or other mandatory or optional resale provisions, and, if applicable, the date or period during which such resale may occur, any conditions to such resale, and any right of a holder to substitute securities for the securities subject to resale;
 - if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which the series of debt securities will be issuable;
 - if other than the principal amount thereof, the portion of the principal amount of the series of debt securities that will be payable upon the declaration of acceleration of the maturity of such series of debt securities;
 - the currency or currencies of payment of principal, premium, if any, and interest on the series of debt securities and any special considerations relating to that currency or those currencies;
 - if the currency of payment for principal, premium, if any, and interest on the series of debt securities is subject to our or a holder's election, the currency or currencies in which payment can be made and the period within which, and the terms and conditions upon which, the election can be made;
 - any index, formula, or other method used to determine the amount of payment of principal or premium, if any, and interest on the series of debt securities;
 - if the principal amount payable at the stated maturity of the series of debt securities will not be determinable as of any one or more dates prior to the stated maturity, the amount that will be deemed to be the principal amount of that series as of any such date for any purpose or the method of determining that amount;
 - the applicability of the provisions described under “—Restrictive Covenants” and “—Defeasance” below;
 - any event of default under the series of debt securities if different from those described under “—Default and Related Matters—Events of Default” below;
 - if the series of debt securities will be issuable only in the form of a global security, as described under “—Legal Ownership—Global Securities” below, the depositary or its nominee with respect to the series of debt securities and the circumstances under which the global security may be registered for transfer or exchange in the name of a person other than the depositary or its nominee;
 - any proposed listing of the series of debt securities on any securities exchange; and
 - any other special feature of the series of debt securities.

Legal Ownership

Street Name and Other Indirect Holders

Some investors will hold debt securities in accounts at banks or brokers (in “street name”) rather than holding them directly. Investors who hold their debt securities in street name will generally not be recognized by us as legal holders of debt securities. In this case, we would recognize only the bank or broker, or the financial institution that the bank or broker uses to hold its debt securities, as the legal holder of the debt securities. These intermediary banks, brokers, and other financial institutions pass along principal, interest, and other payments on the debt securities, either because they agree to do so in their customer agreements or because they are legally required to do so. If an investor holds debt securities in street name, the investor is responsible for checking with his or her own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- how it would handle voting if ever required;

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- whether and how the investor can instruct it to send him or her debt securities registered in the investor's own name so he or she can be a direct holder as described below; and
 - how it would pursue rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders

Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to persons or entities who are the direct holders of debt securities (those who are registered as holders of debt securities). As noted above, we do not have obligations to an investor if he or she holds in street name or through other indirect means, either because the investor chooses to hold debt securities in that manner or because the debt securities are issued in the form of global securities as described below. For example, after we make payment to the registered holder, we have no further responsibility for the payment even if that registered holder is legally required to pass the payment along to the investor as a street name holder but does not do so.

Global Securities

General. A global security is a special type of indirectly held security, as described under “—Street Name and Other Indirect Holders” above. If we choose to issue debt securities in the form of global securities, the ultimate beneficial owners can only be indirect holders. In this situation, we would require that the global security be registered in the name of a financial institution that we select and that the debt securities included in the global security not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the global security is called the depository.

Any person wishing to own a debt security included in the global security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depository. The prospectus supplement will indicate whether an investor's series of debt securities will be issued only in the form of global securities.

Special Investor Considerations for Global Securities. As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depository, as well as general laws relating to securities transfers. We do not recognize this type of investor as a registered holder of debt securities and instead deal only with the depository that holds the global security.

Investors in debt securities that are issued only in the form of global securities should be aware of the following limitations:

- an investor cannot get debt securities registered in his or her own name;
- an investor cannot receive physical certificates for his or her interest in the debt securities;
- an investor will be a street name holder and must look to his or her own bank or broker for payments on the debt securities and protection of his or her legal rights relating to the debt securities (see “—Street Name and Other Indirect Holders” above);
- an investor may not be able to sell interests in the debt securities to some insurance companies and other institutions that are required by law to own their securities in the form of physical certificates;
- the depository's policies will govern payments, transfers, exchange, and other matters relating to an investor's interest in the global security. We and the trustee have no responsibility for any aspect of the depository's actions or for its records of ownership interests in the global security. We and the trustee also do not supervise the depository in any way; and

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- the depositary will require that interests in a global security be purchased or sold within its system using same-day funds for settlement.

Special Situations When a Global Security Will Be Terminated. In a few special situations described below, the global security will terminate and interests in it will be exchanged for physical certificates representing debt securities. After that exchange, the choice of whether to hold debt securities directly or in street name will be up to the individual investor. The investor must consult his or her own bank or broker to find out how to have the investor's interests in debt securities transferred to his or her own name, so that the investor will be a direct holder.

The special situations for termination of a global security are:

- when the depositary notifies us that it is unwilling, unable, or no longer qualified to continue as depositary;
- when we notify the trustee that we wish to terminate the global security; or
- when an event of default on the debt securities has occurred and has not been cured (see “—Default and Related Matters” below).

The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of debt securities covered by the prospectus supplement. When a global security terminates, the depositary (and not we or the trustee) is responsible for deciding the names of the institutions that will be the initial direct holders.

Additional Mechanics

Form, Exchange, and Transfer of our Debt Securities

The debt securities will be issued only in fully registered form, without interest coupons and, unless otherwise indicated in the prospectus supplement, in denominations that are even multiples of \$1,000. A direct holder may have his or her debt securities broken into, or “exchanged” for, more debt securities of smaller denominations or combined into fewer debt securities of larger denominations, as long as the total principal amount is not changed.

A direct holder may exchange or transfer debt securities at the office of the trustee. The trustee acts as our agent for registering debt securities in the names of holders and transferring debt securities. We may change this appointment to another entity or perform the service ourselves. The entity performing the role of maintaining the list of registered direct holders is called the security registrar. It will also register transfers of the debt securities.

A direct holder will not be required to pay a service charge to transfer or exchange debt securities, but may be required to pay for any tax or other governmental charge associated with the exchange or transfer. The transfer or exchange will only be made if the security registrar is satisfied with the holder's proof of ownership.

If we designate additional transfer agents, they will be named in the prospectus supplement. We may cancel the designation of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If the debt securities are redeemable and we redeem less than all of the debt securities of a particular series, we may block the transfer or exchange of debt securities during the period beginning 15 days before the selection of securities for redemption and ending on the earliest date of notice of such redemption, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of debt securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security being partially redeemed.

Payment and Paying Agents

We will pay interest to a direct holder if he or she is a direct holder listed in the trustee's records at the close of business on the regular record date, even if the holder no longer owns the debt security on the interest due date. The regular record date is usually about two weeks in advance of the interest due date and is stated in the prospectus supplement.

We will pay interest, principal, and any other money due on the debt securities at the corporate trust office of the trustee. That office is currently located at 4 New York Plaza, New York, New York 10004. A direct holder must make arrangements to have his or her payments picked up at or wired from that office. We may also choose to pay interest by mailing checks.

A street name holder or other indirect holder should consult his or her bank or broker for information on how the holder will receive payments.

We may also arrange for additional payment offices, known as paying agents, and may cancel or change these offices, including our use of the trustee's corporate trust office. We may also choose to act as our own paying agent. We will notify holders of changes in the paying agents for any particular series of debt securities.

Notices

We and the trustee will send notices regarding the debt securities only to direct holders, using their addresses as listed in the trustee's records.

Regardless of who acts as paying agent, all money paid by us to a paying agent that remains unclaimed at the end of two years after the amount is due to direct holders will be repaid to us. After that two-year period, a holder may look only to us for payment (less any amount we may be obligated to pay to the Commonwealth of Virginia under state law) and not to the trustee, any other paying agent, or anyone else.

Special Situations

Mergers and Similar Events

We are generally permitted to consolidate or merge with another company or entity. We are also permitted to sell or lease substantially all of our assets to another entity, or to buy or lease substantially all of the assets of another entity. However, we may not take any of these actions unless the following conditions (among others) are met:

- Where we merge out of existence or sell or lease substantially all our assets, the other entity may not be organized under a foreign country's laws; that is, it must be a corporation, partnership, or trust organized under the laws of a State of the United States or the District of Columbia or under federal law, and it must agree to be legally responsible for the debt securities.
- The merger, sale of assets, or other transaction must not cause a default on the debt securities, and we must not already be in default, unless the merger or other transaction would cure the default. For purposes of this no-default test, a default would include an event of default that has occurred and not been cured. A default for this purpose would also include any event that would be an event of default if the requirements for giving us notice of our default or our default having to exist for a specific period of time were disregarded.
- It is possible that the merger, sale of assets, or other transaction would cause some of our property to become subject to a mortgage or other legal mechanism giving lenders preferential rights in that property over other lenders, including the direct holders of the debt securities, or over our general creditors if we fail to pay them back. We have promised in our indenture to limit these preferential rights on the voting stock of any designated subsidiaries, called liens, as discussed under "—Restrictive Covenants" below. If a merger or other transaction would create any liens on the voting stock of our

designated subsidiaries, we must comply with that restrictive covenant. We would comply either by deciding that the liens were permitted or by following the requirements of the restrictive covenant to grant an equivalent or higher-ranking lien on the same voting stock to the direct holders of the debt securities.

Modification and Waiver

As described below, there are four types of changes that we can make to the indenture and the debt securities issued under it.

Changes Requiring Approval of Holders. The first type of changes cannot be made to a holder's debt securities without his or her specific approval. These changes include:

- changing the payment due date of the principal or interest on a debt security;
- reducing any amounts due on a debt security;
- reducing the amount of principal payable upon acceleration of the maturity of a debt security (including the amount payable on an original issue discount security) following a default;
- changing the currency of payment on a debt security;
- changing our obligations to maintain an office or agency in the places and for the purposes required by the indenture;
- impairing the holder's right to sue for payment of any amount due on his or her debt security;
- impairing any right that the holder may have to exchange or convert the debt security for or into securities or other property;
- reducing the percentage of direct holders of debt securities whose consent is needed to modify or amend the indenture;
- reducing the percentage of direct holders of debt securities whose consent is needed to waive our compliance with certain provisions of the indenture or to waive certain defaults; and
- modifying any other aspect of the provisions dealing with modification and waiver of the indenture.

Changes Requiring a Majority Vote. The second type of change to the indenture and the debt securities requires a vote in favor by direct holders of debt securities owning a majority of the principal amount of each series affected thereby. Most changes, including waivers, as described below, fall into this category, except for changes noted above as requiring the approval of the holders of each security affected thereby, and, as noted below, changes not requiring approval.

The indenture provides that a supplemental indenture that changes or eliminates any covenant or other provision of the indenture that has expressly been included solely for the benefit of one or more particular series of securities, or that modifies the rights of the holders of securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under the indenture of the holders of securities of any other series.

The third type of change requires a vote by direct holders of debt securities owning a majority of the principal amount of the particular series affected to obtain a waiver of certain of the restrictive covenants, including the one described under “—Restrictive Covenants” below. We also need such a majority vote to obtain a waiver of any past default, except a payment default listed in the first category described under “—Default and Related Matters—Events of Default” below.

Changes Not Requiring Approval. The fourth type of change does not require any vote by holders of debt securities. This type is limited to clarifications and certain other changes referenced in our indenture that would not adversely affect holders of the debt securities.

Further Details Concerning Voting. When taking a vote, we will use the following rules to decide how much principal amount to attribute to a debt security:

- for original issue discount securities, we will use the principal amount that would be due and payable on the voting date if the maturity of the debt securities were accelerated to that date because of a default;
- for debt securities whose principal amount is not known (for example, because it is based on an index), we will use a special rule for that debt security described in the prospectus supplement; or
- for debt securities denominated in one or more foreign currencies or currency units, we will use the U.S. dollar equivalent determined as of the date of the original issuance of the debt security.

Debt securities will not be considered outstanding, and therefore will not be eligible to vote, if we have deposited or set aside in trust for a holder money for their payment or redemption. Debt securities will also not be eligible to vote if they have been fully defeased as described under “—Defeasance—Full Defeasance” below.

We will generally be entitled to set any day as a record date for the purpose of determining the direct holders of outstanding debt securities that are entitled to vote or take other action under the indenture. In some circumstances, the trustee will be entitled to set a record date for action by direct holders. If we or the trustee set a record date for a vote or other action to be taken by holders of a particular series, that vote or action may be taken only by persons who are direct holders of outstanding securities of that series on the record date and must be taken within 90 days following the record date.

A street name holder or other indirect holder should consult his or her bank or broker for information on how the holder may grant or deny approval if we seek to change the indenture or the debt securities or request a waiver.

Restrictive Covenants

We have made certain promises in the indenture called “covenants” where, among other things, we promise to maintain our corporate existence and all licenses and material permits necessary for our business. The indenture also contains the following restrictions:

Restriction on Liens

In the indenture, we promise, with respect to each series of debt securities, that we will not (nor will we permit our most important operating subsidiaries, including Universal Leaf Tobacco Company, Incorporated, to) create or allow any mortgage, lien, or encumbrance of any kind upon any of the capital stock or certain important property of these subsidiaries, unless we have concurrently secured all outstanding debt securities issued under the indenture equally and ratably with the obligations that we have secured by those mortgages, liens, or encumbrances. There are, however, some exceptions to this restriction that are fully set forth in the indenture and that apply, among other things, to the following:

- some pre-existing liens;
- liens between our subsidiaries;
- liens incurred to enable certain acquisitions;
- construction, improvement, or repairs on property;
- some liens on assets in favor of federal, state, or foreign governmental entities;
- some statutory or court ordered liens;
- some tax liens;
- some liens securing obligations incurred in the ordinary course of business for sums not yet due; and
- liens created to refinance or extend obligations secured by any of the liens described above.

Restrictions on Sale and Leaseback Transactions

In the indenture, we also promise, with respect to each series of debt securities, that we will not (nor will we permit our most important operating subsidiaries, including Universal Leaf Tobacco Company, Incorporated to) sell or transfer certain important property more than 120 days after such property is put into full operation, and to thereafter lease back that property for a term of more than three years to use for substantially the same purpose as the property being sold or transferred. There are, however, some exceptions to this restriction that are fully set forth in the indenture and that apply, among other things, to the following:

- some inter-company sale and leaseback transactions;
- situations where a lien would be permitted under the provisions of “—Restrictions on Liens” above in an amount equal to the value of such sale and leaseback transaction; and
- sale and leaseback transactions, where within 180 days, we or the subsidiary applies an amount equal to the greater of the fair value of the property or the actual proceeds from the sale of such property towards the purchase or acquisition of additional assets by one of the important subsidiaries or to the voluntary retirement of certain company or subsidiary debt.

Defeasance

The following discussion of full defeasance and covenant defeasance will apply to a series of debt securities only if we choose to have them apply to that series. If we do so choose, we will state that in the prospectus supplement.

Full Defeasance

If there is a change in federal tax law, as described below, we can legally release ourselves from any payment or other obligations on the debt securities. In that event (a called full defeasance), we must put in place the following arrangements for a holder to be repaid:

- we must deposit in trust for a holder's benefit and the benefit of all other direct holders of the debt securities a combination of money and U.S. government or U.S. government agency notes, or bonds that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates;
- there must be a change in current federal tax law or a U.S. Internal Revenue Service ruling that lets us make the above deposit without causing the holder to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves. (Under current federal tax law, the deposit and our legal release from the debt securities would be treated as though we took back the holder's debt securities and gave the holder his or her share of the cash and notes or bonds deposited in trust. In that event, the holder could recognize gain or loss on the debt securities that he or she gives back to us.); and
- we must deliver to the trustee a legal opinion of our counsel confirming the tax law change described above.

If we did accomplish full defeasance, as described above, the holder would have to rely solely on the trust deposit for repayment on the debt securities. A holder could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever become bankrupt or insolvent.

Covenant Defeasance

Under current federal tax law, we can make the same type of deposit described above and be released from some of the restrictive covenants in the debt securities without causing tax consequences to the holder. In that

event (called covenant defeasance), the holder would lose the protection of those restrictive covenants but would gain the protection of having money and securities set aside in trust to repay the debt securities. In order to achieve covenant defeasance, we must do the following:

- we must deposit in trust for the holder's benefit and the benefit of all other direct holders of the debt securities a combination of money and U.S. government or U.S. government agency notes or bonds that will generate enough cash to make interest, principal and any other payments on the debt securities on their various due dates; and
- we must deliver to the trustee a legal opinion of our counsel confirming that under then current federal income tax law we may make the above deposit without causing the holder to be taxed on the debt securities any differently than if we did not make the deposit and just repaid the debt securities ourselves.

If we accomplish covenant defeasance, the following provisions, among others, of the indenture and the debt securities would no longer apply:

- our promises regarding conduct of our business previously described under “– Restrictive Covenants” above, and any other covenants applicable to the series of debt securities and described in the prospectus supplement;
- the condition regarding the treatment of liens when we merge or engage in similar transactions, as described under “– Special Situations – Mergers and Similar Events” above; and
- the events of default relating to breach of covenants, described under “– Default and Related Matters – Events of Default” below.

If we accomplish covenant defeasance, a holder could still look to us for repayment of the debt securities if there were a shortfall in the trust deposit. If one of the remaining events of default occurs, such as our bankruptcy, and the debt securities become immediately due and payable, there may be a shortfall in the trust deposit. Depending on the event causing the default, the holder may not be able to obtain payment of the shortfall.

Default and Related Matters

The debt securities are not secured by any of our property or assets. As a result, a holder of debt securities will be one of our unsecured creditors. The debt securities are not subordinated to any of our debt obligations and therefore they rank equally with all of our other unsecured and unsubordinated indebtedness.

Events of Default

A holder will have special rights if an event of default occurs and is not cured, as described below. The term “event of default” means any of the following:

- we do not pay the principal or any premium on a debt security on its due date;
- we do not pay interest on a debt security within 30 days of its due date;
- we do not deposit money into a separate custodial account, known as a sinking fund, when such deposit is due, if we agree to maintain any such sinking fund;
- we remain in breach of the restrictive covenant described under “– Restrictive Covenants” above or any other term of the indenture for 60 days after we receive a notice of default stating that we are in breach. The notice must be sent by either the trustee or direct holders of at least 10% of the principal amount of debt securities of the affected series;
- we file for bankruptcy or certain other events of bankruptcy, insolvency, or reorganization occur; or
- any other event of default described in the prospectus supplement occurs.

If an event of default has occurred and has not been cured, the trustee or the direct holders of 25% in principal amount of the debt securities of the affected series may declare the entire principal amount (or, in the case of original issue discount securities, the portion of the principal amount that is specified in the terms of the affected debt security) of all the debt securities of that series to be due and immediately payable. Until a judgment for payment has been obtained, the direct holders of at least a majority in principal amount of the debt securities of the affected series may cancel such acceleration of maturity.

Investors should refer to the prospectus supplement relating to any series of debt securities that are original issue discount securities for the particular provisions relating to acceleration of the maturity of a portion of the principal amount of original issue discount securities upon the occurrence of an event of default and its continuation.

Subject to its duties in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the indenture at the request of any holders unless the direct holders offer the trustee reasonable protection from expenses and liability, called an indemnity. Subject to the provisions of the indenture, if reasonable indemnity is provided, the direct holders of a majority in principal amount of the outstanding debt securities of the relevant series may direct the time, method, and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee.

Before a direct holder bypasses the trustee and brings his or her own lawsuit or other formal legal action or take other steps to enforce the holder's rights or protect his or her interests relating to the debt securities, the following must occur:

- the holder must give the trustee written notice that an event of default has occurred and remains uncured or unwaived;
- the direct holders of 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default, and must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action;
- the trustee must have not taken action for 60 days after receipt of the above notice and offer of indemnity; and
- during those 60 days, the trustee must have not received from direct holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with the written notice.

A holder, however, is entitled at any time to bring a lawsuit for the payment of money due on his or her debt security on or after its due date.

A street name holder or other indirect holder should consult his or her bank or broker for information on how to give notice or direction to or make a request of the trustee and to make or cancel a declaration of acceleration.

We will furnish to the trustee every year a written statement of certain of our officers certifying that to their knowledge we are in compliance with the indenture and the debt securities issued under it, or else specifying any default.

DESCRIPTION OF PREFERRED STOCK

General

We may issue shares of preferred stock in one or more series. The description of the financial and other specific terms of a series of preferred stock will be in the prospectus supplement accompanying this prospectus. The specific terms of a series of preferred stock as described in a prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If there are differences between a prospectus supplement and this prospectus, the prospectus supplement will control.

Any reference to a series of preferred stock means all of the shares of preferred stock issued as part of the same series under a certificate of designation filed as part of our articles of incorporation.

Authorization

We are authorized to issue 75,000 shares of 8% Cumulative Preferred Stock, \$100 par value, and 5,000,000 shares of Additional Preferred Stock, without par value. Under our articles of incorporation, the board of directors, without shareholder approval, is authorized to issue shares of Additional Preferred Stock in one or more series. The creation and issuance of any series of preferred stock and the relative rights and preferences of any such series will be determined in the judgment of the board of directors. Factors that the board of directors would consider include our capital needs and then existing market conditions.

On November 30, 2005, there were no shares of preferred stock issued and outstanding.

The holders of 8% Cumulative Preferred Stock are entitled to receive out of any surplus or net profits cumulative dividends thereon at the rate of 8% per annum, payable semi-annually in preference and priority to the payment of any dividend to the holders of Additional Preferred Stock or Common Stock. Any unpaid dividends to which holders of 8% Cumulative Preferred Stock are entitled shall cumulate and bear interest at the rate of 6% per annum until paid. The holders of 8% Cumulative Preferred Stock are not entitled to vote on any matter to be voted on by the shareholders, unless there is a default in the payment of dividends upon such stock for four six-month dividend periods. Until such cumulated dividends and interest thereon have been paid in full and dividends for two additional six-month dividend periods have been timely paid, the holders of 8% Cumulative Preferred Stock have exclusive voting power at all meetings of the shareholders. In the event of our liquidation, dissolution or distribution of the assets, whether voluntary or involuntary, the holders of 8% Cumulative Preferred Stock are entitled to receive the par value of the shares held by them, together with all cumulated dividends thereon, with interest, out of our surplus assets before any payment is made to the holders of Additional Preferred Stock or common stock.

We do not intend to issue any shares of 8% Cumulative Preferred Stock in the future.

The board of directors has authorized and reserved 500,000 shares of Series A Junior Participating Preferred Stock, without par value, for issuance upon the exercise of the preferred share purchase rights described under "Description of Common Stock—Preferred Share Purchase Rights" below.

General Terms of a Series

Our board of directors will fix the terms of the series of preferred stock that it designates by resolution adopted as may be permitted by the Virginia Stock Corporation Act before we issue any shares of the series of preferred stock.

The prospectus supplement relating to the particular series of preferred stock will contain a description of the specific terms of that series as fixed by our board of directors, including, as applicable:

- the offering price at which we will issue the preferred stock;

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- the title, designation of number of shares, and stated value of the preferred stock;
 - the dividend rate or method of calculation, the payment dates for dividends and the place or places where the dividends will be paid, whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate;
 - any conversion or exchange rights for shares of any other class or classes of stock or of any other series of the same or any other class or classes of stock;
 - whether the preferred stock will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;
 - any liquidation rights;
 - any sinking fund provisions;
 - any voting rights; and
 - any other rights, preferences, privileges, limitations, and restrictions that are not inconsistent with the terms of our articles of incorporation.

When we issue and receive payment for shares of preferred stock, the shares will be fully paid and nonassessable, which means that its holders will have paid their purchase price in full and that we may not ask them to surrender additional funds. Holders of preferred stock will not have any preemptive or subscription rights to acquire more of our stock. Unless otherwise specified in the prospectus supplement relating to a particular series of preferred stock, each series of preferred stock will rank on a parity in all respects with each other series of preferred stock and prior to our common stock as to dividends and any distribution of our assets.

The rights of holders of the preferred stock offered may be adversely affected by the rights of holders of any shares of preferred stock that may be issued in the future. Our board of directors may cause shares of preferred stock to be issued in public or private transactions for any proper corporate purposes and may include issuances to obtain additional financing in connection with acquisitions. Our board of directors' ability to issue shares of preferred stock may discourage attempts by others to acquire control of us without negotiation with our board of directors, as it may make it difficult for a person to acquire us without negotiating with our board of directors.

Dividends

Holders of each series of preferred stock will be entitled to receive dividends when, as, and if declared by our board of directors from funds legally available for payment of dividends. The rates and dates of payment of dividends will be set forth in the applicable prospectus supplement relating to each series of preferred stock. Dividends will be payable to holders of record of preferred stock as they appear on our books on the record dates fixed by the board of directors. Dividends on any series of preferred stock may be cumulative or noncumulative, as set forth in the applicable prospectus supplement.

We may not declare, pay, or set apart funds for payment of dividends on a particular series of preferred stock unless full dividends on any other series of preferred stock that ranks equally with or senior to the series of preferred stock have been paid or sufficient funds have been set apart for payment for either of the following:

- all prior dividend periods of the other series of preferred stock that pay dividends on a cumulative basis; or
- the immediately preceding dividend period of the other series of preferred stock that pay dividends on a noncumulative basis.

Partial dividends declared on shares of any series of preferred stock and other series of preferred stock ranking on an equal basis as to dividends will be declared pro rata. A pro rata declaration means that the ratio of dividends declared per share to accrued dividends per share will be the same for each series of preferred stock.

Voting Rights

The holders of shares of preferred stock will have no voting rights, except:

- as otherwise stated in the applicable prospectus supplement;
- as otherwise stated in the certificate of designation establishing the series; or
- as required by applicable law.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding-up, holders of each series of our preferred stock will have the right to receive distributions upon liquidation in the amount described in the applicable prospectus supplement relating to each series of preferred stock, plus an amount equal to any accrued and unpaid dividends. These distributions will be made before any distribution is made on the common stock or on any securities ranking junior to the preferred stock upon liquidation, dissolution, or winding-up.

If the liquidation amounts payable relating to the preferred stock of any series and any other securities ranking on a parity regarding liquidation rights are not paid in full, the holders of the preferred stock of that series and the other securities will have the right to a ratable portion of our available assets, up to the full liquidation preference of each security. Holders of these series of preferred stock or other securities will not be entitled to any other amounts from us after they have received their full liquidation preference.

Redemption

If so specified in the applicable prospectus supplement, a series of preferred stock may be redeemable at any time, in whole or in part, at our option or the holder's, and may be mandatorily redeemed.

Any restriction on the repurchase or redemption by us of our preferred stock while we are in arrears in the payment of dividends will be described in the applicable prospectus supplement.

Unless we default in the payment of the redemption price, dividends will cease to accrue after the redemption date on shares of preferred stock called for redemption and all rights of holders of these shares will terminate except for the right to receive the redemption price.

Conversion or Exchange Rights

The prospectus supplement relating to any series of preferred stock that is convertible, exercisable, or exchangeable will state the terms on which shares of that series are convertible into or exercisable or exchangeable for shares of common stock, another series of our preferred stock, or any other securities registered pursuant to the registration statement of which this prospectus is a part.

DESCRIPTION OF COMMON STOCK

General

We may issue shares of our common stock. The following description briefly summarizes our common stock. This description may not be complete and is qualified in its entirety by reference to applicable provisions of Virginia law and our articles of incorporation and bylaws. Our articles of incorporation and bylaws are on file with the Securities and Exchange Commission and are exhibits to the registration statement of which this prospectus is a part. See "Where You Can Find More Information" for information on how to obtain copies.

Authorized Common Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, without par value. On November 30, 2005, there were 25,715,109 shares of common stock issued and outstanding.

Terms

The holders of common stock are entitled to one vote for each share on all matters voted on by shareholders, including elections of directors. Except as otherwise required by law or provided in any resolution adopted by the board of directors with respect to any series of preferred stock, the holders of common stock possess all voting power. Our articles of incorporation do not provide for cumulative voting in the election of directors. Subject to any preferential rights of any outstanding series of preferred stock created by the board of directors from time to time, the holders of common stock are entitled to such dividends as may be declared from time to time by the board of directors from funds available for dividends. Upon our liquidation, holders of our common stock are entitled to receive pro rata all of our assets available for distribution to such holders.

Preemptive Rights

No holder of any share of common stock or preferred stock has any preemptive right to subscribe to any of our securities.

Preferred Share Purchase Rights

Each outstanding share of common stock has associated with it one Preferred Share Purchase Right. Each Right entitles the registered holder to purchase from us one two-hundredth of a share of Series A Junior Participating Preferred Stock at an exercise price of \$110, subject to adjustment. The description and terms of the Rights are set forth in a Rights Agreement, dated as of December 3, 1998, between us and Wachovia Bank, N.A. as Rights Agent, as amended by the First Amendment to the Rights Agreement, dated as of April 23, 1999, between us, Wachovia and Norwest Bank Minnesota, N.A., as successor Rights Agent. The following summary of certain terms of the Preferred Share Purchase Rights is qualified in its entirety by reference to the current Rights Agreement, as amended, which is on file with the Securities and Exchange Commission.

The Rights will become exercisable only if a person or group of affiliated or associated persons has acquired beneficial ownership of, or has announced a tender offer for, 15% or more of the outstanding shares of our common stock. Under certain circumstances, the board of directors may reduce this threshold percentage to not less than 10%. If a person or group of affiliated or associated persons has acquired beneficial ownership of, or has announced a tender offer for, the threshold percentage, each Right will entitle the registered holder, other than such person or group, to buy, at the then current exercise price of the Right, shares of common stock or Series A Junior Participating Preferred Stock having a market value equal to twice the exercise price of the Right. If we are acquired in a merger or other business combination, each Right will entitle the registered holder, other than such person or group, to purchase, at the then current exercise price of the Right, securities of the surviving company having a market value equal to twice the exercise price of the Right. The Rights will expire on February 13, 2009, and we may redeem or exchange them at any time before they become exercisable.

Until the Rights become exercisable, they are evidenced by the common stock certificates and are transferred only with such certificates.

Certain Provisions of Our Articles of Incorporation and Bylaws

Our articles of incorporation and bylaws contain provisions that may have the effect of delaying or preventing a change in control of us. Our articles of incorporation and bylaws provide:

- for division of the board of directors into three classes, with one class elected each year to serve a three-year term;
- that directors may be removed only for cause and only upon the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote;
- that a vacancy on the board shall be filled by the remaining directors; and
- that the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote is required to amend, alter, change, or repeal the foregoing provisions.

Our bylaws require advance notification for a shareholder to bring business before a shareholders' meeting or to nominate a person for election as a director. Our bylaws provide that, subject to the rights of holders of any series of preferred stock, special meetings of shareholders may be called only by the Chairman of the Board, the President or a majority of the total number of directors that the board of directors would have if there were no vacancies. Special meetings of the shareholders may not be called by the shareholders. The business permitted to be conducted at any special meeting of shareholders is limited to the business brought before the meeting by or at the direction of the board of directors.

Our articles of incorporation also contain an "affiliated transaction provision." The affiliated transaction provision provides that, in the event that holders of common stock are entitled to vote on certain transactions, a supermajority of at least 80% of all the votes that the holders of common stock are entitled to cast shall be required for the approval of such transactions. Such supermajority approval would be required for:

- a merger or consolidation involving any "Interested Shareholder" (as defined below), at the record date for determining shareholders entitled to vote; and
- a sale, lease, or exchange of substantially all of our assets or property to or with an Interested Shareholder, or for the approval of a sale, lease, or exchange of substantially all of the assets or property of an Interested Shareholder to or with us.

For the purpose of the affiliated transaction provision, an "Interested Shareholder" means any person or entity who directly or indirectly owns or controls 10% or more of our voting power. In addition, our articles of incorporation provides that the same 80% vote shall be required for the approval of certain transactions including a reclassification of securities, recapitalization, or other transaction designed to decrease the number of holders of common stock after any person or entity has become an Interested Shareholder. However, the supermajority approval requirement does not apply to any transaction that is approved by the board of directors prior to the time that the Interested Shareholder becomes an Interested Shareholder.

The shares of common stock and preferred stock authorized by our articles of incorporation provide the board of directors with as much flexibility as possible in using such shares for corporate purposes. However, these additional shares may also be used by the board of directors to deter future attempts to gain control of us. The board of directors has sole authority to determine the terms of any series of the preferred stock, including voting rights, conversion rates, and liquidation preferences. As a result of the ability to fix voting rights for a series of preferred stock, the board of directors has the power to issue a series of preferred stock to persons friendly to management. Such an issuance could be used by the board of directors in an attempt to block a post-tender offer merger or other transaction by which a third party seeks a change in control of us.

The foregoing provisions of our articles of incorporation and bylaws are intended to prevent inequitable shareholder treatment in a two-tier takeover. These provisions are also intended to reduce the possibility that a third party could effect a sudden or surprise change in majority control of the board of directors without the support of the incumbent board of directors, even if such a change were desired by or would be beneficial to a majority of our shareholders. As a result, such provisions may have the effect of discouraging certain unsolicited offers for our capital stock.

DESCRIPTION OF WARRANTS

General

We may issue warrants to purchase debt securities, preferred stock, common stock, or any combination of these securities. We may issue the warrants independently or together with any underlying securities, and the warrants may be attached or separate from the underlying securities. We may also issue a series of warrants under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants.

The description of the specific terms of warrants, whether issued in a series or not, will be in a prospectus supplement accompanying this prospectus. The specific terms of the warrants as described in a prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If there are differences between a prospectus supplement and this prospectus, the prospectus supplement will control.

This summary also is subject to and qualified in its entirety by reference to all the provisions of any specific warrant document or agreement, which we will file with the SEC as an exhibit to a current report on Form 8-K. See "Where You Can Find More Information" below for information on how to obtain a copy of a warrant document when it is filed.

When we refer to a series of warrants, we mean all warrants issued as part of the same series under the applicable warrant agreement.

Terms

The applicable prospectus supplement may describe the terms of any warrants that we may offer, including the following:

- the title of the warrants;
- the total number of warrants;
- the price or prices at which the warrants will be issued;
- the currency or currencies that investors may use to pay for the warrants;
- the designation and terms of the underlying securities purchasable upon exercise of the warrants;
- the price at which and the currency or currencies, including composite currencies, in which investors may purchase the underlying securities purchasable upon exercise of the warrants;
- the date on which the right to exercise the warrants will commence and the date on which the right will expire;
- whether the warrants will be issued in registered form or bearer form;
- information with respect to book-entry procedures, if any;
- if applicable, the minimum or maximum amount of warrants that may be exercised at any one time;
- if applicable, the designation and terms of the underlying securities with which the warrants are issued and the number of warrants issued with each underlying security;
- if applicable, the date on and after which the warrants and the related underlying securities will be separately transferable;
- if applicable, a discussion of material United States federal income tax considerations;
- the identity of the warrant agent, if any;

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- the procedures and conditions relating to the exercise of the warrants; and
 - any other terms of the warrants, including terms, procedures, and limitations relating to the exchange and exercise of the warrants.

Warrant Agreements

We may issue the warrants in one or more series under one or more warrant agreements, each to be entered into between us and a bank, trust company, or other financial institution as warrant agent. We may add, replace, or terminate warrant agents from time to time. We may also choose to act as our own warrant agent or may choose one of our subsidiaries to do so.

We will not qualify any warrant agreement as an indenture, and no warrant agent will be required to qualify as a trustee, under the Trust Indenture Act. As a result, holders of warrants issued under a warrant agreement will not have the protection of the Trust Indenture Act with respect to their warrants.

The warrant agent under a warrant agreement will act solely as our agent in connection with the warrants issued under that agreement. The warrant agent will not assume any obligation or relationship of agency or trust for or with any holders of those warrants. Any holder of warrants may, without the consent of any other person, enforce by appropriate legal action, on its own behalf, its right to exercise those warrants in accordance with their terms. Until the warrant is properly exercised, no holder of any warrant will be entitled to any rights of a holder of the warrant property purchasable upon exercise of the warrant.

Form, Exchange, and Transfer

We may issue the warrants in registered form or bearer form. Warrants issued in registered form, *i.e.*, book-entry, will be represented by a global security registered in the name of a depository, which will be the holder of all the warrants represented by the global security. Those investors who own beneficial interests in a global warrant will do so through participants in the depository's system, and the rights of these indirect owners will be governed solely by the applicable procedures of the depository and its participants. In addition, we may issue warrants in non-global form, *i.e.*, bearer form. If any warrants are issued in non-global form, warrant certificates may be exchanged for new warrant certificates of different denominations, and holders may exchange, transfer, or exercise their warrants at the warrant agent's office or any other office indicated in the applicable prospectus supplement.

Prior to the exercise of their warrants, holders of warrants exercisable for debt securities will not have any of the rights of holders of the debt securities purchasable upon such exercise and will not be entitled to payments of principal (or premium, if any) or interest, if any, on the debt securities purchasable upon such exercise. Prior to the exercise of their warrants, holders of warrants exercisable for shares of preferred stock or common stock will not have any rights of holders of the preferred stock or common stock purchasable upon such exercise and will not be entitled to dividend payments, if any, or voting rights of the preferred stock or common stock purchasable upon such exercise.

Exercise and Redemption of Warrants

A warrant will entitle the holder to purchase for cash an amount of securities at an exercise price that will be stated in, or that will be determinable as described in, the applicable prospectus supplement. Warrants may be exercised at any time up to the close of business on the expiration date set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void. Warrants may be redeemed as set forth in the applicable prospectus supplement.

Warrants may be exercised as set forth in the applicable prospectus supplement. Upon receipt of payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent

or any other office indicated in the prospectus supplement, we will forward, as soon as practicable, the securities purchasable upon such exercise. If less than all of the warrants represented by such warrant certificate are exercised, a new warrant certificate will be issued for the remaining warrants.

We may redeem your warrant before it is exercised unless the applicable prospectus supplement specifies otherwise. The prospectus supplement will specify one or more redemption prices. It may also specify one or more redemption periods during which the redemption prices relating to the redemption of warrants during those periods will apply. The warrant will be redeemable at our option at any time on or after a date specified in the prospectus supplement or at any other specified time or times. If we redeem the warrant, we will do so at the specified redemption price. If different prices are specified for different redemption periods, the price that we pay will be the price that applies to the redemption period during which the warrant is redeemed.

DESCRIPTION OF STOCK PURCHASE CONTRACTS

We may issue stock purchase contracts. Stock purchase contracts represent contracts obligating holders to purchase from or sell to us, and obligating us to sell to or purchase from the holders, a specified or variable number of shares of our common stock or preferred stock, as applicable, at a future date or dates. The price per share of common stock or preferred stock, as applicable, may be fixed at the time that the stock purchase contracts are issued or may be determined by reference to a specific formula contained in the stock purchase contracts. Any such formula may include anti-dilution provisions to adjust the number of shares of common stock or preferred stock issuable pursuant to the stock purchase contracts upon certain events. We may issue stock purchase contracts in distinct series.

The applicable prospectus supplement will describe the terms of any stock purchase contracts. The following description and any description of stock purchase contracts in the applicable prospectus supplement is subject to and is qualified in its entirety by reference to the stock purchase contract agreement and, if applicable, collateral arrangements and depository arrangements relating to such stock purchase contracts. We will file these documents with the SEC as an exhibit to a current report on Form 8-K. See "Where You Can Find More Information" below for information on how to obtain a copy of a document when it is filed.

We may issue stock purchase contracts separately or as part of units, which we describe below. Units may consist of a stock purchase contract and beneficial interests in other securities described in this prospectus or of third parties, securing the holders' obligations to purchase from or sell shares to us under the stock purchase contracts. These other securities may consist of our debt securities, preferred stock or common stock, trust preferred securities, or debt obligations of third parties, including U.S. treasury securities.

The stock purchase contracts may require us to make periodic payments to the holders of the stock purchase contracts or vice versa, and these payments may be unsecured or prefunded on some basis. The stock purchase contracts may require holders to secure their obligations under those contracts in a specified manner and in certain circumstances we may deliver newly issued prepaid stock purchase contracts upon release to a holder of any collateral securing such holder's obligations under the original stock purchase contract.

The applicable prospectus supplement may contain, where applicable, the following information about the stock purchase contracts issued under it:

- whether the stock purchase contracts obligate the holder to purchase or sell, or both purchase and sell, our common stock or preferred stock, as applicable, and the nature and amount of each of those securities, or the method of determining those amounts;
- whether the stock purchase contracts are to be prepaid or not;
- whether the stock purchase contracts are to be settled by delivery, or by reference or linkage to the value, performance, or outstanding amount of our common stock or preferred stock;

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- any acceleration, cancellation, termination, or other provisions relating to the settlement of the stock purchase contracts;
 - whether the stock purchase contracts will be issued in fully registered or global form; and
 - any other terms of the stock purchase contracts.

DESCRIPTION OF UNITS

General

We may issue units composed of any combination of our debt securities, preferred stock, common stock, warrants, and stock purchase contracts. We will issue each unit so that the holder of the unit is also the holder of each security included in the unit. As a result, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately, at any time or at any time before a specified date.

We will describe the financial and other specific terms of specific units in the prospectus supplement accompanying this prospectus. The following description and any description of units in the applicable prospectus supplement is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depository arrangements relating to such units. We will file these documents with the SEC as an exhibit to a current report on Form 8-K. See "Where You Can Find More Information" below for information on how to obtain a copy of a document when it is filed.

The applicable prospectus supplement may describe:

- the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer, or exchange of the units or of the securities composing the units; and
- whether the units will be issued in fully registered or global form.

The applicable provisions described in this section, as well as those described under "Description of Debt Securities," "Description of Preferred Stock," "Description of Common Stock," "Description of Warrants" and "Description of Stock Purchase Contracts," will apply to each unit and to each security included in each unit, respectively.

PLAN OF DISTRIBUTION

We may offer the securities in this prospectus from time to time as follows:

- to or through underwriters or dealers;
- directly to other purchasers;
- through designated agents; or
- through a combination of any of these methods.

Any underwriter or agent involved in the offer and sale of the securities will be named in the applicable prospectus supplement.

In some cases, we may also repurchase the securities and reoffer them to the public by one or more of the methods described above. This prospectus and the applicable prospectus supplement may be used in connection with any offering of securities through any of these methods or other methods described in the applicable prospectus supplement. This prospectus and applicable prospectus supplement may also be used by us and our

affiliates in connection with offers and sales relating to the initial sale of the securities and any market making transactions in the securities. These transactions may be executed at negotiated prices that are related to prevailing market prices at the time of sale, or at other prices. We and our affiliates may act as principal or agent in these transactions.

The securities (including securities issued or to be issued by us or securities borrowed from third parties in connection with arrangements under which we agree to issue securities to underwriters or their affiliates on a delayed or contingent basis) that we distributed by any of these methods may be sold to the public, in one or more transactions, either:

- at a fixed price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to prevailing market prices; or
- at negotiated prices.

We may enter into derivative transactions with third parties, or sell securities not covered by this prospectus to third parties in privately negotiated transactions. If the applicable prospectus supplement indicates, in connection with those derivatives, the third parties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, the third parties may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivatives to close out any related open borrowings of stock. The third parties in such sale transactions will be underwriters and, if not identified in this prospectus, will be identified in the applicable prospectus supplement (or a post-effective amendment).

We or one of our affiliates may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus or otherwise.

We may solicit, or may authorize underwriters, dealers, or agents to solicit, offers to purchase securities directly from the public from time to time, including pursuant to contracts that provide for payment and delivery on future dates. We may also designate agents from time to time to solicit offers to purchase securities from the public on our behalf. The prospectus supplement relating to any particular offering of securities will name any agents designated to solicit offers, and will include information about any commissions that we may pay the agents and will describe the material terms of any such delayed delivery arrangements, in that offering. Agents may be deemed to be "underwriters" as that term is defined in the Securities Act.

In connection with the sale of securities, underwriters may receive compensation from us or from purchasers of the securities, for whom they may act as agents, in the form of discounts, concessions, or commissions. Underwriters may sell the securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions, or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers, and agents that participate in the distribution of the securities may be deemed to be underwriters, and any discounts or commissions that they receive from us, and any profit on the resale of the securities that they realize may be deemed to be underwriting discounts and commissions under the Securities Act. Any such underwriter, dealer, or agent will be identified, and any such compensation received will be described, in the applicable prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the securities will be a new issue with no established trading market, other than the common stock. Any common stock sold pursuant to a prospectus supplement will be listed on the NYSE, subject to official notice of issuance. We may elect to list any of the other securities on an exchange, but are not obligated to do so. If we sell a security offered by this prospectus to an underwriter for public offering or sale, the underwriter may make a market for that security, but the

underwriter will not be obligated to do so and may discontinue any market making at any time without notice. Therefore, we cannot give any assurances to you concerning the liquidity of any security offered by this prospectus.

If dealers are utilized in the sale of the securities, we will sell the securities to the dealers as principals. The dealers may then resell the securities to the public at varying prices to be determined by such dealers at the time of resale. The names of the dealers and the terms of the transaction will be set forth in the applicable prospectus supplement.

We may enter into agreements with underwriters, dealers, and agents who participate in the distribution of the securities that may entitle these persons to indemnification by us against certain liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that such underwriters, dealers, or agents may be required to make. Any agreement in which we agree to indemnify underwriters, dealers, and agents against civil liabilities will be described in the applicable prospectus supplement.

In connection with an offering, the underwriters may purchase and sell securities in the open market. These transactions may include short sales, stabilizing transactions, and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of securities than they are required to purchase in an offering. Stabilizing transactions consist of certain bids or purchases of the offered securities or any underlying securities made for the purpose of preventing or retarding a decline in the market price of the securities while an offering is in progress.

These activities by the underwriters may stabilize, maintain, or otherwise affect the market price of the securities. As a result, the price of the securities may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected on an exchange or automated quotation system, if the securities are listed on that exchange or admitted for trading on that automated quotation system, or in the over-the-counter market or otherwise.

EXPERTS

Our consolidated financial statements appearing in our Annual Report on Form 10-K for the year ended March 31, 2005, and our management's assessment of the effectiveness of internal control over financial reporting as of March 31, 2005, included therein, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in its reports thereon, included therein, and incorporated herein by reference.

Such consolidated financial statements and management's assessment are incorporated herein in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

Unless otherwise specified in the applicable prospectus supplement, Williams Mullen, Richmond, Virginia, our counsel, will pass upon the validity of the securities to be issued by us through this prospectus. Attorneys employed by the firm beneficially owned an aggregate of approximately 2,280 shares of our common stock as of November 30, 2005.

