

UNIVERSAL CORP /VA/
Form 10-Q
November 05, 2010

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 001-00652

UNIVERSAL CORPORATION
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction of
incorporation or organization)

54-0414210
(I.R.S. Employer
Identification Number)

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

23235
(Zip Code)

804-359-9311
(Registrant's telephone number, including area code)

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

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

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

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

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

As of November 1, 2010, the total number of shares of common stock outstanding was 23,793,065.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

UNIVERSAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

(In thousands of dollars, except per share data)

	Three Months Ended		Six Months Ended	
	September 30, 2010	2009	September 30, 2010	2009
	(Unaudited)		(Unaudited)	
Sales and other operating revenues	\$ 664,188	\$ 647,918	\$ 1,203,104	\$ 1,264,030
Costs and expenses				
Cost of goods sold	530,914	500,575	967,593	977,323
Selling, general and administrative expenses	51,649	71,478	111,832	141,070
Restructuring costs	2,020	—	2,969	—
Operating income	79,605	75,865	120,710	145,637
Equity in pretax earnings of unconsolidated affiliates	2,014	5,605	2,392	9,246
Interest income	1,416	231	1,860	796
Interest expense	5,862	6,694	10,988	14,849
Income before income taxes and other items	77,173	75,007	113,974	140,830
Income taxes	23,390	20,335	35,773	42,354
Net income	53,783	54,672	78,201	98,476
Less: net (income) loss attributable to noncontrolling interests in subsidiaries	(1,952)	(2,157)	(1,050)	(2,216)
Net income attributable to Universal Corporation	51,831	52,515	77,151	96,260
Dividends on Universal Corporation convertible perpetual preferred stock	(3,713)	(3,713)	(7,425)	(7,425)
Earnings available to Universal Corporation common shareholders	\$ 48,118	\$ 48,802	\$ 69,726	\$ 88,835
Earnings per share attributable to Universal Corporation common shareholders:				
Basic	\$ 2.00	\$ 1.97	\$ 2.89	\$ 3.57
Diluted	\$ 1.78	\$ 1.77	\$ 2.65	\$ 3.23
Retained earnings - beginning of year			\$ 767,213	\$ 686,960
Net income attributable to Universal Corporation			77,151	96,260
Cash dividends declared:				
Series B 6.75% Convertible Perpetual Preferred Stock			(7,425)	(7,425)
Common stock (2010 - \$0.94 per share; 2009 - \$0.92 per share)			(22,583)	(22,821)
Dividend equivalents on restricted stock units			(202)	(179)
Repurchase of common stock - cost in excess of stated capital amount			(15,885)	(8,873)
Retained earnings - end of period			\$ 798,269	