

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON DECEMBER 15, 1995
REGISTRATION NO. 33-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933
UNIVERSAL CORPORATION
(Exact name of registrant as specified in its charter)

COMMONWEALTH OF VIRGINIA
(State or other jurisdiction
of incorporation or organization)

54-0414210
(I.R.S. employer
identification number)

1501 NORTH HAMILTON STREET
RICHMOND, VIRGINIA 23230
(804) 359-9311
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

JAMES M. WHITE, III
SECRETARY AND GENERAL COUNSEL
UNIVERSAL CORPORATION
1501 NORTH HAMILTON STREET
RICHMOND, VIRGINIA 23230
(804) 359-9311
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

COPIES TO:

CRAIG H. WEBER
MCGUIRE, WOODS, BATTLE & BOOTHE, L.L.P
ONE JAMES CENTER, 901 EAST CARY STREET
RICHMOND, VIRGINIA 23219

ROBERT H. CRAFT, JR.
SULLIVAN & CROMWELL
1701 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20006

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:

From time to time after the effective date of this registration statement.

If the only securities being registered on this form are to be offered on a
delayed or continuous basis pursuant to dividend or interest reinvestment plans,
please check the following box. ()

If any of the securities being registered on this form are to be offered on
a delayed or continuous basis pursuant to Rule 415 under the Securities Act of
1933, other than securities offered only in connection with dividend or interest
reinvestment plans, check the following box. (X)

If this Form is filed to registered additional securities for an offering
pursuant to Rule 462(b) under the Security Act, please check the following box
and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering. ()

If this Form is a post-effective amendment filed pursuant to Rule 462(c)
under the Securities Act, check the following box and list the Securities Act
registration statement number of the earlier effective registration statement
for the same offering. ()

If delivery of the prospectus is expected to be made pursuant to Rule 434,
please check the following box. ()

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER UNIT(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Debt Securities.....	\$200,000,000(2)	100%(3)	\$200,000,000(3)	\$68,966

(1) Estimated solely for purposes of calculating the registration fee.

(2) Such amount represents the issue price rather than the principal amount of
any Debt Securities issued at an original issue discount. Any offering of
Debt Securities denominated other than in U.S. dollars will be treated as
the equivalent in U.S. dollars based on the official exchange rate

applicable to the purchase of Debt Securities from the registrant.

(3) Plus accrued interest, if any.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A) MAY DETERMINE.

SUBJECT TO COMPLETION, DATED DECEMBER 15, 1995

\$200,000,000

[UNIVERSAL CORPORATION LOGO]

DEBT SECURITIES

Universal Corporation (the "Company") may offer, from time to time, its debt securities consisting of debentures, notes and/or other evidences of indebtedness (the "Debt Securities"), at an aggregate issue price not to exceed \$200,000,000 (or the equivalent in foreign denominated currencies or units of two or more currencies, based on the applicable exchange rate at the time of offering, as shall be designated by the Company at the time of offering). The Debt Securities may be offered as separate series, and may be offered in amounts, at prices and on terms to be determined at the time of the offering. Each issue of Debt Securities may vary, where applicable, as to aggregate principal amount, maturity date, public offering or purchase price, interest rate or rates and timing of payments thereof, provision for redemption or sinking fund requirements, if any, currencies of denomination or currencies otherwise applicable thereto and any other variable terms and methods of distribution. The specific terms with regard to the Debt Securities in respect of which this Prospectus is being delivered are set forth in one or more accompanying Prospectus Supplements (each a "Prospectus Supplement").

The Debt Securities will be unsecured and will rank equally with all other unsecured and unsubordinated indebtedness of the Company.

The Debt Securities may be issued in registered form ("Registered Securities") or bearer form with coupons attached ("Bearer Securities"), or both. In addition, all or a portion of the Debt Securities of a series may be issuable in temporary or permanent global form. Bearer Debt Securities, Debt Securities represented by a permanent global Debt Security exchangeable for Bearer Debt Securities and Debt Securities initially represented by a temporary global Debt Security described under "Description of Debt Securities -- Temporary Global Securities" (collectively, "Euro-Securities") are offered only to Non-United States persons and to offices of certain United States financial institutions located outside the United States and its possessions. See "Limitations on Issuance of Euro-Securities." For a discussion of certain United States federal income tax consequences to Holders of Debt Securities, see "United States Taxation."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE

SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES

COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS

PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS

A CRIMINAL OFFENSE.

The Debt Securities may be sold directly by the Company, or indirectly through agents designated from time to time or through underwriters or dealers, or through a combination of such methods. See "Plan of Distribution." If any agents of the Company or any underwriters or dealers are involved in the sale of the Debt Securities, the names of such agents, underwriters or dealers and any applicable commissions or discounts will also be set forth in the Prospectus Supplement. The net proceeds to the Company from such sale will be set forth in the Prospectus Supplement.

THE DATE OF THIS PROSPECTUS IS DECEMBER , 1995.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the public reference room of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following regional offices of the Commission: Seven World Trade Center, Suite 1300, New York, New York 10048, and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of such material can be obtained by mail from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. The Company's Common Stock is listed on the New York Stock Exchange, and such reports, proxy statements and other information concerning the Company may be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

This Prospectus does not contain all the information set forth in the registration statement to which this Prospectus relates (the "Registration Statement") and the exhibits thereto which the Company has filed with the Commission under the Securities Act of 1933, as amended (the "Securities Act"), and to which reference is hereby made.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission (File No. 1-652) are incorporated herein by reference:

1. The Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1995;
2. The Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995; and
3. The Company's Current Report on Form 8-K bearing a cover date of July 11, 1995.

All documents subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of the Debt Securities shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the respective dates of filing of such documents.

Any statement contained herein or in a document all or any portion of which is incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Registration Statement or this Prospectus.

The Company will provide without charge to any person to whom this Prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the foregoing documents incorporated herein by reference (other than certain exhibits to such documents). Requests for such copies should be directed to Karen M. L. Whelan, Vice President and Treasurer, Universal Corporation, 1501 North Hamilton Street, Richmond, Virginia 23230, telephone number (804) 359-9311.

THE COMPANY

The Company, through its subsidiaries, is the world's largest independent leaf tobacco merchant and has additional operations in agri-products and lumber and building products. The Company's tobacco operations have been the principal focus of the Company since its founding in 1918, and for the fiscal year ended June 30, 1995, such operations accounted for 70% of revenues and 75% of operating profits. The Company's agri-products and lumber and building products operations accounted for 14% and 16% of revenues and 9% and 16% of operating profits, respectively, during the same period.

The Company was incorporated under the laws of the Commonwealth of Virginia in 1918. The Company's principal executive offices are located at 1501 North Hamilton Street, Richmond, Virginia 23230, telephone (804) 359-9311.

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RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth the ratio of earnings to fixed charges for the periods indicated. For purposes of calculating the ratio, earnings consist of the sum of (i) pretax income from continuing consolidated operations and unconsolidated affiliates, excluding the effects of discontinued operations, extraordinary items and the cumulative effect of accounting changes and (ii) fixed charges. Fixed charges consist of interest costs for the Company and its

unconsolidated affiliates and the amortization of debt discounts.

	THREE MONTHS ENDED			YEAR ENDED JUNE 30,			
	SEPTEMBER 30, 1995	1994	1995	1994	1993	1992	1991
Ratio of Earnings to Fixed Charges.....	2.0x	1.4x	1.8x	1.9x	3.1x	2.8x	2.4x

USE OF PROCEEDS

Except as may be set forth in a Prospectus Supplement, the Company intends to use the net proceeds from the sale of the Debt Securities for general corporate purposes, which may include repayment of indebtedness, capital expenditures, possible acquisitions and working capital. Pending such use, the net proceeds may be temporarily invested or applied to the reduction of indebtedness.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities will be issued under an Indenture dated as of February 1, 1991 (the "Indenture") between the Company and Chemical Bank, as Trustee (the "Trustee"). A copy of the Indenture has been filed as an exhibit to the Registration Statement of which this Prospectus is a part. The statements under this caption, as modified or superseded by the applicable Prospectus Supplement, are brief summaries of certain provisions of the Indenture, do not purport to be complete, and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Indenture. Wherever particular Sections or defined terms of the Indenture are referred to, such Sections or defined terms are incorporated herein by reference.

The term "Securities," as used in this Prospectus, refers to all Securities issued under the Indenture and includes the Debt Securities. Unless otherwise indicated, currency amounts in this Prospectus and any Prospectus Supplement are stated in United States dollars ("\$" or "dollars").

The Securities may be issued from time to time in one or more series. The particular terms of each series of Securities offered by a Prospectus Supplement or Prospectus Supplements will be described in such Prospectus Supplement or Prospectus Supplements relating to such series.

The Indenture limits the ability of the Company to incur certain secured indebtedness and to engage in certain sale and leaseback transactions. See "Restrictions on Liens" and "Restrictions on Sale and Leaseback Transactions" below. There is no restriction in the Securities or the Indenture against the incurring of indebtedness by the Company or any subsidiary of the Company. The Debt Securities will be obligations exclusively of the Company. The Company is a holding company, substantially all of whose consolidated assets are held by its subsidiaries. Accordingly, the cash flow of the Company and the consequent ability to service its debt, including the Debt Securities, are largely dependent upon the cash flow and earnings of such subsidiaries.

GENERAL

The Indenture will provide that, in addition to Securities previously issued thereunder, additional Securities may be issued in separate series thereunder without limitation as to aggregate principal amount. The terms of each series of Securities will be established by or pursuant to a resolution of the Board of Directors of the Company and set forth or determined in the manner provided in an Officers' Certificate or by a supplemental indenture. (Section 301)

The applicable Prospectus Supplement or Prospectus Supplements will describe the following terms of the Securities of each series: (1) the title of the Securities; (2) any limit on the aggregate principal amount of the Securities; (3) whether the Securities are to be issuable as Registered Securities or Bearer Securities or both, whether any of the Securities are to be issuable initially in temporary global form and whether any of the Securities are to be issuable in permanent global form; (4) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which the Securities will be

issued; (5) the date or dates on which the Securities will mature; (6) the rate or rates per annum at which the Securities will bear interest, if any, or the formula pursuant to which such rate or rates will be determined, and the date or dates from which any such interest will accrue; (7) the Interest Payment Dates on which any such interest on the Securities will be payable and the Regular Record Date for any interest payable on any Registered Securities on any Interest Payment Date; (8) the Person to whom any Registered Securities of such series will be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on

the Regular Record Date for such interest, the manner in which, or the Person to whom, any interest on any Bearer Security of such series will be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto, and the extent to which, or the manner in which, any interest payable on a temporary global Security on an Interest Payment Date will be paid if other than in the manner described under "Global Securities -- Temporary Global Securities" below and the extent to which, or the manner in which, any interest payable on a permanent global Security on an Interest Payment Date will be paid; (9) each office or agency where, subject to the terms of the Indenture as described below under "Payment and Paying Agents," the principal of and any premium and interest on the Securities will be payable and each office or agency where, subject to the terms of the Indenture as described below under "Form, Exchange, Registration and Transfer," the Securities may be presented for registration of transfer or exchange; (10) the period or periods within which and the price or prices at which the Securities may, pursuant to any optional redemption provisions, be redeemed, in whole or in part, and the other detailed terms and provisions of any such optional redemption provisions; (11) the obligation, if any, of the Company to redeem or purchase the Securities pursuant to any sinking fund or analogous provisions or at the option of the Holder thereof and the period or periods within which and the price or prices at which the Securities will be redeemed or purchased, in whole or in part, pursuant to such obligation, and the other detailed terms and provisions of such obligation; (12) the denominations in which any Registered Securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof, and the denomination or denominations in which Bearer Securities will be issuable, if other than denominations of \$5,000; (13) the currency or currency units of payment of principal of and any premium and interest on the Securities; (14) any index used to determine the amount of payments of principal of and any premium and interest on the Securities; (15) any limitation on the application of the terms of the Indenture described below under "Defeasance and Covenant Defeasance;" and (16) any other terms of the Securities not inconsistent with the provisions of the Indenture. (Section 301) Any such Prospectus Supplement or Prospectus Supplements will also describe any special provisions for the payment of additional amounts relating to specified taxes, assessments or other governmental charges in respect of the Securities of such series and whether the Company has the option to redeem the affected Securities rather than pay such additional amounts.

Securities may be issued as Original Issue Discount Securities. An Original Issue Discount Security is a Security, including any zero-coupon Security, which is issued at a price lower than the amount payable upon the Stated Maturity thereof, and which provides that, upon redemption or acceleration of the Maturity thereof, an amount less than the amount payable upon the Stated Maturity thereof and determined in accordance with the terms of such Security shall become due and payable. Special United States federal income tax considerations applicable to Securities issued at an original issue discount, including Original Issue Discount Securities, and special United States tax considerations applicable to any Securities which are denominated in a currency or currency unit other than United States dollars are described below under "United States Taxation -- United States Holders -- Original Issue Discount."

The Securities of each series will be unsecured and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company. FORM, EXCHANGE, REGISTRATION AND TRANSFER

Securities of a series may be issuable in definitive form solely as Registered Securities, solely as Bearer Securities or as both Registered Securities and Bearer Securities. Unless otherwise indicated in an applicable Prospectus Supplement or Prospectus Supplements, Bearer Securities in definitive form will have interest coupons attached. The Indenture also will provide that Securities of a series may be issuable in temporary or permanent global form. (Section 201) See "Global Securities -- Temporary Global Securities" and "Global Securities -- Permanent Global Securities."

In connection with its sale during the Restricted Period (as defined in Section 1.163-5(c)(2)(i)(D)(7) of the United States Treasury Regulations), no Euro-Security shall be delivered to any location in the United States or its possessions. Except as may otherwise be provided in the applicable Prospectus Supplement, a Euro-Security (not including a Security in temporary global form) may be delivered in connection with its sale during the Restricted Period only if the person entitled to physical delivery of such Euro-Security furnishes written certification, in the form required by the Indenture, to the effect that (i) such Euro-Security is not owned or being acquired by or on behalf of a United States person (as defined under "Limitations on Issuance of Euro-Securities"), (ii) such Euro-Security is owned or being acquired by or on behalf of (A) a United States

person that is a financial institution within the meaning of Section 1.165-12(c)(1)(v) of the United States Treasury Regulations (a "Financial Institution") purchasing for its own account or for resale or (B) a United States person who acquired such Euro-Security through the foreign branch of a United States Financial Institution and who holds such Euro-Security through such Financial Institution on the date of such written certification (and, in either case (A) or (B), the Financial Institution has agreed to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as from time to time amended, and the regulations thereunder), or (iii) such Euro-Security is owned or is being acquired by a Financial Institution for the purpose of resale during the Restricted Period. A Financial Institution described in clause (iii) above, whether or not also described in clause (i) or (ii) above, must certify that it has not acquired the Euro-Security for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions. In the case of a Euro-Security in permanent global form, such certification must be given in connection with the notation of a beneficial owner's interest therein upon original issuance of such Security or upon exchange of a portion of a temporary global Security. (Section 303) See "Global Securities -- Temporary Global Securities" and "Limitations on Issuance of Euro-Securities."

At the option of the Holder, subject to the terms of the Indenture, Registered Securities of any series will be exchangeable for other Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. In addition, if Securities of any series are issuable as both Registered Securities and Bearer Securities, at the option of the Holder, subject to the terms of the Indenture, Bearer Securities (with all unmatured coupons, except as provided below, and with all matured coupons in default) of such series will be exchangeable for Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Bearer Securities surrendered in exchange for Registered Securities between a Regular Record Date or a Special Record Date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest and interest will not be payable in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the terms of the Indenture. Registered Securities, including Registered Securities received in exchange for Bearer Securities, may not be exchanged for Bearer Securities. (Section 305) Each Bearer Security and coupon will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code." (Section 201)

Securities may be presented for exchange as provided above, and Registered Securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed), at the office of the Security Registrar or at the office of any transfer agent designated by the Company for such purpose with respect to any series of Securities and referred to in an applicable Prospectus Supplement or Prospectus Supplements, without a service charge and upon payment of any taxes and other governmental charges as described in the Indenture. Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. The Company has appointed the Trustee as Security Registrar. (Section 305) If a Prospectus Supplement or Prospectus Supplements refer to any transfer agents (in addition to the Security Registrar) initially designated by the Company with respect to any series of Securities, the Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that, if Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a transfer agent in each Place of Payment for such series and, if Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (in addition to the Security Registrar) a transfer agent in a Place of Payment for such series located outside the United States and its possessions. The Company may at any time designate additional transfer agents with respect to any series of Securities. (Section 1002)

In the event of any redemption in part, the Company shall not be required to (i) issue, register the transfer of or exchange any Security during a period beginning at the opening of business 15 days before any selection for redemption of Securities of like tenor and of the series of which such Security is a part, and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all Holders of Securities of like tenor and of such series to be redeemed; (ii) register the transfer of or exchange any Registered Security so selected for redemption, in whole or in part, except the unredeemed portion of any Security being redeemed in part; or (iii) exchange any Bearer Security so selected for redemption, except to

exchange such Bearer Security for a Registered Security of that series and like tenor which is immediately surrendered for redemption. (Section 305)

PAYMENT AND PAYING AGENTS

Unless otherwise indicated in an applicable Prospectus Supplement or Prospectus Supplements, principal of and any premium and interest on Bearer Securities will be payable, subject to any applicable laws and regulations, at the offices of

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such Paying Agents outside the United States and its possessions as the Company may designate from time to time or, at the option of the Holder, by check or by transfer to an account maintained by the payee with a financial institution located outside the United States and its possessions. Unless otherwise indicated in an applicable Prospectus Supplement or Prospectus Supplements, payment of interest on a Bearer Security on any Interest Payment Date will be made only against surrender to the Paying Agent of the coupon relating to such Interest Payment Date. (Section 1001) No payment with respect to any Bearer Security will be made at any office or agency of the Company in the United States or its possessions or by check mailed to any address in the United States or its possessions or by transfer to any account maintained with a financial institution located in the United States or its possessions. Notwithstanding the foregoing, payments of principal of and any premium and interest on Bearer Securities denominated and payable in U.S. dollars will be made at the office of the Paying Agent in the Borough of Manhattan, The City of New York, if (but only if) payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States and its possessions is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 1002)

Unless otherwise indicated in an applicable Prospectus Supplement or Prospectus Supplements, principal of and any premium and interest on Registered Securities will be payable, subject to any applicable laws and regulations, at the office of such Paying Agent or Paying Agents as the Company may designate from time to time, except that at the option of the Company payment of any interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register. Unless otherwise indicated in an applicable Prospectus Supplement or Prospectus Supplements, payment of interest on a Registered Security on any Interest Payment Date will be made to the Person in whose name such Registered Security (or Predecessor Security) is registered at the close of business on the Regular Record Date for such interest. (Section 307)

Unless otherwise indicated in an applicable Prospectus Supplement or Prospectus Supplements, the Corporate Trust Office of the Trustee in The City of New York will be designated as a Paying Agent for the Company for payments with respect to Securities of each series which are issuable solely as Registered Securities and as a Paying Agent for payments with respect to Securities of each series (subject to the limitations described above in the case of Bearer Securities) which are issuable solely as Bearer Securities or as both Registered Securities and Bearer Securities. Any Paying Agents outside the United States and its possessions and any other Paying Agents in the United States or its possessions initially designated by the Company for the Securities of each series will be named in an applicable Prospectus Supplement or Prospectus Supplements. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that if Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a Paying Agent in each Place of Payment for such series and, if Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (i) a Paying Agent in the Borough of Manhattan, The City of New York for payments with respect to any Registered Securities of the series (and for payments with respect to Bearer Securities of the series in the circumstances described above, but not otherwise), and (ii) a Paying Agent in a Place of Payment located outside the United States and its possessions where Securities of such series and any coupons appertaining thereto may be presented and surrendered for payment; provided, however, that if the Securities of such series are listed on The International Stock Exchange of the United Kingdom and the Republic of Ireland, Limited (the "London Stock Exchange"), the Luxembourg Stock Exchange or any other stock exchange located outside the United States and its possessions and such stock exchange shall so require, the Company will maintain a Paying Agent in London, Luxembourg or any other required city located outside the United States and its possessions, as the case may be, for the Securities of such series. (Section 1002)

All moneys paid by the Company to a Paying Agent for the payment of the principal of and any premium or interest on any Security of any series which remain unclaimed at the end of two years after such principal, premium or

interest shall have become due and payable will be repaid to the Company and the Holder of such Security or any coupon appertaining thereto will thereafter look only to the Company for payment thereof. (Section 1003)

GLOBAL SECURITIES

DEPOSITARY GLOBAL SECURITIES

If so specified in an applicable Prospectus Supplement or Prospectus Supplements, the Debt Securities of a series will be issued in book-entry form and will be evidenced by a single permanent global Security (the "Depositary Global Security") which will be deposited with, or on behalf of, the Depositary Trust Company, as Depositary (the "Depositary"), located in the Borough of Manhattan, The City of New York, and will be registered in the name of the Depositary or a nominee of the Depositary.

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The specific terms of the depositary arrangement with respect to a series of Debt Securities evidenced by a Depositary Global Security will be described in the Prospectus Supplement relating to such series. Unless otherwise specified in the applicable Prospectus Supplement, the Company anticipates that the following provisions will apply to depositary arrangements.

Ownership of beneficial interests in a Depositary Global Security will be limited to institutions that have accounts with the Depositary ("participants") or persons that may hold interests through participants. In addition, ownership of beneficial interests in Depositary Global Securities by persons that hold through participants will only be evidenced by, and the transfer of that ownership interest within such participant will be effected only through, records maintained by such participant. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer beneficial interests in a Depositary Global Security.

Upon the issuance of a series of Debt Securities evidenced by a Depositary Global Security, and the deposit of such Depositary Global Security with the Depositary, the Depositary will immediately credit, on its book-entry registration and transfer system, the respective principal amounts of the Debt Securities evidenced by such Depositary Global Security to the accounts of participants. The initial accounts to be credited shall be designated by the Underwriters of such series of Debt Securities.

Payments of principal of and interest on a series of Debt Securities evidenced by a Depositary Global Security will be made by the Company through Chemical Bank, as Paying Agent or such other paying agent named in the Prospectus Supplement, to the Depositary or its nominee, as the case may be, as the registered owner and the Holder of the Depositary Global Security. None of the Company, the Trustee or any agent of the Company or the Trustee will have any responsibility or liability for any aspect of the Depositary's records or any participant's records relating to or payments made on account of Depositary Global Securities or for maintaining, supervising or reviewing any of the Depositary's records or any participant's records relating to such Depositary Global Securities.

The Company expects that the Depositary for a series of Debt Securities evidenced by a Depositary Global Security or its nominee, upon receipt of any payment of principal of or interest in respect of any such Depositary Global Security, will immediately credit, on its book-entry registration and transfer system, accounts of participants with payment in amounts proportionate to their respective beneficial interests in the principal amount of such Depositary Global Security as shown on the records of the Depositary. Payments by participants to owners of beneficial interests in such Depositary Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in "street name," and will be the responsibility of such participants.

The Depositary Global Security evidencing a series of Debt Securities may not be transferred except as a whole by the Depositary for such Depositary Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of the Depositary or a nominee of such successor.

Unless otherwise specified in the applicable Prospectus Supplement, a Depositary Global Security evidencing a series of Debt Securities will be exchangeable for definitive Securities in registered form, of like tenor and of an equal aggregate principal amount, only if (x) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for such Depositary Global Security or if at any time the Depositary ceases to be a clearing agency registered under the Exchange Act, (y) the Company in its sole discretion determines that the Depositary Global Securities shall be

exchangeable for definitive Securities in registered form or (z) any event shall have happened and be continuing which, after notice or lapse of time, or both, would become an Event of Default with respect to the Debt Securities of a series evidenced by a Depositary Global Security. In the event that the Depositary Global Security evidencing a series of Debt Securities is exchangeable pursuant to the preceding sentence, it shall be exchangeable in whole for definitive Securities in registered form, of like tenor and of an equal aggregate principal amount, in denominations of \$1,000 and integral multiples thereof. Such definitive Securities shall be registered in the name or names of such person or persons as the Depositary shall instruct the Security Registrar. It is expected that such instructions may be based upon directions received by the Depositary from its participants with respect to ownership of beneficial interests in the Depositary Global Securities.

Except as provided above or in the applicable Prospectus Supplement, owners of beneficial interests in Depositary Global Securities will not be entitled to receive physical delivery of Securities in definitive form and will not be considered the Holders thereof for any purpose under such Securities or the Indenture, and the Depositary Global Security evidencing a series of Debt Securities will not be exchangeable, except for another Depositary Global Security of like denomination and tenor to be registered in the name of the Depositary or its nominee. Accordingly, each person owning a beneficial interest in a

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Depositary Global Security must rely on the procedures of the Depositary for such Depositary Global Security and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a Holder under such Securities or the Indenture. The Indenture allows the Depositary, as a Holder, to appoint agents and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or an owner of a beneficial interest in a Depositary Global Security desires to give or take any action a Holder is entitled to give or take under such Securities or the Indenture, the Depositary would authorize the participants owning beneficial interests in the relevant Depositary Global Security to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or take such action or would otherwise act upon the instructions of beneficial owners owning through them.

The Depositary has advised the Company that the Depositary is a limited-purpose trust company organized under the laws of the State of New York, 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 under the Exchange Act. The Depositary was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Depositary's participants include securities brokers and dealers (including the Underwriters), banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own interests in the Depositary. Access to the Depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

TEMPORARY GLOBAL SECURITIES

If so specified in an applicable Prospectus Supplement or Prospectus Supplements, all or any portion of the Securities of a series issuable as Bearer Securities will initially be represented by one or more temporary global Securities, without interest coupons, to be deposited with Morgan Guaranty Trust Company of New York, Brussels Office, as the operator of the Euroclear System (the "Euroclear Operator") and CEDEL S.A. ("CEDEL") for credit to the designated accounts. On and after the date determined as provided in any such temporary global Security and described in an applicable Prospectus Supplement or Prospectus Supplements (the "Exchange Date"), each such temporary global Security will be exchanged for definitive Bearer Securities, definitive Registered Securities or all or a portion of a permanent global Security, or any combination thereof, as specified in an applicable Prospectus Supplement or Prospectus Supplements, but, unless otherwise specified in an applicable Prospectus Supplement or Prospectus Supplements, only upon receipt by the Company of written certification in the form and to the effect described above under "Form, Exchange, Registration and Transfer." No Security delivered in exchange for any portion of a temporary global Security shall be delivered to

any location in the United States or its possessions in connection with such exchange. (Section 304)

Unless otherwise specified in an applicable Prospectus Supplement or Prospectus Supplements, interest in respect of any portion of a temporary global Security payable in respect of an Interest Payment Date occurring prior to the issuance of definitive Securities (including a permanent global Security) will be paid to each of the Euroclear Operator and CEDEL with respect to the portion of the temporary global Security held for its account for which it provides certification in the form described in the Indenture. Each of the Euroclear Operator and CEDEL will undertake in such circumstances to credit such interest received by it in respect of a temporary global Security to the respective accounts for which it holds such temporary global Security, and for which it has received written certification that, as of the relevant Interest Payment Date, is in the form and to the effect described above under "Form, Exchange, Registration and Transfer." Receipt of such certification shall be deemed to be a request for an interest in a permanent global Security (unless the account holder requests that such portion be exchanged for a definitive Registered Security or Securities or a definitive Bearer Security or Securities). If an Interest Payment Date occurs prior to the issuance of definitive Securities (including a permanent global Security) but on or after the Exchange Date, written certification in the form and to the effect described above under "Form, Exchange, Registration and Transfer" will also be required to obtain an interest payment, and upon receipt of such certificate the Euroclear Operator or CEDEL, as the case may be, will exchange the portion of the temporary global Security relating to such certification for an interest in a permanent global Security (unless the account holder requests that such portion be exchanged for a definitive Registered Security or Securities or a definitive Bearer Security or Securities).

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PERMANENT GLOBAL SECURITIES

If any Securities of a series are issuable in permanent global form, the applicable Prospectus Supplement or Prospectus Supplements will describe the circumstances, if any, under which beneficial owners of interests in any such permanent global Security may exchange such interests for Securities of such series and of like tenor and principal amount in any authorized form and denomination. No Bearer Security delivered in exchange for any portion of a permanent global Security shall be delivered to any location in the United States or its possessions in connection with such exchange. (Section 305) Principal of and any premium and interest on any permanent global Security will be payable in the manner described in the applicable Prospectus Supplement or Prospectus Supplements.

CERTAIN DEFINITIONS

For purposes of the Indenture covenants described below:

"CONSOLIDATED NET TANGIBLE ASSETS" means shareholders' equity as set forth on the most recent consolidated balance sheet of Universal Leaf and its subsidiaries as prepared in accordance with generally accepted accounting principles less all intangible amounts representing goodwill, trade names, trademarks and patents.

"DEBT" means all indebtedness for money borrowed and capitalized leases and any guarantee of such obligations.

"FUNDED DEBT" means all Debt maturing more than one year after the date of determination and all Debt, regardless of term, renewable by the obligor for more than one year after the date of its creation which would, in accordance with generally accepted accounting principles, be classified as long-term debt.

"LIEN" means any mortgage, lien, pledge, charge, security interest or encumbrance of any kind (other than purchase options, rights of first refusal and other arrangements pursuant to which capital stock or property may be sold).

"PRINCIPAL PROPERTY" means, with respect to any Person, (i) any capital stock of a subsidiary of Universal Leaf owned by such Person and (ii) any manufacturing, packing or processing plant or facility of any character or any warehouse or any other storage facility of any character owned or leased under a capitalized lease by such Person and all land and fixtures related thereto, the gross book value (without deduction of any depreciation reserves) of which capital stock, plant, facility or warehouse on the date as of which the determination is being made exceeds 1% of Consolidated Net Tangible Assets, other than any such capital stock, plant, facility or warehouse or portion thereof which, in the opinion of the Boards of Directors of the Company and of Universal Leaf, is not of material importance to the total business conducted by the Restricted Subsidiaries taken together with all other capital stock, plants, facilities and warehouses previously so declared.

"RESTRICTED SUBSIDIARIES" means Universal Leaf Tobacco Company, Incorporated, Universal Leaf Tobacco Company, Incorporated's subsidiaries and

their respective successors, including, without limitation, transferees of their Principal Property which are Affiliates of the Company and/or Universal Leaf, but excluding any subsidiaries organized under any jurisdiction other than the United States of America (including the States and the District of Columbia) or Brazil of which less than 66-2/3% of the Voting Stock is owned, directly or indirectly, by Universal Leaf, and "RESTRICTED SUBSIDIARY" means any one of the Restricted Subsidiaries.

"SUBSIDIARY" means a corporation or business trust, a majority of the Voting Stock of which is owned by the Company and/or its subsidiaries.

"UNIVERSAL LEAF" means Universal Leaf Tobacco Company, Incorporated, a Virginia corporation, and any Affiliate of the Company and/or Universal Leaf with which it shall consolidate or into which it shall merge or to which it shall transfer 40% or more of its consolidated assets. (Section 101)

RESTRICTIONS ON LIENS

The Indenture will provide that the Company will not, and will not permit any Restricted Subsidiary to, create, or suffer to exist, any Lien upon any Principal Property of any Restricted Subsidiary or upon any capital stock of Universal Leaf, whether owned on the date of the Indenture or thereafter acquired, without making effective, concurrent provision whereby all Outstanding Securities shall be directly secured, equally and ratably with the indebtedness or other claims or obligations (the "Indebtedness") secured by one or more Liens; PROVIDED, HOWEVER, that this restriction will not apply, among other things, to: (i) Liens existing on the date of the Indenture; (ii) Liens securing Indebtedness owing by any Restricted Subsidiary to another Restricted Subsidiary; (iii) Liens existing on any asset or shares of capital stock of any corporation at the time such corporation becomes a subsidiary of any Restricted Subsidiary or is merged into or consolidated with any Restricted Subsidiary; (iv) Liens on any asset securing Indebtedness incurred or assumed or guaranteed for the purpose of financing all or any

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part of the cost of acquiring, constructing, improving or repairing such asset (including, without limitation, Liens incurred in connection with pollution control bonds, industrial revenue bonds or similar financings), PROVIDED THAT such Liens attach within 120 days of the completion of the acquisition, construction, improvement or repair thereof (or in the case of real property, completion of such improvement or construction or commencement of full operation of such property, whichever is later); (v) Liens existing on any asset prior to the acquisition thereof by any Restricted Subsidiary; (vi) Liens on any assets in favor of the United States of America (including the States and the District of Columbia) or any other country (or any department, agency, instrumentality or political subdivision thereof) and created to secure any payments pursuant to any contract or statute, PROVIDED THAT payment thereof is not at the time required by the Indenture; (vii) Liens arising pursuant to any statute or order of attachment, distraint or similar legal process arising in connection with court proceedings so long as the execution or other enforcement thereof is effectively stayed and the claims secured thereby are being contested in good faith by appropriate proceedings; (viii) Liens securing taxes, assessments or governmental charges not yet delinquent or being contested in good faith by appropriate proceedings; (ix) Liens securing obligations owing to landlords, mechanics, materialmen, suppliers, carriers and other like Persons incurred in the ordinary course of business for sums not yet due or being contested in good faith by appropriate proceedings; and (x) Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by the foregoing clauses, PROVIDED THAT such Indebtedness is not increased and is not secured by any additional assets. Notwithstanding the foregoing, Liens on Principal Property of the Restricted Subsidiaries are permitted, without complying with the foregoing restrictions, in an aggregate amount (including the value of any sale and leaseback transaction permitted by clause (i) of the next paragraph by virtue of this sentence, but excluding the value of (i) sale and leaseback transactions otherwise permitted by the next paragraph and (ii) Liens permitted by clauses (i) through (x) of the preceding sentence of this paragraph) not at the time exceeding 10% of Consolidated Net Tangible Assets. (Section 1008) At September 30, 1995, Consolidated Net Tangible Assets were approximately \$197 million. The Indenture will not prohibit the sale by the Company of any stock or indebtedness of the Restricted Subsidiaries.

RESTRICTIONS ON SALE AND LEASEBACK TRANSACTIONS

The Indenture will also provide that the Company will not, and will not permit any Restricted Subsidiary to, enter into any arrangement, directly or indirectly, with any Person whereby such Restricted Subsidiary shall sell or transfer any Principal Property of such Restricted Subsidiary, whether owned on the date of the Indenture or thereafter acquired, more than 120 days after the completion of construction and commencement of full operation thereof, and then

or thereafter rent or lease as lessee for a term of more than three years such property or any part thereof or any other property which such Restricted Subsidiary intends to use for substantially the same purpose or purposes as the Principal Property being sold or transferred, unless (i) a Lien would be permitted (without securing all Outstanding Securities) under the provisions of the immediately preceding paragraph in an amount equal to the value of such sale and leaseback transaction; (ii) the sale and leaseback transaction is between such Restricted Subsidiary and the Company or another Subsidiary; or (iii) within 180 days of such sale and leaseback transaction, the Company or such Restricted Subsidiary applies an amount equal to the greater of (a) the fair value of such property as determined in good faith by the Boards of Directors of Universal Leaf and of the Company, or (b) the proceeds from the sale of such property, to (x) the purchase or acquisition (or, in the case of real property, the construction) of assets by any Restricted Subsidiary or (y) to the voluntary retirement of Funded Debt of the Company or any Restricted Subsidiary (which may include the Securities), other than Funded Debt that is subordinated in right of payment to the Securities. For purposes of clause (i) of the preceding sentence and for purposes of the preceding paragraph, the value of any sale and leaseback transaction shall be an amount equal to the greater of the amounts specified in clauses (iii) (a) and (iii) (b) of the preceding sentence, in either case first divided by the number of years in the original lease term and then multiplied by the number of years of such term remaining at the time of determination. (Section 1009)

CONSOLIDATION, MERGER, SALE AND LEASE OF ASSETS

The Company may, without the consent of the Holders of any of the Outstanding Securities of a series, consolidate with, merge into or transfer or lease its assets substantially as an entirety to any corporation organized under the laws of any domestic jurisdiction, PROVIDED THAT (i) the successor corporation assumes the Company's obligations on the Securities of each series and under the Indenture, (ii) after giving effect thereto, no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default shall have occurred and be continuing, and (iii) certain other conditions are met. (Sections 801, 802)

EVENTS OF DEFAULT

The following are Events of Default under the Indenture with respect to Securities of any series: (a) failure to pay principal of or any premium on any of the Securities of that series when due; (b) failure to pay any interest on any Security of

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that series when due, continued for 30 days; (c) failure to deposit any sinking fund payment, if applicable, when due, in respect of any Security of that series; (d) failure to perform any other covenant of the Company in the Indenture (other than a covenant included in the Indenture solely for the benefit of a series of Securities other than that series) continued for 60 days after written notice as provided in the Indenture; (e) certain events of bankruptcy, insolvency or reorganization of the Company; and (f) any other Event of Default provided with respect to Securities of that series. (Section 501) Subject to the provisions of the Indenture, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders of Securities of any series or any related coupons unless such Holders shall have offered to the Trustee reasonable indemnity. (Sections 601, 603) Subject to such provisions for the indemnification of the Trustee, the Holders of a majority in aggregate principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to Securities of that series. (Section 512)

If an Event of Default with respect to Securities of any series at the time Outstanding shall occur and be continuing, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series may declare the principal of all such Outstanding Securities, or, if any such Securities are Original Issue Discount Securities, such lesser amount as may be described in an applicable Prospectus Supplement or Prospectus Supplements, of all the Securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to Securities of any series has been made but before a judgment or decree for payment of money due has been obtained by the Trustee, the Holders of a majority in aggregate principal amount of Outstanding Securities of that series may rescind any declaration of acceleration and its consequences, if all payments due (other than those due as a result of acceleration) have been made and all Events of Default have been cured or waived. (Section 502)

No Holder of any Securities of any series or any related coupons shall have

any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to Securities of that series, the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series shall have made written request, and offered reasonable indemnity, to the Trustee to institute such proceeding as trustee, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of the Outstanding Securities of that series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, such limitations do not apply to a suit instituted by a Holder of an Outstanding Security of that series for enforcement of payment of the principal of, or any premium or interest on, such Security on or after the respective due dates expressed in such Security. (Sections 507, 508)

The Company is required to furnish to the Trustee annually a statement as to performance or fulfillment of covenants, agreements or conditions in the Indenture and as to the absence of default. (Section 1004)
MEETINGS, MODIFICATION AND WAIVER

Modifications and amendments of the Indenture may be made by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Security affected thereby (a) change the Stated Maturity of the principal of, or any installment of principal of or interest on any Security, (b) reduce the principal amount of, or premium or interest on, any Security, (c) change any obligation of the Company to pay additional amounts, (d) reduce the amount of principal of an Original Issue Discount Security payable upon acceleration of the Maturity thereof, (e) change the coin or currency in which any Security or any premium or interest thereon is payable, (f) impair the right to institute suit for the enforcement of any payment on or with respect to any Security, (g) reduce the percentage in principal amount of Outstanding Securities of any series, the consent of whose Holders is required for modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults, (h) reduce the requirements contained in the Indenture for quorum or voting, (i) change any obligation of the Company to maintain an office or agency in the places and for the purposes required by the Indenture, or (j) modify any of the above provisions. (Section 902)

The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of a series may, on behalf of all Holders of Securities of that series and any coupons appertaining thereto, waive any past default under the Indenture with respect to Securities of that series, except a default (a) in the payment of principal of or any premium or interest on any Security of such series or (b) in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected. (Section 513)

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The Indenture provides that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver thereunder or are present at a meeting of Holders of Securities for quorum purposes, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof, and (ii) the principal amount of a Security denominated in a foreign currency or currency unit shall be the U.S. dollar equivalent, determined on the date of original issuance of such Security, of the principal amount of such Security or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent, determined on the date of original issuance of such Security, of the amount determined as provided in (i) above. (Section 101)

The Indenture contains provisions for convening meetings of the Holders of Securities of any or all series. (Article Thirteen) A meeting may be called at any time by the Trustee, and also, upon request, by the Company or the Holders of at least 10% in aggregate principal amount of the Outstanding Securities of such series, in any such case upon notice given in accordance with "Notices" below. (Section 1302) Except for any consent which must be given by the Holder of each Outstanding Security affected thereby, as described above, any resolution presented at a meeting at which a quorum is present may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Securities of that series; PROVIDED, HOWEVER, that, except for any consent which must be given by the Holder of each Outstanding Security affected

thereby, as described above, any resolution with respect to any consent, waiver, request, demand, notice, authorization, direction or other action which may be given by the Holders of not less than a specified percentage in principal amount of the Outstanding Securities of a series may be adopted at a meeting at which a quorum is present only by the affirmative vote of the Holders of not less than such specified percentage in principal amount of the Outstanding Securities of that series. Any resolution passed or decision taken at any meeting of Holders of Securities of any series duly held in accordance with the Indenture will be binding on all Holders of Securities of that series and the related coupons. The quorum at any meeting called to adopt a resolution will be Persons holding or representing a majority in principal amount of the Outstanding Securities of a series; PROVIDED, HOWEVER, that if any action is to be taken at such meeting with respect to a consent, waiver, request, demand, notice, authorization, direction or other action which may be given by the Holders of not less than a specified percentage in principal amount of the Outstanding Securities of a series, the Persons holding or representing such specified percentage in principal amount of the Outstanding Securities of such series will constitute a quorum for that purpose. (Section 1304)

NOTICES

Except as otherwise provided in the Indenture, notices to Holders of Bearer Securities will be given by publication at least twice in a daily newspaper of general circulation in The City of New York and in such other city or cities as may be specified in such Securities. Notices to Holders of Registered Securities will be given by mail to the addresses of such Holders as they appear in the Security Register. (Sections 101, 106)

TITLE

Title to any Bearer Securities (including Bearer Securities in temporary global form and in permanent global form) and any coupons appertaining thereto will pass by delivery. The Company, the Trustee and any agent of the Company or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon and the registered owner of any Registered Security as the absolute owner thereof (whether or not such Security or coupon shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes. (Section 308)

REPLACEMENT OF SECURITIES AND COUPONS

Any mutilated Security or a Security with a mutilated coupon appertaining thereto will be replaced by the Company at the expense of the Holder upon surrender of such Security to the Trustee. Securities or coupons that become destroyed, lost or stolen will be replaced by the Company at the expense of the Holder upon delivery to the Trustee of evidence of the destruction, loss or theft thereof satisfactory to the Company and the Trustee; in the case of any coupon which becomes destroyed, lost or stolen, such coupon will be replaced by issuance of a new Security in exchange for the Security to which such coupon appertains. In the case of a destroyed, lost or stolen Security or coupon, an indemnity satisfactory to the Trustee and the Company may be required at the expense of the Holder of such Security or coupon before a replacement Security will be issued. (Section 306)

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DEFEASANCE AND COVENANT DEFEASANCE

Unless otherwise indicated in the applicable Prospectus Supplement, the Company may elect either (i) to defease and be discharged from any and all obligations with respect to the Securities of any series (except as otherwise provided in the Indenture) ("defeasance") or (ii) to be released from its obligations with respect to certain covenants applicable to such Securities, including its obligations described above under "Certain Covenants" ("covenant defeasance"), upon the deposit with the Trustee (or other qualifying trustee), in trust for such purpose, of money and/or U.S. Government Obligations which through the payment of principal and interest in accordance with their terms will provide money in an amount sufficient, without reinvestment, to pay the principal of and any premium or interest on such Securities to Maturity or redemption, as the case may be, and any mandatory sinking fund or analogous payments thereon. As a condition to defeasance or covenant defeasance, the Company must deliver to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred. Such Opinion of Counsel, in the case of defeasance under clause (i) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States federal income tax law occurring after the date of the Indenture. (Article Fourteen)

The Company may exercise its defeasance option with respect to such Securities notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its defeasance option, payment of such Securities may not be accelerated because of an Event of Default. If the Company exercises its covenant defeasance option, payment of such Securities may not be accelerated by reference to the covenant noted under clause (ii) above. However, if such acceleration were to occur, the realizable value at the acceleration date of the money and U.S. Government Obligations in the defeasance trust could be less than the principal and interest then due on such Securities, in that the required deposit in the defeasance trust is based upon scheduled cash flows rather than market value, which will vary depending upon interest rates and other factors.

GOVERNING LAW

The Indenture, the Securities and the coupons will be governed by, and construed in accordance with, the laws of the State of New York. (Section 113) CONCERNING THE TRUSTEE

The Company and certain of its subsidiaries may from time to time maintain lines of credit, and have other customary banking relationships, with Chemical Bank, the Trustee under the Indenture.

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LIMITATIONS ON ISSUANCE OF EURO-SECURITIES

United States tax laws and regulations impose certain restrictions on the issuance of any securities in bearer form. Except as may otherwise be provided in the Prospectus Supplement applicable thereto, in accordance with the federal tax laws and regulations of the United States, Euro-Securities may not, in connection with their offer or sale during the Restricted Period (as defined above under "Description of Debt Securities -- Form, Exchange, Registration and Transfer"), be offered or sold, directly or indirectly, (i) to any person in the United States or its possessions (as defined below), or (ii) to any United States person (as defined below) other than (x) an office located outside the United States or its possessions of a Financial Institution (as defined above under "Description of Debt Securities -- Form, Exchange, Registration and Transfer") purchasing for its own account or for the account of a customer, provided that such Financial Institution agrees in writing to comply with the requirements of Section 165(j)(3)(A), (B), or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder or (y) otherwise as permitted by United States Treasury Regulation Section 1.163-5(c)(2)(i)(D). Any underwriters, agents and dealers participating in the offering of Debt Securities must covenant that they will not offer or sell during the Restricted Period any Euro-Securities to any person in the United States or its possessions or to any United States person (other than (x) an office located outside the United States and its possessions of a Financial Institution or (y) otherwise as permitted by United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)), and that they will not deliver Euro-Securities within the United States or its possessions.

In addition, any such underwriters, agents and dealers must covenant that they have in effect procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling Euro-Securities are aware of the above restrictions on the offer or sale of Euro-Securities. Moreover, Bearer Securities (including a permanent global Debt Security) and any coupons appertaining thereto will not be delivered in definitive form or, if prior to delivery in definitive form, interest will not be paid on any Euro-Securities, unless the Company has received a signed certificate in writing (or an electronic certificate described in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(3)(ii)) in the form and to the effect described above under "Description of Debt Securities -- Form, Exchange, Registration and Transfer." Bearer Securities (including a permanent global Debt Security) and coupons will bear a legend to the following effect: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code." The sections referred to in such legend provide that a United States person (other than a Financial Institution or a United States person holding through a Financial Institution) who holds a Bearer Security or coupon will not be allowed to deduct any loss realized on the sale, exchange or redemption of such Bearer Security or coupon and any gain (which might otherwise be characterized as capital gain) recognized on such sale, exchange or redemption will be treated as ordinary income.

As used herein, "United States person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States and an estate or trust the income of which is subject to United States federal income taxation regardless of its source. "United States" means the United States of America (including the States and the District of Columbia) and "possessions" of the United States include

Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and Northern Mariana Islands.

FOREIGN CURRENCY RISKS

Debt Securities denominated or payable in foreign currencies may entail significant risks. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets. These risks will vary depending upon the currency or currencies involved and will be more fully described in the Prospectus Supplement relating thereto.

UNITED STATES TAXATION

The following summary of the principal United States federal income tax consequences of ownership of Debt Securities is based upon the opinion of McGuire, Woods, Battle & Boothe, L.L.P., special tax counsel to the Company. It deals only with Debt Securities held as capital assets, and not with special classes of holders, such as dealers in securities or currencies, banks, tax-exempt organizations, life insurance companies, persons that hold Debt Securities that are part of a hedge or that are hedged against currency risks or that are part of a straddle or conversion transaction, or persons whose functional currency is not the U.S. dollar. It also does not deal with Holders other than original purchasers. Moreover, the summary deals only with Debt Securities that are due to mature 30 years or less from the date on which they are issued. The United States federal income tax consequences of ownership of Debt Securities that are due to mature more than 30 years from their date of issue will be discussed in an applicable Prospectus Supplement. The summary is based on the Internal Revenue Code of

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1986, as amended (the "Code"), its legislative history, existing and proposed regulations thereunder, judicial decisions, and published rulings and other administrative guidance issued by the Internal Revenue Service (the "Service"), as currently in effect, all of which are subject to change at any time, possibly with retroactive effect.

Prospective purchasers of Debt Securities should consult their own tax advisors concerning the consequences of ownership of Debt Securities, in their particular circumstances, under the Code and the laws of State, local or foreign taxing jurisdiction.

UNITED STATES HOLDERS

PAYMENTS OF INTEREST

Except as provided below under " -- Original Issue Discount," interest on a Debt Security (including "qualified stated interest" on a "Discount Debt Security," as defined below) will be taxable to a United States Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. A United States Holder is a beneficial owner who or that is (i) a citizen or resident of the United States, (ii) a domestic corporation or (iii) otherwise subject to United States federal income taxation on a net income basis in respect of the Debt Security.

If an interest payment is denominated in, or determined by reference to, a currency, composite currency or basket of currencies other than the U.S. dollars (a "foreign currency"), the amount of income recognized by a cash basis United States Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis United States Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years, the part of the period within the taxable year).

Under the second method, the United States Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis United States Holder may instead translate such accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the United States Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States Holder, and will be irrevocable without the consent of the Service.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Debt Security) denominated in, or determined by reference to, a foreign currency, the United

States Holder will recognize ordinary income or loss measured by the difference between (x) the average exchange rate used to accrue interest income, or the exchange rate as determined under the second method described above if the United States Holder elects that method, and (y) the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

ORIGINAL ISSUE DISCOUNT

GENERAL. A Debt Security with a maturity of more than one year from the date of issue will be treated as issued at an original issue discount (a "Discount Debt Security") if the excess of its "stated redemption price at maturity" over its issue price is more than a "de minimis amount" (as defined below). Generally, the issue price of a Debt Security will be the first price at which a substantial amount of Debt Securities included in the issue of which the Debt Security is a part is sold to other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Debt Security is the total of all payments provided by the Debt Security that are not payments of "qualified stated interest." A qualified stated interest payment generally is any one of a series of stated interest payments on a Debt Security that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods) applied to the outstanding principal amount of the Debt Security. Special rules for determining qualified stated interest payable on certain Debt Securities bearing interest at a variable rate are described below under " -- Variable Rate Debt Securities."

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In general, if the excess of a Debt Security's stated redemption price at maturity over its issue price is less than 1/4 of 1 percent of the Debt Security's stated redemption price at maturity multiplied by the number of complete years to its maturity (the "de minimis amount"), then such excess, if any, constitutes "de minimis original issue discount" and the Debt Security is not a Discount Debt Security. Unless the election described below under "Election to Treat All Interest as Original Issue Discount" is made, a United States Holder of a Debt Security with de minimis original issue discount must include such de minimis original issue discount in income as stated principal payments on the Debt Security are made. The includible amount with respect to each such payment will equal the product of the total amount of the Debt Security's de minimis original issue discount and a fraction, the numerator of which is the amount of the principal payment made and the denominator of which is the stated principal amount of the Debt Security.

United States Holders of Discount Debt Securities having a maturity of more than one year from their date of issue must, generally, include original issue discount ("OID") in income calculated on a constant-yield method before the receipt of cash attributable to such income, and generally will have to include in income increasingly greater amounts of OID over the life of the Debt Security. The amount of OID includible in income by a United States Holder of a Discount Debt Security is the sum of the daily portions of OID with respect to the Discount Debt Security for each day during the taxable year or portion of the taxable year on which the United States Holder holds such Discount Debt Security ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Debt Security may be of any length selected by the United States Holder and may vary in length over the term of the Debt Security as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Debt Security occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Debt Security's adjusted issue price at the beginning of the accrual period and such Debt Security's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Debt Security allocable to the accrual period. The "adjusted issue price" of a Discount Debt Security at the beginning of any accrual period is the issue price of the Debt Security increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Debt Security that were not qualified stated interest payments. For purposes of determining the amount of OID allocable to an accrual period, if an interval between payments of qualified stated interest on the Debt Security contains more than one accrual period, the amount of qualified stated interest payable at the end of the interval (including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval) is allocated pro rata on the basis of relative lengths of each accrual period in the interval, and the

adjusted issue price at the beginning of each accrual period in the interval must be increased by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. The amount of OID allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods other than a final short accrual period are of equal length. The amount of OID allocable to the final accrual period is the difference between (x) the amount payable at the maturity of the Debt Security (other than any payment of qualified stated interest) and (y) the Debt Security's adjusted issue price as of the beginning of the final accrual period.

ACQUISITION PREMIUM. A United States Holder that purchases a Debt Security for an amount less than or equal to the sum of all amounts payable on the Debt Security after the purchase date (other than payments of qualified stated interest) but in excess of its adjusted issue price (any such excess being "acquisition premium") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount" is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the United States Holder's adjusted basis in the Debt Security immediately after its purchase over the adjusted issue price of the Debt Security, and the denominator of which is the excess of the sum of all amounts payable on the Debt Security after the purchase date, other than payments of qualified stated interest, over the Debt Security's adjusted issue price.

MARKET DISCOUNT. A Debt Security, other than a short-term Debt Security, will be treated as purchased at a market discount (a "Market Discount Debt Security") if (i) the amount for which a United States Holder purchased the Debt Security is less than the Debt Security's issue price (as determined above under "-- General") and (ii) the Debt Security's stated redemption price at maturity or, in the case of a Discount Debt Security, the Debt Security's "revised issue price," exceeds the amount for which the United States Holder purchased the Debt Security by at least one quarter of one percent of such Debt Security's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Debt Security's maturity. If such excess is not sufficient to cause the Debt Security to be a Market Discount Debt Security, then such excess constitutes "de minimis market discount." The Code provides that, for these purposes, the "revised

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issue price" of a Debt Security generally equals its issue price, increased by the amount of any OID that has accrued on the Debt Security.

Any gain recognized on the maturity or disposition of a Market Discount Debt Security will be treated as ordinary income to the extent that such gain does not exceed the accrued market discount on such Debt Security. Alternatively, a United States Holder of a Market Discount Debt Security may elect to include market discount in income currently over the life of the Debt Security. Such an election shall apply to all debt instruments with market discount acquired by the electing United States Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the Service.

Market discount on a Market Discount Debt Security will accrue on a straight-line basis unless the United States Holder elects to accrue such market discount on a constant-yield method. Such an election shall apply only to the Debt Security with respect to which it is made and may not be revoked. A United States Holder of a Market Discount Debt Security that does not elect to include market discount in income currently generally will be required to defer deductions for interest on borrowings allocable to such Debt Security in an amount not exceeding the accrued market discount on such Debt Security until the maturity or disposition of such Debt Security.

PRE-ISSUANCE ACCRUED INTEREST. If (i) a portion of the initial purchase price of a Debt Security is attributable to pre-issuance accrued interest, (ii) the first stated interest payment on the Debt Security is to be made within one year of the Debt Security's issue date and (iii) the payment will equal or exceed the amount of pre-issuance accrued interest, then the United States Holder may elect to decrease the issue price of the Debt Security by the amount of pre-issuance accrued interest. In that event, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Debt Security.

DEBT SECURITIES SUBJECT TO CONTINGENCIES INCLUDING OPTIONAL REDEMPTION. In general, if a Debt Security provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies and the timing and amounts of the payments that comprise each payment schedule are known as of the issue date, the yield and maturity of the Debt Security are determined by assuming that the payments will be made according to the Debt Security's stated payment schedule. If, however, based on all the facts and

circumstances as of the issue date, it is more likely than not that the Debt Security's stated payment schedule will not occur, then, in general, the yield and maturity of the Debt Security are computed based on the payment schedule most likely to occur.

Notwithstanding the general rules for determining yield and maturity in the case of Debt Securities subject to contingencies, if the Company or the Holder has an unconditional option or options that, if exercised, would require payments to be made on the Debt Security under an alternative payment schedule or schedules, then (i) in the case of an option or options of the Company, the Company will be deemed to exercise or not exercise an option or combination of options in the manner that minimizes the yield on the Debt Security and (ii) in the case of an option or options of the Holder, the Holder will be deemed to exercise or not exercise an option or combination of options in the manner that maximizes the yield on the Debt Security. For purposes of those calculations, the yield on the Debt Security is determined by using any date on which the Debt Security may be redeemed or repurchased as the maturity date and the amount payable on such date in accordance with the terms of the Debt Security as the principal amount payable at maturity.

If a contingency (including the exercise of an option) fails to occur or actually occurs in a manner inconsistent with the assumption made according to the above rules (a "change in circumstances") then, except to the extent that a portion of the Debt Security is repaid as a result of the change in circumstances and solely for purposes of the accrual of OID, the yield and maturity of the Debt Security are redetermined by treating the Debt Security as reissued on the date of the change in circumstances for an amount equal to the Debt Security's adjusted issue price on that date.

ELECTION TO TREAT ALL INTEREST AS ORIGINAL ISSUE DISCOUNT. A United States Holder may elect to include in gross income all interest that accrues on a Debt Security using the constant-yield method described above under the heading " -- General," with the modifications described below. For purposes of this election, interest includes stated interest, OID, de minimis original issue discount, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium (described below under " -- Debt Securities Purchased at a Premium") or acquisition premium.

In applying the constant-yield method to a Debt Security with respect to which this election has been made, the issue price of the Debt Security will equal the electing United States Holder's adjusted basis in the Debt Security immediately after its acquisition, the issue date of the Debt Security will be the date of its acquisition by the electing United States Holder, and no payments on the Debt Security will be treated as payments of qualified stated interest. This election will generally apply only to the Debt Security with respect to which it is made and may not be revoked without the consent of the Service. If this

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election is made with respect to a Debt Security with amortizable bond premium, then the electing United States Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludible from gross income) held by the electing United States Holder as of the beginning of the taxable year in which the Debt Security with respect to which the election is made is acquired or thereafter acquired. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the Service.

If the election to apply the constant-yield method to all interest on a Debt Security is made with respect to a Market Discount Debt Security, the electing United States Holder will be treated as having made the election discussed above under " -- Market Discount" to include market discount in income currently over the life of all debt instruments held or thereafter acquired by such United States Holder.

VARIABLE RATE DEBT SECURITIES. A "Variable Rate Debt Security" is a Debt Security that: (i) has an issue price that does not exceed the total noncontingent principal payments by more than the lesser of (1) .015 multiplied by the product of (x) the total noncontingent principal payments and (y) the number of complete years to maturity from the issue date, or (2) 15 percent of the total noncontingent principal payments; (ii) provides for stated interest compounded or paid at least annually at (1) one or more "qualified floating rates," (2) a single fixed rate and one or more qualified floating rates, (3) a single "objective rate" or (4) a single fixed rate and a single objective rate that is a "qualified inverse floating rate"; and (iii) provides that a qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate (i.e., the value of the rate on any day that is no earlier than three months prior to the first day on

which that value is in effect and no later than one year following that first day).

A variable rate is a "qualified floating rate" if (i) variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Debt Security is denominated or (ii) it is equal to the product of such a rate and either (a) a fixed multiple that is greater than zero but not more than 1.35, or (b) a fixed multiple greater than zero but not more than 1.35, increased or decreased by a fixed rate. A rate is not a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors or other similar restrictions) unless such restrictions are fixed throughout the term of the Debt Security or are not reasonably expected to significantly affect the yield on the Debt Security.

An "objective rate" is a rate, other than a qualified floating rate, that is determined using a single, fixed formula and that is based on (i) one or more qualified floating rates, (ii) one or more rates each of which would be a qualified floating rate for a debt instrument denominated in a currency other than the currency in which the debt instrument is denominated, (iii) the yield or changes in the price of one or more actively traded items of personal property other than stock or debt of the issuer or a related party or (iv) a combination of objective rates. A variable rate is not an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the Debt Security's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Debt Security's term. An objective rate is a "qualified inverse floating rate" if (i) the rate is equal to a fixed rate minus a qualified floating rate, and (ii) the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds. Under these rules, Commercial Paper Rate Debt securities, Prime Rate Debt securities, LIBOR Debt Securities, Treasury Rate Debt Securities, CD Rate Debt Securities, and Federal Funds Rate Debt Securities will generally be treated as Variable Rate Debt Securities.

In general, if a Variable Rate Debt Security provides for stated interest at a single qualified floating rate or objective rate, all stated interest on the Debt Security is qualified stated interest and the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, a fixed rate equal to the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, in the case of any other objective rate, a fixed rate that reflects the yield reasonably expected for the Debt Security.

If a Variable Rate Debt Security does not provide for stated interest at a single qualified floating rate or objective rate, the amount of interest and OID accruals on the Debt Security are generally determined by (i) determining a fixed rate substitute for each variable rate provided under the Variable Rate Debt Security, (ii) constructing the equivalent fixed rate debt instrument (using the fixed rate substitute described above), (iii) determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and (iv) making the appropriate adjustments for actual variable rates during the applicable accrual period.

If a Variable Rate Debt Security provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and in addition provides for stated interest at a single fixed rate (other than at a single fixed rate for an

initial period), the amount of interest and OID accruals are determined as in the immediately preceding paragraph with the modification that the Variable Rate Debt Security is treated, for purposes of the first three steps of the determination, as if it provided for a qualified floating rate (or a qualified inverse floating rate, as the case may be) rather than the fixed rate. The qualified floating rate (or qualified inverse floating rate) replacing the fixed rate must be such that the fair market value of the Variable Rate Debt Security as of the issue date would be approximately the same as the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate (or qualified inverse floating rate) rather than the fixed rate.

SHORT-TERM DEBT SECURITIES. In general, an individual or other cash basis United States Holder of a Debt Security with a term of one year or less (a "short-term Debt Security") is not required to accrue OID (as specially defined below for the purposes of this paragraph) for United States federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis United States Holders and certain other United States Holders, including banks, regulated investment companies, dealers in securities, common trust funds, United States

Holders who hold Debt Securities as part of certain identified hedging transactions, certain pass-through entities and cash basis United States Holders who so elect, are required to accrue OID on short-term Debt Securities on either a straight-line basis or under the constant-yield method (based on daily compounding), at the election of the United States Holder.

In the case of a United States Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the short-term Debt Security will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. United States Holders who are not required and do not elect to accrue OID on short-term Debt Securities will be required to defer deductions for interest on borrowings allocable to short-term Debt Securities in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a short-term Debt Security, including stated interest, are included in the short-term Debt Security's stated redemption price at maturity.

FOREIGN CURRENCY DISCOUNT DEBT SECURITIES. OID for any accrual period on a Discount Debt Security that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States Holder, as described under "Payments of Interest." Upon receipt of an amount attributable to OID (whether in connection with a payment of interest or the sale or retirement of a Debt Security), a United States Holder may recognize ordinary income or loss.

DEBT SECURITIES PURCHASED AT A PREMIUM

A United States Holder that purchases a Debt Security for an amount in excess of its principal amount may elect to treat such excess as "amortizable bond premium", in which case the amount required to be included in the United States Holder's income each year with respect to interest on the Debt Security will be reduced by the amount of amortizable bond premium allocable (based on the Debt Security's yield to maturity) to such year. In the case of a Debt Security that is denominated in, or determined by reference to, a foreign currency, bond premium will be computed in units of foreign currency, and amortizable bond premium will reduce interest income in units of the foreign currency. At the time amortized bond premium offsets interest income, exchange gain or loss (taxable as ordinary income or loss) is realized measured by the difference between exchange rates at that time and at the time of the acquisition of the Debt Securities. Any election to amortize bond premium shall apply to all bonds (other than bonds the interest on which is excludible from gross income) held by the United States Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the United States Holder, and is irrevocable without the consent of the Service. See also "Original Issue Discount - Election to Treat All Interest as Original Issue Discount".

PURCHASE, SALE AND RETIREMENT OF THE DEBT SECURITIES

A United States Holder's tax basis in a Debt Security will generally be its U.S. dollar cost (as defined below), increased by the amount of any OID or market discount included in the United States Holder's income with respect to the Debt Security and the amount, if any, of income attributable to de minimis original issue discount and de minimis market discount included in the United States Holder's income with respect to the Debt Security, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Debt Security. The U.S. dollar cost of a Debt Security purchased with a foreign currency will generally

be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Debt Securities traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis United States Holder (or an accrual basis United States Holder that so elects), on the settlement date for the purchase.

A United States Holder will generally recognize gain or loss on the sale or retirement of a Debt Security equal to the difference between the amount realized on the sale or retirement and its tax basis in the Debt Security. The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of such amount on (i) the date payment is received in the case of a cash basis United States Holder, (ii) the date of disposition in the case of an accrual basis United States Holder or (iii) in the case of Debt Securities traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis United States Holder (or an accrual basis United States Holder that so elects), on the settlement date

for the sale. Except to the extent described above under "Original Issue Discount - Short-Term Debt Securities" or described in the next succeeding paragraph or attributable to accrued but unpaid interest, gain or loss recognized on the sale or retirement of a Debt Security will be capital gain or loss and will be long-term capital gain or loss if the Debt Security was held for more than one year.

Gain or loss recognized by a United States Holder on the sale or retirement of a Debt Security that is attributable to changes in exchange rates will be treated as ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

EXCHANGE OF AMOUNTS IN OTHER THAN U.S. DOLLARS

Foreign currency received as interest on a Debt Security or on the sale or retirement of a Debt Security will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time of such sale or retirement. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Debt Securities or upon exchange for U.S. dollars) will be ordinary income or loss.

INDEXED DEBT SECURITIES

The applicable Prospectus Supplement will contain a discussion of any special United States federal income tax rules with respect to Debt Securities (other than Debt Securities subject to the rules governing Variable Rate Debt Securities), payments on which are determined by reference to any index.

UNITED STATES ALIEN HOLDERS

For purposes of this discussion, a "United States Alien Holder" is any holder of a Debt Security who is (i) a nonresident alien individual or (ii) a foreign corporation, partnership or estate or trust which is not subject to United States federal income tax on a net income basis in respect of income or gain from a Debt Security. This discussion assumes that the Debt Security is not subject to the rules of Section 871(h) (4) (A) of the Code (relating to interest payments that are determined by reference to the income, profits, changes in the value of property or other attributes of the debtor or a related party). In addition, solely with respect to United States federal estate tax, the discussion assumes that the Debt Security had a maturity date, when issued, that was not less than 184 days from the date of issuance.

Under present United States federal income and estate tax law, and subject to the discussion of backup withholding below:

(1) payments of principal, premium (if any) and interest, including OID, by the Company or any of its paying agents to any holder of a Debt Security that is a United States Alien Holder will not be subject to United States federal withholding tax if, in the case of interest or OID, (i) the beneficial owner of the Debt Security does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote, (ii) the beneficial owner of the Debt Security is not a controlled foreign corporation that is related to the Company through stock ownership, and (iii) if the Debt Security is a Registered Security, either (a) the beneficial owner of the Debt Security certifies to the Company or its agent, under penalties of perjury, that it is not a United States Holder and provides its name and address or (b) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution") and holds the Debt Security on behalf of a beneficial owner certifies to the Company or its agent, under penalties of perjury, that such statement has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and furnishes the payor with a copy thereof;

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(2) a United States Alien Holder of a Debt Security will not be subject to United States federal withholding tax on any gain realized on the sale or exchange of a Debt Security; and

(3) a Debt Security held by an individual who at death is not a citizen or resident of the United States will not be includible in the individual's gross estate for purposes of the United States federal estate tax as a result of the individual's death if (a) the individual did not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Company entitled to vote and (b) the income on the Debt Security would not have been effectively connected with a United States trade or business of the individual at the individual's death.

BEARER DEBT SECURITIES

The applicable Prospectus Supplement will contain a discussion of any special United States federal income tax rules with respect to Debt Securities that are issued as Bearer Securities (including Debt Securities in permanent

global form).

BACKUP WITHHOLDING AND INFORMATION REPORTING

UNITED STATES HOLDERS

In general, information reporting requirements will apply to payments of principal, any premium and interest on a Debt Security and the proceeds of the sale of a Debt Security before maturity within the United States to, and to the accrual of OID on a Discount Debt Security with respect to, non-corporate United States Holders, and "backup withholding" at a rate of 31% will apply to such payments and to payments of OID if the United States Holder fails to provide an accurate taxpayer identification number or to report all interest and dividends required to be shown on its federal income tax returns.

UNITED STATES ALIEN HOLDERS

Information reporting and backup withholding will not apply to payments of principal, premium (if any) and interest (including OID) made by the Company or a paying agent to a United States Alien Holder on a Registered Security if either of the certifications described in clause (1) (iii) under "United States Alien Holders" above is received, provided that the payor does not have actual knowledge that the holder is a United States person.

Payments of the proceeds from the sale by a United States Alien Holder of a Debt Security made to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that if the broker is a United States person, a controlled foreign corporation for United States tax purposes or a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period, information reporting may apply to such payments. Payments of the proceeds from the sale of a Debt Security to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding.

PLAN OF DISTRIBUTION

The Company may sell Debt Securities (i) to or through underwriters or dealers, (ii) through agents, (iii) directly to purchasers, or (iv) through a combination of any of the foregoing. Any such underwriter, dealer or agent may be deemed to be an underwriter within the meaning of the Securities Act. Any Prospectus Supplement relating to Debt Securities will set forth their offering terms, including the name or names of any underwriters, the purchase price of the Debt Securities and the proceeds to the Company from such sale, any underwriting discounts, commissions and other items constituting underwriters' compensation, any initial public offering price, any discounts or concessions allowed or reallocated or paid to dealers, and any securities exchanges on which the Debt Securities may be listed.

If underwriters are used in the sale, the Debt Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, or at prices related to such prevailing market prices, or at negotiated prices. The Debt Securities may be offered to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more of such firms. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase the Debt Securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all the Debt Securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time. Under agreements which may be

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entered into by the Company, underwriters, dealers and agents who participate in the distribution of Debt Securities may be entitled to indemnification or contribution by the Company against certain liabilities, including liabilities under the Securities Act.

The specific terms and manner of sale of Debt Securities will be set forth or summarized in the Prospectus Supplement relating thereto.

If so indicated in a Prospectus Supplement, the Company will authorize underwriters or other persons acting as the Company's agents to solicit offers by certain institutions to purchase Debt Securities from the Company pursuant to contracts providing for payment and delivery on a future date. Institutions with which such contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases will be subject to acceptance by the Company. The obligations of any purchaser under any such contracts will be subject to the conditions that the purchase of Debt Securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which such

purchaser is subject. The underwriters and such other persons will not have any responsibility in respect of the validity or performance of such contracts.

Each underwriter and agent participating in the distribution of any Debt Securities which are issuable in bearer form will agree that it will not offer, sell or deliver, directly or indirectly, Debt Securities in bearer form in the United States or to United States persons (other than qualifying financial institutions) in connection with the original issuance of Debt Securities.

VALIDITY OF DEBT SECURITIES

The validity of the Debt Securities offered hereby will be passed upon for the Company by McGuire, Woods, Battle & Boothe, L.L.P., One James Center, Richmond, Virginia 23219, and for the Underwriters by Sullivan & Cromwell, 1701 Pennsylvania Avenue, N.W., Washington, D.C. 20006. Sullivan & Cromwell will rely as to all matters governed by Virginia law on the opinion of McGuire, Woods, Battle & Boothe, L.L.P.

EXPERTS

The consolidated financial statements of Universal Corporation and Subsidiaries included in Universal Corporation's Annual Report on Form 10-K for the year ended June 30, 1995 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

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NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITERS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER BY THE COMPANY OR BY ANY UNDERWRITER TO SELL DEBT SECURITIES IN ANY STATE TO ANY PERSON TO WHOM IT IS UNLAWFUL FOR THE COMPANY OR SUCH UNDERWRITER TO MAKE SUCH OFFER IN SUCH STATE. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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\$200,000,000
[UNIVERSAL CORPORATION LOGO]
DEBT SECURITIES
PROSPECTUS

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION*

SEC registration fee.....	\$ 68,966
Accountants' fees and expenses.....	45,000

Attorneys' fees and expenses.....	60,000
Printing and engraving expenses.....	20,000
Fees and expenses of trustee.....	15,000
State qualification fees and expenses.....	18,000
Rating agencies' fees.....	125,000
Miscellaneous.....	8,034
Total.....	\$360,000

* All fees and expenses other than the SEC registration fee are estimated.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Article 10 of the Virginia Stock Corporation Act allows, in general, for indemnification, in certain circumstances, by a corporation of any person threatened with or made a party to any action, suit or proceeding by reason of the fact that he or she is, or was, a director, officer, employee or agent of such corporation. Indemnification is also authorized with respect to a criminal action or proceeding where the person had no reasonable cause to believe that his conduct was unlawful. Article 9 of the Virginia Stock Corporation Act provides limitations on damages payable by officers and directors, except in cases of willful misconduct or knowing violation of criminal law or any federal or state securities law.

Article VIII of the Company's Restated Articles of Incorporation provides for mandatory indemnification of any director or officer of the Company who is or was a party to any proceeding by reason of the fact that he is or was a director or officer of the Company against all liabilities and expenses incurred in the proceeding, except such liabilities and expenses as are incurred because of such director's or officer's willful misconduct or knowing violation of the criminal law.

The Company's Restated Articles of Incorporation also provide that in every instance permitted under Virginia corporate law in effect from time to time, the liability of a director or officer of the Company to the Company or its shareholders shall not exceed one dollar.

The Company maintains a standard policy of officers' and directors' liability insurance.

In the Underwriting Agreement, a form of which is filed as Exhibit 1.1 hereto, the Underwriters will agree to indemnify, under certain conditions, the Company, its directors, certain of its officers and persons who control the Company within the meaning of the Securities Act against certain liabilities.

ITEM 16. EXHIBITS

- *1.1 Proposed form of Underwriting Agreement
- 4.1 Indenture dated as of February 1, 1991 between the Company and Chemical Bank, as Trustee, including proposed forms of Debt Securities (incorporated by reference to Exhibit 4.1 to Registration Statement No. 33-38586 on Form S-3)
- 5.1 Opinion and consent of McGuire, Woods, Battle & Boothe, L.L.P., as to the validity of the Debt Securities
- 8.1 Opinion and consent of McGuire, Woods, Battle & Boothe, L.L.P., as to certain tax matters
- 12.1 Computation of ratio of earnings to fixed charges
- 23.1 Consent of Ernst & Young LLP
- 23.2 Consents of McGuire, Woods, Battle & Boothe, L.L.P. (included as part of Exhibits 5.1 and 8.1)
- 24.1 Power of attorney from officers and directors of the Company signing by an attorney-in-fact
- 25.1 Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939, as amended, of Chemical Bank

*To be filed by amendment

ITEM 17. UNDERTAKINGS

1. The undersigned registrant hereby undertakes:
 - (a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high and of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

PROVIDED, HOWEVER, that paragraphs (a)(i) and (a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described under Item 15 above, or otherwise, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Richmond and Commonwealth of Virginia, on December 15, 1995.

UNIVERSAL CORPORATION

By: /s/ HENRY H. HARRELL
HENRY H. HARRELL,

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of the Securities Act, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

/s/	HENRY H. HARRELL HENRY H. HARRELL	Chairman and Chief Executive Officer and Director (Principal Executive Officer)
/s/	HARTWELL H. ROPER HARTWELL H. ROPER	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/	WILLIAM J. CORONADO WILLIAM J. CORONADO	Controller (Principal Accounting Officer)
/s/	WILLIAM W. BERRY* WILLIAM W. BERRY	Director
/s/	RONALD E. CARRIER* RONALD E. CARRIER	Director
/s/	WALLACE L. CHANDLER* WALLACE L. CHANDLER	Director

/s/ LAWRENCE S. EAGLEBURGER* Director
LAWRENCE S. EAGLEBURGER

/s/ CHARLES H. FOSTER, JR.* Director
CHARLES H. FOSTER

/s/ RICHARD G. HOLDER* Director
RICHARD G. HOLDER

/s/ ALLEN B. KING* President and Chief Operating Officer
ALLEN B. KING and Director

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/s/ JOHN D. MUNFORD, II* Director
JOHN D. MUNFORD, II

/s/ HUBERT R. STALLARD* Director
HUBERT R. STALLARD

* By: /s/ HENRY H. HARRELL
HENRY H. HARRELL, PRO SE AND
AS ATTORNEY-IN-FACT

December 15, 1995

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EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT
*1.1	Proposed form of Underwriting Agreement
4.1	Indenture dated as of February 1, 1991 between the Company and Chemical Bank, as Trustee, including proposed forms of Debt Securities (incorporated by reference to Exhibit 4.1 to Registration Statement No. 33-38586 on Form S-3)
5.1	Opinion and consent of McGuire, Woods, Battle & Boothe, L.L.P., as to the validity of the Debt Securities
8.1	Opinion and consent of McGuire, Woods, Battle & Boothe, L.L.P., as to certain tax matters
12.1	Computation of ratio of earnings to fixed charges
23.1	Consent of Ernst & Young LLP
23.2	Consents of McGuire, Woods, Battle & Boothe, L.L.P. (included as part of Exhibits 5.1 and 8.1)
24.1	Power of attorney from officers and directors of the Company signing by an attorney-in-fact
25.1	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939, as amended, of Chemical Bank

*To be filed by amendment

MCGUIRE, WOODS, BATTLE & BOOTHE, L.L.P.
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219
December 15, 1995

Universal Corporation
1501 North Hamilton Street
Richmond, Virginia 23230

Dear Sirs:

In connection with the Registration Statement on Form S-3 (the "Registration Statement") being filed by Universal Corporation, a Virginia corporation (the "Company"), with the Securities and Exchange Commission for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act"), \$200,000,000 of the Company's debt securities (the "Securities"), we have examined such corporate records, certificates and other documents, and reviewed such questions of law, as we have considered necessary or appropriate for the purpose of this opinion.

On the basis of such examination and review, we advise you that, in our opinion when the Registration Statement has become effective under the Securities Act, and the Securities have been duly issued and sold in the manner contemplated by the Registration Statement, and assuming due authentication thereof by the Trustee or the Authenticating Agent in accordance with the provisions of the Indenture dated as of February 1, 1991 between the Company and Chemical Bank, as trustee (the "Trustee"), the Securities will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles and except further as enforcement thereof may be limited by (A) requirements that a claim with respect to any Securities denominated other than in U.S. dollars (or a foreign currency or foreign currency unit judgment in respect of such claim) be converted into United States dollars at a rate of exchange prevailing on a date determined pursuant to applicable law or (B) governmental authority to limit, delay or prohibit the making of payments in foreign currency or currency units or payments outside the United States.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to reference to us under the heading relating to the validity of the Securities in the Registration Statement (including the applicable Prospectus Supplement relating to such Securities). We do not admit by giving this consent that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,
/s/ McGuire, Woods, Battle & Boothe, L.L.P.

MCGUIRE, WOODS, BATTLE & BOOTHE, L.L.P.
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219
December 15, 1995

Universal Corporation
1501 North Hamilton Street
Richmond, Virginia 23230

Dear Sirs:

We have been requested, as your special tax counsel, to render federal tax advice in connection with the Registration Statement on Form S-3 (the "Registration Statement") being filed by Universal Corporation, a Virginia corporation (the "Company"), with the Securities and Exchange Commission for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act"), \$200,000,000 of the Company's debt securities.

We have reviewed the statements set forth in the Registration Statement under the heading "United States Taxation" and hereby advise you that such statements, insofar as they are or refer to statements of United States law or legal conclusions relating thereto, are accurate in all material respects.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us under the heading "United States Taxation" in the Registration Statement. We do not admit by giving this consent that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,
/s/ McGuire, Woods, Battle & Boothe, L.L.P.

UNIVERSAL CORPORATION
RATIO OF EARNINGS TO FIXED CHARGES
FOR THE PERIODS INDICATED

	THREE MONTHS ENDED			YEAR ENDED JUNE 30,		
	SEPT. 30, 1995	1994	1995	1994	1993	1992
	(IN THOUSANDS OF DOLLARS)					
Pretax income from continuing operations.....	\$15,277	\$ 6,667	\$ 55,768	\$ 64,058	\$136,104	\$122,055
Pretax income of unconsolidated affiliates.....	1,974	800	2,232	3,854	2,005	1,831
Fixed charges.....	17,616	17,506	71,147	76,691	67,213	68,513
Earnings.....	\$34,867	\$24,973	\$129,147	\$144,603	\$205,322	\$192,399
Interest.....	\$17,225	\$17,244	\$ 69,585	\$ 75,438	\$ 65,468	\$ 66,632
Interest of unconsolidated affiliates.....	333	204	1,328	1,031	1,549	1,719
Debt discount amortization.....	58	58	234	222	196	162
Fixed Charges.....	\$17,616	\$17,506	\$ 71,147	\$ 76,691	\$ 67,213	\$ 68,513
Ratio of Earnings to Fixed Charges.....	2.0	1.4	1.8	1.9	3.1	2.8
	1991					
Pretax income from continuing operations.....	\$ 91,996					
Pretax income of unconsolidated affiliates.....	2,096					
Fixed charges.....	69,531					
Earnings.....	\$163,623					
Interest.....	\$ 68,775					
Interest of unconsolidated affiliates.....	671					
Debt discount amortization.....	85					
Fixed Charges.....	\$ 69,531					
Ratio of Earnings to Fixed Charges.....	2.4					

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Universal Corporation for the registration of \$200,000,000 of Debt Securities and to the incorporation by reference therein of our report dated August 3, 1995, with respect to the consolidated financial statements of Universal Corporation included in its Annual Report (Form 10-K) for the year ended June 30, 1995, filed with the Securities and Exchange Commission.

/s/ ERNST & YOUNG LLP

Richmond, Virginia
December 15, 1995

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS that the undersigned directors and officers of Universal Corporation, a Virginia corporation (the "Corporation"), hereby constitute and appoint each of Henry H. Harrell, James M. White, III, William L. Taylor and Francis V. Lowden, III, and each of them acting alone with full power of substitution, their true and lawful attorneys-in-fact and agents, to sign, on behalf of the undersigned, a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), and any amendment or amendments, including post-effective amendments thereto and any other documents in support thereof, for the registration, under the Securities Act, of debt securities of the Corporation and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and the undersigned do hereby ratify and confirm all that said attorneys-in-fact, each acting alone, or his substitute or substitutes, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney this 7th day of December, 1995.

Signature	Title
/s/ William W. Berry ----- William W. Berry	Director
/s/ Ronald E. Carrier ----- Ronald E. Carrier	Director
/s/ Wallace L. Chandler ----- Wallace L. Chandler	Director
/s/ Lawrence S. Eagleburger ----- Lawrence S. Eagleburger	Director
/s/ Charles H. Foster, Jr. ----- Charles H. Foster, Jr.	Director
/s/ Henry H. Harrell ----- Henry H. Harrell	Chairman and Chief Executive Officer and Director (Principal Executive Officer)
/s/ Richard G. Holder ----- Richard G. Holder	Director
/s/ Allen B. King ----- Allen B. King	President and Chief Operating Officer and Director
/s/ John D. Munford, II ----- John D. Munford, II	Director
/s/ Hubert R. Stallard ----- Hubert R. Stallard	Director
/s/ Hartwell H. Roper	Vice President and Chief Financial

- -----
Hartwell H. Roper

Officer (Principal Financial Officer)

/s/ William J. Coronado

William J. Coronado

Controller (Principal Accounting
Officer)

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF
A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF
A TRUSTEE PURSUANT TO SECTION 305(b) (2) _____

CHEMICAL BANK

(Exact name of trustee as specified in its charter)

New York 13-4994650
(State of incorporation (I.R.S. employer
if not a national bank) identification No.)

270 Park Avenue 10017
New York, New York (Zip Code)
(Address of principal executive offices)

William H. McDavid
General Counsel
270 Park Avenue
New York, New York 10017
Tel: (212) 270-2611
(Name, address and telephone number of agent for service)

UNIVERSAL CORPORATION

(Exact name of obligor as specified in its charter)

Virginia 54-0414210
(State or other jurisdiction of (I.R.S. employer
incorporation or organization) identification No.)

1501 North Hamilton Street 23230
Richmond, Virginia (Zip Code)
(Address of principal executive offices)

Debt Securities
(Title of the indenture securities)

GENERAL

Item 1. General Information.

Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject. New York State Banking Department, State House, Albany, New York 12110. Board of Governors of the Federal Reserve System, Washington, D.C., 20551 Federal Reserve Bank of New York, District No. 2, 33 Liberty Street, New York, N.Y. Federal Deposit Insurance Corporation, Washington, D.C., 20429.

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with the Obligor.

If the obligor is an affiliate of the trustee, describe each such

affiliation.

None.

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Item 16. List of Exhibits

List below all exhibits filed as a part of this Statement of Eligibility.

1. A copy of the Articles of Association of the Trustee as now in effect, including the Organization Certificate and the Certificates of Amendment dated February 17, 1969, August 31, 1977, December 31, 1980, September 9, 1982, February 28, 1985 and December 2, 1991 (see Exhibit 1 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference).

2. A copy of the Certificate of Authority of the Trustee to Commence Business (see Exhibit 2 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference).

3. None, authorization to exercise corporate trust powers being contained in the documents identified above as Exhibits 1 and 2.

4. A copy of the existing By-Laws of the Trustee (see Exhibit 4 to Form T-1 filed in connection with Registration Statement No. 33-84460, which is incorporated by reference).

5. Not applicable.

6. The consent of the Trustee required by Section 321(b) of the Act (see Exhibit 6 to Form T-1 filed in connection with Registration Statement No. 33-50010, which is incorporated by reference).

7. A copy of the latest report of condition of the Trustee, published pursuant to law or the requirements of its supervising or examining authority.

8. Not applicable.

9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the Trustee, Chemical Bank, a corporation organized and existing under the laws of the State of New York, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York and State of New York, on the 11th day of December, 1995.

CHEMICAL BANK

By /s/P.J. Gilkeson

P. J. Gilkeson

Exhibit 7 to Form T-1

Bank Call Notice

RESERVE DISTRICT NO. 2
CONSOLIDATED REPORT OF CONDITION OF

Chemical Bank
of 270 Park Avenue, New York, New York 10017
and Foreign and Domestic Subsidiaries,
a member of the Federal Reserve System,

at the close of business September 30, 1995, in accordance
with a call made by the Federal Reserve Bank of this District
pursuant to the provisions of the Federal Reserve Act.

ASSETS	Dollar Amounts in Millions
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 5,319
Interest-bearing balances	3,591
Securities:	
Held to maturity securities.....	6,402
Available for sale securities.....	22,966
Federal Funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBF's:	
Federal funds sold	1,088
Securities purchased under agreements to resell	1,015
Loans and lease financing receivables:	
Loans and leases, net of unearned income \$76,064	
Less: Allowance for loan and lease losses 1,878	
Less: Allocated transfer risk reserve ... 104	
Loans and leases, net of unearned income, allowance, and reserve	74,082
Trading Assets	28,967
Premises and fixed assets (including capitalized leases).....	1,380
Other real estate owned	65
Investments in unconsolidated subsidiaries and associated companies.....	160
Customer's liability to this bank on acceptances outstanding	1,187
Intangible assets	467
Other assets	6,418

TOTAL ASSETS	\$153,107 =====

LIABILITIES

Deposits		
In domestic offices		\$44,067
Noninterest-bearing	\$14,227	
Interest-bearing	29,840	
In foreign offices, Edge and Agreement subsidiaries, and IBF's		37,004
Noninterest-bearing	\$ 173	
Interest-bearing	36,831	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBF's		
Federal funds purchased		16,136
Securities sold under agreements to repurchase		1,274
Demand notes issued to the U.S. Treasury		903
Trading liabilities		22,513
Other Borrowed money:		
With original maturity of one year or less		11,674
With original maturity of more than one year		613
Mortgage indebtedness and obligations under capitalized leases		16
Bank's liability on acceptances executed and outstanding		1,190
Subordinated notes and debentures		3,411
Other liabilities		6,333
TOTAL LIABILITIES		145,134

EQUITY CAPITAL

Common stock	620
Surplus	4,611
Undivided profits and capital reserves	2,890
Net unrealized holding gains (Losses) on available-for-sale securities	(156)
Cumulative foreign currency translation adjustments	8
TOTAL EQUITY CAPITAL	7,973

TOTAL LIABILITIES, LIMITED-LIFE PREFERRED	
STOCK AND EQUITY CAPITAL	\$153,107
	=====

I, Joseph L. Sclafani, S.V.P. & Controller of the above-named bank, do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

JOSEPH L. SCLAFANI

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

WALTER V. SHIPLEY)
EDWARD D. MILLER) DIRECTORS
WILLIAM B. HARRISON)

