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Universal Corporation Announces Agreement with Philip Morris International Inc. to Supply Mexican Tobaccos

RICHMOND, Va., March 2, 2015 /PRNewswire/ -- George C. Freeman, III, Chairman, President and Chief Executive Officer of Universal Corporation (NYSE: UVV) ("Universal"), announced today that the Company's subsidiary, Tabacos del Pacifico Norte S.A. ("TPN") will be increasing its purchases of leaf tobaccos in Mexico, as part of a new leaf supply arrangement for Mexico with Philip Morris International Management SA ("PMIMSA"). Previously, the purchase and processing of these tobaccos was handled directly by a subsidiary of Philip Morris International Inc. Starting with the upcoming 2015 crop, PMIMSA will purchase processed grades of tobacco from TPN. The new arrangement is expected to provide important supply chain efficiencies and is indicative of PMIMSA's and Universal's strong commitment to the grower communities in Mexico and PMIMSA's intent to remain a major purchaser of Mexican-grown leaf tobacco. Universal has managed operations in Mexico since the 1960s.

Mr. Freeman stated, "This new arrangement is a meaningful example of our efforts to implement tailored solutions that benefit our company, our longstanding global business partners, and our grower communities. We are very excited to be a part of this undertaking and welcome the opportunity to more efficiently support the tobacco supply chain in Mexico. We believe that global leaf suppliers add efficiencies to the markets through economies of scale as well as through the vital role we play in finding buyers for all styles and leaf grades of tobacco.

"As a global leader in the supply of leaf tobacco, we are committed to the sustainability of our grower communities. The strength, efficiency, and security of the supply chain is vital to our success and to the success of our customers. We work diligently to preserve the quality and integrity of our tobacco from the time it is planted, through processing and delivery to our customers. We will continue to employ the high standards of Good Agricultural Practices, including our commitment to the Agricultural Labor Practices code ('ALP'). ALP is designed to further our corporate goals and the goals of our customers' of progressively addressing and eliminating concerns found in agriculture with child and other labor issues, and achieving safe and fair working conditions on all farms from which we source tobacco.

"As a result of PMIMSA's changes to their leaf acquisition models in both the United States, as announced in November 2014, and now in Mexico, we expect financial benefits for our North America segment beginning in fiscal year 2016."

Headquartered in Richmond, Virginia, Universal Corporation is the leading global leaf tobacco supplier and conducts business in more than 30 countries. Its revenues for the fiscal year ended March 31, 2014, were \$2.5 billion. For more information on Universal Corporation, visit its website at www.universalcop.com.

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