Tuniu Corp
Form SC 13G
November 17, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

Tuniu Corporation

(Name of Issuer)

Ordinary Shares, par value $0.0001 per share

(Title of Class of Securities)

89977P106[(1)]

(CUSIP Number)

November 9, 2017

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

¨ Rule 13d-1(b)
x Rule 13d-1(c)
¨ Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) This CUSIP number applies to the American Depositary Shares of Tuniu Corporation, each representing three Class A ordinary shares.

1	NAMES OF REPORTING PERSONS Fullshare Holdings Limited	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ¨ (b) ¨	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	6	SHARED VOTING POWER 0
	7	SOLE DISPOSITIVE POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	

20,960,042 Class A ordinary shares[(1)]

6,949,997 Class B ordinary shares[(2)]
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

7.4%[(3)]
TYPE OF REPORTING PERSON

12

CO

(1) Including 4,104,137 Class A ordinary shares and 5,618,635 American Depository Shares of the Issuer. Each American Depository Share represents three Class A ordinary shares. Each Class A ordinary share is entitled to one vote.

(2) Each Class B ordinary share is entitled to ten votes.

(3) Calculation is based on the total number of ordinary shares in Row 9 above divided by the total number of ordinary shares outstanding as of March 31, 2017, which was 379,637,335, consisting of 362,263,835 Class A ordinary shares (excluding the 1,594,209 Class A ordinary shares, represented by 531,403 American Depository Shares, issued and reserved for the future exercise of options or the vesting of other awards under the Issuer's share incentive plans) and 17,373,500 Class B ordinary shares, plus the number of Class A ordinary shares the reporting person has the right to acquire, including upon exercise of options and vesting of restricted shares and restricted share units, within 60 days after the date of this filing. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance.

2

NAMES OF REPORTING PERSONS

1

Five Seasons XII Limited
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2
(a) ¨

(b) ¨
SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

British Virgin Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	6	SHARED VOTING POWER 0
	7	SOLE DISPOSITIVE POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	8	SHARED DISPOSITIVE POWER 0

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

20,960,042 Class A ordinary shares[(1)]

6,949,997 Class B ordinary shares[(2)]
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

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PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

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TYPE OF REPORTING PERSON

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3

1	NAMES OF REPORTING PERSONS Fullshare Value Fund II L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ¨ (b) ¨	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	6	SHARED VOTING POWER 0
	7	SOLE DISPOSITIVE POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	

20,960,042 Class A ordinary shares[(1)]

6,949,997 Class B ordinary shares[(2)]

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

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..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

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7.4%[(3)]

TYPE OF REPORTING PERSON

12

PN

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(2) Each Class B ordinary share is entitled to ten votes.

(3) Calculation is based on the total number of ordinary shares in Row 9 above divided by the total number of ordinary shares outstanding as of March 31, 2017, which was 379,637,335, consisting of 362,263,835 Class A ordinary shares (excluding the 1,594,209 Class A ordinary shares, represented by 531,403 American Depository Shares, issued and reserved for the future exercise of options or the vesting of other awards under the Issuer's share incentive plans) and 17,373,500 Class B ordinary shares, plus the number of Class A ordinary shares the reporting person has the right to acquire, including upon exercise of options and vesting of restricted shares and restricted share units, within 60 days after the date of this filing. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance.

4

1	NAMES OF REPORTING PERSONS Fullshare Investment Management III Limited	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ¨ (b) ¨	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION Cayman Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	6	SHARED VOTING POWER 0
	7	SOLE DISPOSITIVE POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	

20,960,042 Class A ordinary shares[(1)]

6,949,997 Class B ordinary shares[(2)]
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

7.4%[(3)]
TYPE OF REPORTING PERSON

12

OO

(1) Including 4,104,137 Class A ordinary shares and 5,618,635 American Depository Shares of the Issuer. Each American Depository Share represents three Class A ordinary shares. Each Class A ordinary share is entitled to one vote.

(2) Each Class B ordinary share is entitled to ten votes.

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5

1	NAMES OF REPORTING PERSONS Five Seasons XV Limited	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ¨ (b) ¨	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION British Virgin Islands	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	6	SHARED VOTING POWER 0
	7	SOLE DISPOSITIVE POWER 20,960,042 Class A ordinary shares(1) 6,949,997 Class B ordinary shares(2)
	8	SHARED DISPOSITIVE POWER 0
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	

20,960,042 Class A ordinary shares[(1)]

6,949,997 Class B ordinary shares[(2)]
CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

10

..

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

7.4%[(3)]
TYPE OF REPORTING PERSON

12

CO

(1) Including 4,104,137 Class A ordinary shares and 5,618,635 American Depository Shares of the Issuer. Each American Depository Share represents three Class A ordinary shares. Each Class A ordinary share is entitled to one vote.

(2) Each Class B ordinary share is entitled to ten votes.

(3) Calculation is based on the total number of ordinary shares in Row 9 above divided by the total number of ordinary shares outstanding as of March 31, 2017, which was 379,637,335, consisting of 362,263,835 Class A ordinary shares (excluding the 1,594,209 Class A ordinary shares, represented by 531,403 American Depository Shares, issued and reserved for the future exercise of options or the vesting of other awards under the Issuer's share incentive plans) and 17,373,500 Class B ordinary shares, plus the number of Class A ordinary shares the reporting person has the right to acquire, including upon exercise of options and vesting of restricted shares and restricted share units, within 60 days after the date of this filing. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance.

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SCHEDULE 13G

Item 1(a) Name of Issuer:

Tuniu Corporation

Item 1(b) Address of Issuer's Principal Executive Offices:

Tuniu Building, No. 699-32

Xuanwudadao, Xuanwu District

Nanjing, Jiangsu Province 210042

People's Republic of China

Item 2(a) Name of Person Filing:

Each of the following is hereinafter referred to as a "Reporting Person". This statement is filed on behalf of:

(i) Fullshare Holdings Limited;
(ii) Five Seasons XII Limited;
(iii) Fullshare Value Fund II L.P.;
(iv) Fullshare Investment Management III Limited; and
(v) Five Seasons XV Limited.

Item 2(b) Address or Principal Business Office, or, if None, Residence:

Fullshare Holdings Limited

Unit 2526, Level 25

Admiralty Centre Tower One

18 Harcourt Road, Admiralty

Hong Kong

Five Seasons XII Limited

Vistra Corporate Services Centre, Wickhams Cay II

Road Town, Tortola, VG1110

British Virgin Islands

Fullshare Value Fund II L.P.

Campbells Corporate Services Limited

Floor 4, Willow House

Cricket Square, Grand Cayman KY1-9010

Cayman Islands

Fullshare Investment Management III Limited

Campbells Corporate Services Limited

Floor 4, Willow House

Cricket Square, Grand Cayman KY1-9010

Cayman Islands

Five Seasons XV Limited

Vistra Corporate Services Centre, Wickhams Cay II

Road Town, Tortola, VG 1110

British Virgin Islands

Item 2(c) Citizenship:

See item 4 of each of the cover pages.

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Item 2(d) Title of Class of Securities:

Ordinary shares, including Class A ordinary shares and Class B ordinary shares, par value of $0.0001 per share.

The rights of the holders of Class A ordinary shares and Class B ordinary shares are identical, except with respect to conversion rights and voting rights. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstance. Each Class A ordinary share is entitled to one vote, whereas each Class B ordinary share is entitled to ten votes.

Item 2(e) CUSIP No.:

The CUSIP number 89977P106 applies to the American Depositary Shares of the Issuer, each representing three Class A ordinary shares of the Issuer, par value $0.0001 per share.

Item 3. If this Statement is Filed Pursuant to §§ 240.13d-1(b), or 240.13d-2(b) or (c), Check whether the Person filing is a:

Not applicable

Item 4. Ownership

The following information with respect to the ordinary shares of par value of $0.0001 per share of the Issuer, including ordinary shares represented by American Depositary Shares, held by the reporting persons is provided as of the filing date:

Reporting Person	Amount beneficially owned:	Percent of class:	Sole power to vote or to direct the vote:	Shared power to vote or to direct the vote:	Sole power to dispose or to direct the disposition of:
Fullshare Holdings	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	7.4%	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	0	20,960,042 Class A o 6,949,997 Class B ord

Limited					
Five Seasons XII Limited	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	7.4%	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	0	20,960,042 Class A o 6,949,997 Class B orc
Fullshare Value Fund II L.P.	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	7.4%	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	0	20,960,042 Class A o 6,949,997 Class B orc
Fullshare Investment Management III Limited	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	7.4%	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	0	20,960,042 Class A o 6,949,997 Class B orc
Five Seasons XV Limited	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	7.4%	20,960,042 Class A ordinary shares 6,949,997 Class B ordinary shares	0	20,960,042 Class A o 6,949,997 Class B orc

The calculations in the table above are based on 362,263,835 Class A ordinary shares (excluding 1,594,209 Class A ordinary shares represented by 531,403 American Depository Shares, issued and reserved for the future exercise of options or the vesting of other awards under the Issuer's share incentive plans) and 17,373,500 Class B ordinary shares, par value $0.0001 per share, as of March 31, 2017.

Five Seasons XV Limited is the holder of 20,960,042 Class A ordinary shares (including 4,104,137 Class A ordinary shares and 5,618,635 American Depository Shares, each American Depository Share represents three Class A ordinary shares) and 6,949,997 Class B ordinary shares of the Issuer. Five Seasons XV Limited is a wholly owned subsidiary of Fullshare Value Fund II L.P.. Fullshare Investment Management III Limited is the general partner of Fullshare Value Fund II L.P., and is wholly owned by Five Seasons XII Limited, which is a wholly owned subsidiary of Fullshare Holdings Limited. Accordingly, Fullshare Value Fund II L.P., Fullshare Investment Management III Limited, Five Seasons XII Limited and Fullshare Holdings Limited may be deemed to beneficially own the securities directly held by Five Seasons XV Limited.

Item 5. Ownership of Five Percent or Less of a Class

Not applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

Not applicable

Item 8. Identification and Classification of Members of the Group

Not applicable

Item 9. Notice of Dissolution of Group

Not applicable

Item 10. Certifications

Not applicable

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: November 17, 2017

Fullshare Holdings Limited

By: /s/ Wang Bo
Name: Wang Bo
Title: Director

Five Seasons XII Limited

By: /s/ Wang Bo
Name: Wang Bo
Title: Director

Fullshare Value Fund II L.P.

By: Fullshare Investment Management III Limited

Its General Partner

By: /s/ Jack Tsai
Name: Jack Tsai
Title: Director

Fullshare Investment

Management III Limited

By: /s/ Jack Tsai
Name: Jack Tsai
Title: Director

Five Seasons XV Limited

By: /s/ Wang Bo
Name: Wang Bo
Title: Director

LIST OF EXHIBITS

Exhibit No.	**Description**
99.1	Joint Filing Agreement

products and alleging the types of injuries claimed to be associated with the use of smokeless tobacco products; five of the six individuals also allege the use of other tobacco products.

Registrant has been named in an action in Florida, scheduled for trial in October 2002, by an individual plaintiff and his spouse seeking damages and other relief for personal injuries, including cancer of the tongue, allegedly sustained by plaintiff as a result of his use of Registrant s smokeless tobacco products.

Registrant believes, and has been so advised by counsel handling these cases, that it has a number of meritorious defenses to all such pending litigation. Except as to Registrant s willingness to consider alternative solutions for resolving certain regulatory and litigation issues, all such cases are, and will continue to be, vigorously defended. Registrant believes that the ultimate outcome of all such pending litigation will not have a material adverse effect on the consolidated financial position of Registrant, but may have a material impact on Registrant s consolidated financial results for a particular reporting period in which resolved.

On March 28, 2000, a Kentucky jury rendered a verdict against Registrant, awarding $350 million in compensatory damages to Conwood Company, L.P., for its claims under federal antitrust laws that Registrant had engaged in exclusionary and anticompetitive conduct in the marketing and promotion of moist smokeless tobacco products. The verdict, when entered as a judgment, was subject to trebling under federal antitrust laws to $1.05 billion plus interest and other costs. On September 11, 2000, Registrant filed its notice of appeal to the United States Court of Appeals for the Sixth Circuit from the final and interlocutory orders entered by the District Court in connection with this litigation. The appeal was heard by the United States Court of Appeals for the Sixth Circuit on November 27, 2001. To date, the court has not ruled. On October 10, 2000, Registrant satisfied the $500 million bonding requirement imposed by the District Court (see Restricted Deposits note). Registrant believes that the evidence presented at trial was insufficient to support the jury verdict and, as a result, believes that, while there can be no assurances, the judgment should ultimately be reversed on appeal. Registrant is not presently able to reasonably estimate the amount of damages, if any, which may be ultimately imposed and, accordingly, no charge relating to the judgment is reflected in Registrant s financial statements. While Registrant believes that the judgment should ultimately be reversed, if the adverse judgment is not, in whole or substantial part, reversed after all appeals, satisfaction of the judgment is likely to have a material adverse effect on Registrant s consolidated financial results for a particular year, but is not expected to have a material adverse effect on Registrant s consolidated financial position.

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UST Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Registrant has been named in four purported class actions filed in state court in Tennessee, New Mexico, West Virginia and Kansas on behalf of putative class members who were indirect purchasers of Registrant s smokeless tobacco products in those states during the period April 1996 through March 28, 2000 (Tennessee and New Mexico) and through December 31, 2000 (West Virginia) and during the period from January 1, 1990 through January 25, 2002 (Kansas), alleging that Registrant has violated the antitrust laws (sole claim in Kansas), unfair or deceptive trade practices statutes and the common law of those states. The plaintiffs seek to recover compensatory and statutory damages in an amount not to exceed $74,000 (Tennessee, New Mexico and West Virginia) or $75,000 (Kansas) after trebling per putative class member, and certain other relief. The actions are similar in all material respects.

Registrant has also been named in a purported class action (reported previously as an individual action and a purported class action and then consolidated on January 8, 2001), filed in United States District Court for the District of Columbia by wholesalers/distributors of Registrant s smokeless tobacco products. Plaintiffs allege that the Registrant engaged in conduct that violates the federal antitrust laws, including Sections 1 and 2 of the Sherman Act and Section 3 of the Clayton Act, and that Registrant engaged in this conduct unilaterally and in concert with its co-conspirators. Plaintiffs seek to recover unspecified statutory damages, before trebling, and certain equitable and other relief.

Each of the foregoing actions is derived directly from the Conwood litigation and therefore will need to overcome the same issues raised by Registrant in its post-trial motions and on appeal. Even if Conwood were ultimately to prevail on issues which Registrant is challenging on appeal, the plaintiffs in each of these actions will still need to establish additional elements before liability can be imposed upon Registrant. Registrant believes that it has meritorious defenses in this regard, and that the ultimate outcome of these purported class actions will not have a material adverse effect on its consolidated financial position, although if plaintiffs were to prevail, these actions could have a material impact on its consolidated financial results for a particular reporting period in which resolved.

On February 14, 2002, in a state court action in Miami, Florida involving a commercial dispute alleging breach of contract and other claims in connection with the sale of cigars, a jury rendered a verdict against U.S. Cigar Sales Inc. and other affiliated companies of Registrant, awarding $43 million in compensatory and punitive damages to the plaintiff, a former distributor. On April 26, 2002, the court ruled on certain post-trial motions, thereby reducing the verdict to $7.4 million, which Registrant intends to appeal.

Registrant believes, and has been so advised by counsel handling the case, that the evidence submitted at trial is insufficient to support the jury s verdict and, as a result, believes that, while there can be no assurances, the verdict should ultimately be reversed on appeal. While Registrant believes that the verdict should ultimately be reversed, if the adverse verdict is sustained after all appeals, satisfaction of the verdict is not expected to have a material adverse effect on Registrant s consolidated financial results or financial position.

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UST Inc.
MANAGEMENT S DISCUSSION AND ANALYSIS
OF OPERATIONS AND FINANCIAL CONDITION
(Unaudited)

RESULTS OF OPERATIONS
FIRST QUARTER OF 2002 COMPARED WITH FIRST QUARTER OF 2001

CONSOLIDATED RESULTS

For the first quarter of 2002, consolidated net sales declined 0.3 percent to $375.2 million, operating income decreased 3.3 percent to $178.3 million, and net earnings decreased 3.9 percent to $103.8 million compared to the corresponding 2001 period. Basic and diluted earnings per share decreased 6.1 percent to $0.62 and 7.6 percent to $0.61, respectively, compared to the first quarter of 2001.

Results for the first quarter of 2002 include the effect of one less billing day in the Smokeless Tobacco segment versus the corresponding 2001 period. Revenue from the sale of moist smokeless tobacco products is recognized when shipments arrive at customer locations. In order to maintain a level playing field among our customers, these shipments are scheduled to arrive once a week, each Monday. The first quarter of 2002 included one less Monday than the first quarter of 2001. On an equivalent billing day basis, consolidated net sales, net earnings and diluted earnings per share would have increased 6.9 percent, 8.9 percent and 4.5 percent, respectively.

The consolidated gross margin percentage remained level compared with the first quarter of 2001. Corporate expenses increased for the first quarter of 2002, due to increased administrative and other spending. Net interest expense increased as a result of lower income generated from accumulated cash, partially offset by a lower average rate on outstanding debt. The decrease in income generated from accumulated cash was primarily attributable to a lower average rate on the applicable funds. Income taxes decreased for the first quarter of 2002 due to lower earnings before income taxes as compared to the similar 2001 period. The effective tax rate was unchanged at 38.5 percent.

Basic and diluted earnings per share decreased slightly more than net earnings due to higher average shares outstanding in the first quarter of 2002, which was attributable to the exercise of stock options. Diluted earnings per share also included the effect of Registrant s higher average stock price in 2002, which caused an increase in common stock equivalents.

SMOKELESS TOBACCO SEGMENT

For the first quarter of 2002, net sales for the Smokeless Tobacco segment decreased 0.9 percent to $325.6 million and accounted for approximately 86.8 percent of consolidated net sales. This decrease was mainly due to lower unit volume for moist smokeless tobacco products, partially offset by increased selling prices. Overall net unit volume for moist smokeless tobacco products decreased 6.4 percent to 143 million cans for the first quarter of 2002. Moist smokeless tobacco unit volume results for the first quarter of 2002 include lower unit volume for full-priced and promotional premium products, while non-premium products volume increased during the period. Premium promotional can sales in the quarter were intentionally reduced by 1.7 million cans or 30 percent from the corresponding 2001 period.

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UST Inc.
MANAGEMENT S DISCUSSION AND ANALYSIS OF
OPERATIONS AND FINANCIAL CONDITION (Continued)

The net sales and net unit volume results reflect one less billing day in 2002 versus the corresponding 2001 period. On an equivalent billing day basis, net sales and net unit volume would have increased 7.3 percent and 1.4 percent, respectively, over the similar 2001 period.

Share data based on Registrant s Retail Activity Data & Volume Tracking System (RAD), which measures shipments to retail, indicates that, on a trailing six-month and twelve-month basis, the smokeless category continues to grow by 2 to 3 percent. For the six-month period ended February 23, 2002, total category retail shipments increased 2.2 percent over the similar 2001 period, on a can-volume basis. The premium segment declined 0.5 percent, while the price value segment increased 15.4 percent during the same period. Registrant s retail shipments increased 1.2 percent, while share declined 0.8 percentage points to 77.2 percent.

Cost of products sold decreased 1.6 percent in the first quarter of 2002 as lower unit volume was partially offset by higher unit costs for Registrant s moist smokeless tobacco products. These higher unit costs include a federal excise tax rate increase, which was effective January 2002. Smokeless Tobacco segment gross profit decreased 0.8 percent from the corresponding 2001 period. The gross profit percentage remained level with the first quarter of 2001, as higher selling prices on moist smokeless tobacco products, which included a shift in product mix from promotional to full-priced premium can sales, were offset by the aforementioned higher unit cost.

Selling and advertising expenses for the first quarter of 2002 remained level compared with the similar 2001 period, as lower print media spending was offset by higher spending on marketing promotions. Indirect selling expenses increased in 2002 due to costs associated with the field salesforce, primarily for higher salaries and related costs and training. Administrative expenses for the Smokeless Tobacco segment increased slightly compared to the similar 2001 period.

Smokeless Tobacco segment operating profit for the first quarter of 2002 decreased 2.6 percent to $180.5 million compared to the corresponding 2001 period. On an equivalent billing day basis, segment operating profit would have increased 9.5 percent over the first quarter of 2001.

WINE SEGMENT

Wine segment net sales showed a slight increase of 2.8 percent to $42.2 million versus the first quarter of 2001, accounting for approximately 11.2 percent of consolidated 2002 net sales. This increase was primarily attributable to a 2.6 percent growth in premium case volume. This moderate volume growth was primarily due to improved case sales for Registrant s Chateau Ste. Michelle and Domaine Ste. Michelle brands, partially offset by a decline in the Villa Mt. Eden brand, while volume for the Columbia Crest brand remained level with the corresponding 2001 period. Registrant s two leading brands of premium wine, Columbia Crest and Chateau Ste. Michelle, accounted for 84.1 percent of Registrant s total premium wine case volume sales in the first quarter of 2002.

Cost of products sold remained level for the first quarter of 2002. Gross profit for the Wine segment increased 9.5 percent over the first quarter of 2001 due to higher case volume for Chateau Ste. Michelle and Domaine Ste. Michelle as well as improved cost efficiencies. This combination of factors resulted in a higher gross profit percentage for the first quarter of 2002 versus the corresponding 2001 period.

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UST Inc.
MANAGEMENT S DISCUSSION AND ANALYSIS OF
OPERATIONS AND FINANCIAL CONDITION (Continued)

Selling and advertising expenses for the first quarter increased slightly over the first quarter of 2001, primarily due to higher media spending for the leading premium brands. Indirect selling, administrative and other expenses approximated those from the corresponding 2001 period.

Operating profit for the Wine segment increased 34.7 percent to $5.4 million for the first quarter of 2002 versus the similar 2001 period.

ALL OTHER OPERATIONS

Net sales for all other operations increased 11.1 percent to $7.4 million compared to the corresponding 2001 period, accounting for 2 percent of consolidated net sales. Overall cigar net sales and unit volume increased in 2002. All other operations reported an operating loss of $2.3 million for the first quarter of 2002 versus an operating loss of $1.2 million for the corresponding 2001 period. The increased operating loss was mainly the result of higher legal spending on cigar-related litigation.

LIQUIDITY AND CAPITAL RESOURCES
CHANGES IN FINANCIAL CONDITION SINCE DECEMBER 31, 2001

Net cash provided by operating activities decreased in the first quarter of 2002 to $110.9 million as compared with $141.3 million for the corresponding 2001 period. This decrease was primarily due to the absence of a prior year income tax refund, decreased accounts payable and accrued expenses and lower net earnings, partially offset by a lower increase in inventories. Registrant s primary sources of cash from operations were net earnings generated by the Smokeless Tobacco segment and an increase in income taxes payable, while the most significant uses of cash in operations were for the payment of accounts payable and accrued expenses and for purchases of leaf tobacco for use in Registrant s moist smokeless tobacco products. Registrant estimates that 2002 overall raw material inventory purchases and other costs, for leaf tobacco and grapes, will be lower than that expended in 2001.

Net cash used in investing activities was $9.5 million in 2002 compared to $5.4 million in 2001. Expenditures for both years were for the purchase of property, plant and equipment. Registrant expects spending for the 2002 capital program to approximate $68 million.

Net cash used in financing activities for 2002 decreased significantly to $68.2 million from $132.8 million in 2001. This decrease was primarily attributable to lower restricted cash deposits made in accordance with bonding requirements along with higher proceeds from increased exercises of stock options. Dividends paid in the first quarter of 2002 were greater than those in the corresponding 2001 period as a result of the 4.3 percent dividend rate increase, as well as the additional shares outstanding in the period.

As a result of the aforementioned sources and uses of cash, Registrant s cash and cash equivalents balance, excluding restricted deposits, increased $33.2 million from December 31, 2001.

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UST Inc.
MANAGEMENT S DISCUSSION AND ANALYSIS OF
OPERATIONS AND FINANCIAL CONDITION (Continued)

The ultimate resolution of Registrant s antitrust litigation could have a significant impact on cash requirements during the period in which it is resolved. If this litigation is ultimately reversed on appeal, cash required for the payment of income taxes would significantly exceed income tax expense for that year. In addition, if this litigation is not, in whole or in substantial part, reversed on appeal, Registrant could be required to satisfy a significant judgment. In either event, Registrant would utilize restricted deposits and additional borrowings, if necessary, to meet these cash requirements.

Registrant will continue to have significant cash needs for the remainder of 2002, primarily for payment of dividends, additional cash deposits required in connection with the $1 billion credit facility and capital spending. Funds generated from net earnings will be the primary means of meeting cash requirements over this period.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risk since December 31, 2001.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Reference is made to the section captioned Cautionary Statement Regarding Forward-Looking Information which was filed as part of item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations of Registrant s 2001 Form 10-K, regarding important factors that could cause actual results to differ materially from those contained in any forward-looking statement made by Registrant, including forward-looking statements contained in this report.

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UST Inc.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

On March 14, 2002, Registrant was served with a Summons and Class Action Complaint in an action entitled Marvin D. Chance Jr., on behalf of himself and all others similarly situated v. United States Tobacco Company, et. al. (Case No. 02-C-12), District Court for Seward County, Kansas. This action was brought by an individual plaintiff on behalf of himself and a purported class of indirect purchasers of Registrant s smokeless tobacco products in the State of Kansas during the period January 1, 1990 through January 25, 2002. Plaintiff alleges Registrant has violated the Kansas Restraint of Trade Act. Plaintiff seeks unspecified compensatory and statutory damages in an amount not to exceed $75,000 including trebling per putative class member and certain other relief. Registrant intends to defend this action vigorously.

The Chance action is derived directly from the Conwood litigation and therefore will need to overcome the same issues raised by Registrant in its post-trial motions and on appeal. Even if Conwood were ultimately to prevail on issues which Registrant is challenging on appeal, plaintiffs will still need to establish additional elements before liability can be imposed upon Registrant. Registrant believes that it has meritorious defenses in this regard, and that the ultimate outcome of this purported class action will not have a material adverse effect on its consolidated financial position, although if plaintiffs were to prevail, this action could have a material impact on its consolidated financial results for a particular reporting period in which resolved.

In Miami Cigar & Company v. UST Inc., et. al., (No. 99-16881), Circuit Court, Miami-Dade County, Florida, an action involving a commercial dispute alleging breach of contract and other claims in conjunction with the sale of cigars, on April 26, 2002, the court ruled on certain post-trial motions, thereby reducing the jury verdict against U.S. Cigar Sales, Inc. and other affiliated companies of Registrant in favor of plaintiff, a former distributor, from $43 million in compensatory and punitive damages to $7.4 million, which Registrant intends to appeal.

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UST Inc.
PART II OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

a) The Annual Meeting of Stockholders was held on May 7, 2002.

c) Matters voted upon at the meeting:

	Affirmative	Negative	Abstentions	Broker Non-Votes
Ratification and Approval of Independent Auditors (Proposal No. 2)	141,201,118	1,690,644	670,113	N/A
Stockholder Proposal (Proposal No. 3)	3,797,633	120,703,853	2,974,813	16,085,576
Stockholder Proposal (Proposal No. 4)	5,160,916	107,950,287	14,365,096	16,085,576

Item 6. Exhibits and Reports on Form 8-K

(b) Reports on Form 8-K
There were no reports on Form 8-K for the three months ended March 31, 2002.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UST Inc.

(Registrant)

Date May 10, 2002

/s/ Robert T. D Alessandro

Robert T. D Alessandro
Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ James D. Patracuolla

James D. Patracuolla
Vice President and Controller
(Principal Accounting Officer)

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