

VALIDUS HOLDINGS LTD
Form 8-K
August 30, 2012

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 30, 2012

Commission file number 001-33606

VALIDUS HOLDINGS, LTD.
(Exact name of registrant as specified in its charter)

BERMUDA (State or other jurisdiction of incorporation or organization)	98-0501001 (I.R.S. Employer Identification No.)
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29 Richmond Road, Pembroke, Bermuda HM 08
(Address of principal executive offices)

Registrant's telephone number, including area code: (441) 278-9000
Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

On August 30, 2012, Validus Holdings, Ltd. (“Validus”) and Flagstone Reinsurance Holdings, S.A. (“Flagstone”) issued the joint press release attached hereto as Exhibit 99.1 announcing that the boards of directors of both Validus and Flagstone have approved a definitive merger agreement pursuant to which Validus will acquire all of the issued and outstanding shares of Flagstone. The joint press release attached to this Current Report on Form 8-K as Exhibit 99.1 is incorporated herein by reference.

Beginning on August 30, 2012, Validus will present the information attached to this report as Exhibit 99.2 to various investors. The presentation attached to this Current Report on Form 8-K as Exhibit 99.2 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed with this report:

Exhibit No.	Description
99.1	Joint Press Release, issued by Validus Holdings, Ltd. and Flagstone Reinsurance Holdings, S.A. on August 30, 2012, entitled “VALIDUS HOLDINGS TO ACQUIRE FLAGSTONE RE”.
99.2	Investor Presentation, dated August 30, 2012.

Cautionary Note Regarding Forward-Looking Statements

This material may include forward-looking statements, both with respect to Validus and Flagstone and their industries, that reflect their current views with respect to future events and financial performance. Statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “anticipate,” “will,” “may,” “would” and similar statements of a future forward-looking nature identify forward-looking statements. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond Validus' and Flagstone's control. Accordingly, there are or will be important factors that could cause actual results to differ materially from those indicated in such statements and, therefore, you should not place undue reliance on any such statements. Validus and Flagstone believe that these factors include, but are not limited to, the following: 1) unpredictability and severity of catastrophic events; 2) issues relating to claims and coverage that may emerge from changing industry practices or changing legal, judicial, social or other environmental conditions; 3) rating agency actions; 4) adequacy of Validus' and Flagstone's risk management and loss limitation methods; 5) competition in the insurance and reinsurance markets; 6) cyclicality of demand and pricing in the insurance and reinsurance markets; 7) adequacy of Validus' and Flagstone's respective loss reserves; 8) the estimates and judgments that Validus and Flagstone use in preparing their respective financial statements, which are more difficult to make than if Validus and Flagstone were mature companies; 9) retention of key personnel; 10) potential conflicts of interest with Validus' and Flagstone's respective officers and directors; 11) continued availability of capital and financing; 12) potential loss of business from one or more major insurance or reinsurance brokers; 13) the credit risk that each of Validus and Flagstone assume through their dealings with their respective insurance and

reinsurance brokers; 14) Validus' and Flagstone's respective ability to implement, successfully and on a timely basis, complex infrastructure, distribution capabilities, systems, procedures and internal controls, and to develop accurate actuarial data to support the business and regulatory and reporting requirements; 15) the risk that Validus and Flagstone could be bound to policies that contravene their respective underwriting guidelines by managing general agents and other third parties who support certain of their businesses; 16) availability of reinsurance and retrocessional coverage; 17) the effect on Validus' and Flagstone's investment portfolios of changing financial market conditions including inflation, interest rates, liquidity and other factors; 18) the impact of currency fluctuations on Validus' and Flagstone's operating

results; 19) the impact of heightened European sovereign debt risk on Validus' and Flagstone's fixed income portfolios; 20) the integration of Flagstone or other businesses Validus may acquire or new business ventures Validus may start; 21) the legal, regulatory and tax regimes under which Validus and Flagstone operate; and 22) acts of terrorism or outbreak of war, as well as Validus and Flagstone management's response to any of the aforementioned factors.

Additionally, the proposed transaction is subject to risks and uncertainties, including: (A) that Validus and Flagstone may be unable to complete the proposed transaction because, among other reasons, conditions to the closing of the proposed transaction may not be satisfied or waived; (B) uncertainty as to the timing of completion of the proposed transaction, (C) uncertainty as to the actual premium (if any) that will be realized by Flagstone shareholders in connection with the proposed transaction; (D) uncertainty as to the long-term value of Validus common shares; (E) failure to realize the anticipated benefits of the proposed transaction, including as a result of failure or delay in integrating Flagstone's businesses into Validus; and (F) the outcome of any legal proceedings to the extent initiated against Validus, Flagstone and others following the announcement of the proposed transaction, as well as Validus and Flagstone management's response to any of the aforementioned factors.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included herein and elsewhere, including the risk factors included in Validus' most recent reports on Form 10-K and Form 10-Q and the risk factors included in Flagstone's most recent reports on Form 10-K and Form 10-Q and other documents of Validus and Flagstone on file with the Securities and Exchange Commission ("SEC"). In addition to the risks described above, risks and uncertainties relating to the proposed mergers will be more fully discussed in the preliminary proxy statement/prospectus included in the registration statement on Form S-4 that will be filed by Validus with the SEC. Any forward-looking statements made in this material are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by Validus or Flagstone will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Validus or Flagstone or their respective businesses or operations. Each forward-looking statement speaks only as of the date of the particular statement and, except as may be required by applicable law, Validus and Flagstone undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

The contents of any websites referenced in this material are not incorporated by reference herein.

Additional Information about the Proposed Transaction and Where to Find It:

This material does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. Certain matters relating to the proposed transaction will be submitted to shareholders of Flagstone for their consideration. Flagstone shareholders are urged to read the preliminary proxy statement/prospectus included in the registration statement on Form S-4 that will be filed by Validus with the SEC in connection with the proposed transaction when it is filed, any supplement or amendment thereto that may be filed, and any other relevant documents that may be filed, with the SEC because they will contain important information. This material is not a substitute for the proxy statement/prospectus or any other documents which Validus or Flagstone may file with the SEC and send to Flagstone shareholders in connection with the proposed transaction.

All such documents, when filed, will be available free of charge at the SEC's website (www.sec.gov) or by directing a request to Validus through Jon Levenson, Executive Vice President, at +1-441-278-9000, or Flagstone through Brenton Slade, Chief Marketing Officer, at +1-441-278-4303.

Participants in the Solicitation:

Validus and Flagstone and their respective directors and officers may be deemed to be participants in any solicitation of Flagstone shareholders in connection with the proposed transaction. Information about Validus' directors and

officers is available in Validus' definitive proxy statement, dated March 21, 2012, for its 2012 annual general meeting of shareholders. Information about Flagstone's directors and officers is available in Flagstone's definitive proxy statement, dated March 28, 2012, for its 2012 annual general meeting of shareholders. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus included in the registration statement on Form S-4 and other relevant materials to be filed with the SEC when they become available. You can obtain such documents free of charge at the SEC's website (www.sec.gov) or by using the contact information above.

SIGNATURES

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

Date: August 30, 2012

VALIDUS HOLDINGS, LTD.
(Registrant)

By: /s/ Robert F. Kuzloski

Name: Robert F. Kuzloski
Title: Executive Vice President & Chief Corporate
Legal Officer

es in employee related benefits, stock-based compensation expense and amortization of acquisition-related identified intangible assets and represented approximately 4.5% of sales for both the third quarter and first nine months of 2013 compared to 4.7% and 4.6% of sales for the same periods in 2012, respectively. Research and development expenses increased approximately \$3.2 and \$8.2 for the third quarter and first nine months of 2013, respectively, compared to the same periods in 2012 reflecting increases in expenses for new product development and represented approximately 2.3% of sales for both the third quarter and first nine months of 2013 compared to 2.1% and 2.2% of sales for the same periods in 2012, respectively. Selling and marketing expenses increased approximately \$4.9 and \$8.5 for the third quarter and first nine months of 2013, respectively, compared to the same periods in 2012 primarily related to the increase in sales volume and represented approximately 5.1% and 5.2% of sales for the third quarter and first nine months of 2013, respectively, compared to 4.9% and 5.3% of sales for the same periods in 2012, respectively.

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Interest expense for the third quarter and first nine months of 2013 was \$16.0 and \$47.1, respectively, compared to \$15.2 and \$44.0 for the same periods in 2012. The increases are primarily attributable to higher average debt levels related to the Company's stock repurchase program.

Other income, net, increased to \$3.6 and \$9.4 for the third quarter and first nine months of 2013, respectively, compared to \$2.6 and \$7.5 for the same periods in 2012, primarily related to higher interest income on higher levels of cash, cash equivalents and short-term investments.

The provision for income taxes for the third quarter and the first nine months of 2013 was at an effective rate of 23.9%. The provision for income taxes for the third quarter and the first nine months of 2012 was at an effective rate of 26.8%. The lower effective rate in the third quarter and first nine months of 2013 included a tax benefit of \$3.6, or \$.02 per diluted common share, resulting primarily from the completion of prior audits. The lower rate in the first nine months of 2013 included the third quarter tax benefit of \$3.6 as well as a first quarter tax benefit of \$11.3, or \$.07 per diluted common share, resulting from the delay by the U.S. government in the reinstatement of certain federal income tax provisions for the year 2012 within the American Taxpayer Relief Act relating primarily to research and development credits and certain U.S. taxes on foreign income. Such tax provisions were reinstated on January 2, 2013 with retroactive effect to 2012. Excluding the effect of these benefits as well as the net impact of acquisition-related expenses, the effective tax rate in the third quarter and the first nine months of 2013 was 25.5% and 26.3%, respectively.

The Company is present in over sixty tax jurisdictions, and at any point in time has numerous audits underway at various stages of completion. With few exceptions, the Company is subject to income tax examinations by tax authorities for the years 2010 and after. The Company is generally not able to precisely estimate the ultimate settlement amounts or timing until the close of an audit. The Company evaluates its tax positions and establishes liabilities for uncertain tax positions that may be challenged by local authorities and may not be fully sustained, despite the Company's belief that the underlying tax positions are fully supportable. As of September 30, 2013, the amount of the liability for unrecognized tax benefits, which if recognized would impact the effective tax rate, was approximately \$13.1, the majority of which is included in other long-term liabilities in the accompanying Condensed Consolidated Balance Sheets. Unrecognized tax benefits are reviewed on an ongoing basis and are adjusted for changing facts and circumstances, including progress of tax audits and the closing of statutes of limitation. Based on information currently available, management anticipates that over the next twelve month period, audit activity could be completed and statutes of limitation may close relating to existing unrecognized tax benefits of approximately \$2.2.

Liquidity and Capital Resources

Cash flow provided by operating activities was \$557.7 in the first nine months of 2013 compared to \$467.6 in the same 2012 period. The increase in cash flow provided by operating activities for the first nine months of 2013 compared to the same 2012 period is primarily due to an increase in net income and a lower increase in the components of working capital. The components of working capital as presented on the accompanying Condensed Consolidated Statements of Cash Flow increased \$24.2 in the first nine months of 2013 due primarily to a decrease in accounts payable of \$25.5, and an increase in accounts receivable and other current assets of \$11.5 and \$10.9, respectively, which were partially offset by an increase in accrued liabilities of \$21.5. The components of working capital as presented on the accompanying Condensed Consolidated Statements of Cash Flow increased \$44.8 in the first nine months of 2012 due primarily to an increase in accounts receivable, inventory and other current assets of \$119.5, \$35.7 and \$15.1, respectively, which were partially offset by increases in accounts payable and accrued liabilities of \$86.6 and \$38.9, respectively.

The following describes the significant changes in the amounts as presented on the accompanying Condensed Consolidated Balance Sheets at September 30, 2013 compared to December 31, 2012. Accounts receivable increased \$15.5 to \$926.2 primarily due to an increase in sales volumes and by the impact of acquisitions. Days sales outstanding were approximately 72 days at September 30, 2013 and December 31, 2012.

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Inventories decreased \$1.0 to \$732.7. Inventory days were approximately 84 days at September 30, 2013 and 83 days at December 31, 2012. Land and depreciable assets, net, increased \$24.4 to \$441.8 primarily due to net capital expenditures of \$103.7 offset by depreciation of \$84.1. Goodwill increased \$39.7 to \$1,972.4 primarily as a result of an acquisition and translation resulting from the comparatively weaker U.S. dollar at September 30, 2013 compared to December 31, 2012 (Translation). Accounts payable decreased \$15.5 to \$481.0, primarily as a result of a slight decrease in payable days to approximately 55 days at September 30, 2013 compared to 56 days at December 31, 2012. Total accrued expenses increased \$35.5 to \$327.2, primarily due to the accrual of dividends declared in September 2013 that were paid in October 2013 and an increase in other accrued expenses offset by lower accrued income taxes. Other long-term liabilities increased \$11.7 to \$45.7 primarily due to an increase in deferred tax liabilities.

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For the first nine months of 2013, cash flow provided by operating activities of \$557.7, net borrowings under credit facilities of \$161.0 and proceeds from the exercise of stock options including tax benefits of \$98.4 were used to fund purchases of treasury stock of \$297.0, net purchases of short-term investments of \$142.6, capital expenditures (net of disposals) of \$103.7, acquisitions of \$44.0, dividend payments of \$33.5 and payments to shareholders of noncontrolling interests of \$4.4, which resulted in an increase in cash and cash equivalents before the impact of Translation of \$198.5. For the first nine months of 2012, cash flow provided by operating activities of \$467.6, proceeds from the 4.00% Senior Notes offering of \$494.7 and proceeds from the exercise of stock options including tax benefits from stock-based payment arrangements of \$91.3 were used to fund net repayments on credit facilities of \$270.4, purchases of treasury stock of \$229.4, acquisitions of \$179.6, capital expenditures (net of disposals) of \$92.3, dividend payments of \$36.4, net purchases of short-term investments of \$33.5, and payments to shareholders of noncontrolling interests of \$4.7, which resulted in an increase in cash and cash equivalents of \$210.5 before the impact of Translation.

In July 2013, the Company amended its revolving credit facility (the Revolving Credit Facility) to (1) reduce borrowing costs, (2) extend the maturity date to July 2018 and (3) increase aggregate commitments under the Revolving Credit Facility by \$500.0, thereby increasing the Revolving Credit Facility to \$1,500.0. At September 30, 2013, borrowings and availability under the Revolving Credit Facility were \$683.8 and \$816.2, respectively. The interest rate on borrowings under the Revolving Credit Facility was at a spread over LIBOR. The Revolving Credit Facility requires payment of certain annual agency and commitment fees and requires that the Company satisfy certain financial covenants. At September 30, 2013, the Company was in compliance with the financial covenants under the Revolving Credit Facility.

In November 2009, the Company issued \$600.0 principal amount of unsecured 4.75% Senior Notes due November 2014 (the 4.75% Senior Notes) at 99.813% of their face value. Net proceeds from the sale of the 4.75% Senior Notes were used to repay borrowings under the Company's Revolving Credit Facility. Interest on the 4.75% Senior Notes is payable semi-annually on May 15 and November 15 of each year to the holders of record as of the immediately preceding May 1 and November 1. The Company may, at its option, redeem some or all of the 4.75% Senior Notes at any time by paying a make-whole premium, plus accrued and unpaid interest, if any, to the date of repurchase. The 4.75% Senior Notes are unsecured and rank equally in right of payment with the Company's other unsecured senior indebtedness. The fair value of the 4.75% Senior Notes at September 30, 2013 was approximately \$626.2 based on recent bid prices.

In January 2012, the Company issued \$500.0 principal amount of unsecured 4.00% Senior Notes due February 2022 (the 4.00% Senior Notes) at 99.746% of their face value. Net proceeds from the sale of the 4.00% Senior Notes before payment of fees and expenses related to the offering in the amount of \$498.7 were used to repay borrowings under the Company's Revolving Credit Facility. Interest on the 4.00% Senior Notes is payable semi-annually on February 1 and August 1 of each year, to the holders of record as of the immediately preceding January 15 and July 15. The Company may, at its option, redeem some or all of the 4.00% Senior Notes at any time by paying 100% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase, plus a make-whole premium (if redeemed prior to November 1, 2021). The 4.00% Senior Notes are unsecured and rank equally in right of payment with the Company's other unsecured senior indebtedness. The fair value of the 4.00% Senior Notes at September 30, 2013 was approximately \$496.6 based on recent bid prices.

A subsidiary of the Company has entered into a Receivables Securitization Facility with a financial institution whereby the subsidiary can sell an undivided interest of up to \$100.0 in a designated pool of qualified accounts receivable (the Receivables Securitization Facility). The Company services, administers and collects the receivables on behalf of the purchaser. The Receivables Securitization Facility includes certain covenants and provides for various events of termination. Transfers of receivables are reflected as debt issued in the Company's Condensed Consolidated Statements of Cash Flow, and the value of the outstanding undivided interest held by investors at December 31, 2012 and September 30, 2013 is accounted for as a secured borrowing and is included in the Company's Condensed Consolidated Balance Sheets as short-term debt. At September 30, 2013, borrowings under the Receivables Securitization Facility were \$84.5. Fees incurred in connection with the Receivables Securitization Facility are included in interest expense.

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In October 2013, the Company entered into a credit agreement among the Company, certain subsidiaries of the Company and a financial institution (the Credit Agreement). The Credit Agreement provides for a \$100.0 uncommitted and unsecured credit facility with the ability to borrow at a spread over LIBOR, which is renewable annually. This credit facility is intended to replace the Receivables Securitization Facility and as such, on September 30, 2013, the Company provided written notice to terminate the Receivables Securitization Facility effective on November 15, 2013.

The carrying value of borrowings under the Company s Revolving Credit Facility and Receivables Securitization Facility approximated their fair value at September 30, 2013.

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The Company's primary ongoing cash requirements will be for operating and capital expenditures, product development activities, repurchases of its common stock, funding of pension obligations, dividends and debt service. The Company may also use cash to fund all or part of the cost of acquisitions. The Company generally pays a quarterly dividend on its common stock. In July 2013, the Board of Directors approved the third quarter 2013 dividend on the Company's common stock in the amount of \$0.20 per share. This represented an increase in the quarterly dividend rate from \$0.105 to \$0.20 per share effective with the third quarter 2013 dividend to be paid on or about October 2, 2013 to holders of record of the Company's Class A Common stock as of September 11, 2013. For the three and nine months ended September 30, 2013, the Company paid dividends in the amount of \$16.7 and \$33.5, respectively, and declared dividends in the amount of \$31.6 and \$65.1, respectively. The Company's debt service requirements consist primarily of principal and interest on the Senior Notes, the Revolving Credit Facility and the Receivables Securitization Facility.

The Company's primary sources of liquidity are internally generated cash flow, the Company's credit facilities, and cash, cash equivalents and short-term investments. The Company expects that ongoing cash requirements will be funded from these sources; however, the Company's sources of liquidity could be adversely affected by, among other things, a decrease in demand for the Company's products, a deterioration in certain of the Company's financial ratios or a deterioration in the quality of the Company's accounts receivables. However, management believes that the Company's cash, cash equivalents and short-term investment position, ability to generate strong cash flow from operations, and availability under its credit facilities will allow it to meet its obligations for the next twelve months.

In January 2013, the Company's Board of Directors authorized a stock repurchase program under which the Company may repurchase up to 10 million shares of its common stock during the two year period ending January 31, 2015 (the 2013 Stock Repurchase Program). The price and timing of any such purchases under the 2013 Stock Repurchase Program will depend on factors such as levels of cash generation from operations, the volume of stock option exercises by employees, cash requirements for acquisitions, economic and market conditions and stock price. During the nine months ended September 30, 2013, the Company repurchased 4.0 million shares of its common stock for approximately \$297.0. These treasury shares have been or will be retired by the Company and common stock and accumulated earnings were reduced accordingly.

For the three and nine months ended September 30, 2013, the Company made cash contributions to the U.S. defined benefit pension plans of \$11.0 and \$15.0, respectively and estimates that, based on current actuarial calculations, it will make aggregate cash contributions to its defined benefit pension plans in 2013 of approximately \$21.0, the majority of which is to the U.S. defined benefit pension plans. The timing and amount of cash contributions in subsequent years will depend on a number of factors, including the investment performance of the plan assets.

Environmental Matters

Certain operations of the Company are subject to environmental laws and regulations which govern the discharge of pollutants into the air and water, as well as the handling and disposal of solid and hazardous wastes. The Company believes that its operations are currently in substantial compliance with applicable environmental laws and regulations and that the costs of continuing compliance will not have a material effect on the Company's financial condition, result of operations or cash flows.

Owners and occupiers of sites containing hazardous substances, as well as generators of hazardous substances, are subject to broad liability under various environmental laws and regulations, including expenditures for cleanup and monitoring costs and potential damages arising out of past disposal activities. Such liability in many cases may be imposed regardless of fault or the legality of the original disposal activity. The Company has performed remediation activities and is currently performing operations and maintenance and monitoring activities at three off-site disposal sites previously utilized by the Company's facility in Sidney, New York, and others - the Richardson Hill Road landfill, the Route 8

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landfill and the Sidney landfill. Actions at the Richardson Hill Road and Sidney landfills were undertaken subsequent to designation as Superfund sites on the National Priorities List under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. The Route 8 landfill was designated as a New York State Inactive Hazardous Waste Disposal Site, with remedial actions taken pursuant to Chapter 6, Section 375-1 of the New York Code of Rules and Regulations. In addition, the Company is currently performing monitoring activities at, and in proximity to, its manufacturing site in Sidney, New York. The Company is also engaged in remediating or monitoring environmental conditions at certain of its other manufacturing facilities and has been named as a potentially responsible party for cleanup costs at other off-site disposal sites.

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Subsequent to the acquisition of Amphenol from Allied Signal Corporation (Allied Signal) in 1987 (Allied Signal merged with Honeywell International Inc. in December 1999 (Honeywell)), the Company and Honeywell were named jointly and severally liable as potentially responsible parties in connection with several environmental cleanup sites. The Company and Honeywell jointly consented to perform certain investigations and remediation and monitoring activities at the Route 8 landfill and the Richardson Hill Road landfill, and they were jointly ordered to perform work at the Sidney landfill, all as referred to above. All of the costs incurred relating to these three sites are currently reimbursed by Honeywell based on an agreement (the Honeywell Agreement) entered into in connection with the acquisition in 1987. The environmental investigation, remediation and monitoring activities identified by the Company, including those referred to above, are covered under the Honeywell Agreement. Management does not believe that the costs associated with resolution of these or any other environmental matters will have a material effect on the Company s consolidated financial condition, result of operations or cash flows.

Since 1987, the Company has not been identified nor has it been named as a potentially responsible party with respect to any other significant on-site or off-site hazardous waste matters. In addition, the Company believes that its manufacturing activities and disposal practices since 1987 have been in material compliance with applicable environmental laws and regulations. Nonetheless, it is possible that the Company will be named as a potentially responsible party in the future with respect to additional Superfund or other sites. Although the Company is unable to predict with any reasonable certainty the extent of its ultimate liability with respect to any pending or future environmental matters, the Company believes, based upon information currently known by management about the Company s manufacturing activities, disposal practices and estimates of liability with respect to known environmental matters, that any such liability will not have a material effect on the Company s consolidated financial condition, result of operations or cash flows.

Safe Harbor Statement

Statements in this Form 10-Q, which are other than historical facts, are intended to be forward-looking statements within the meaning of the Securities Exchange Act of 1934, the Private Securities Litigation Reform Act of 1995 and other related laws. While the Company believes such statements are reasonable, the actual results and effects could differ materially from those currently anticipated. Please refer to Part I, Item 1A of the Company s 2012 Annual Report, for some factors that could cause the actual results to differ from estimates. In providing forward-looking statements, the Company is not undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company, in the normal course of doing business, is exposed to the risks associated with foreign currency exchange rates and changes in interest rates. There has been no material change in the Company s assessment of its sensitivity to foreign currency exchange rate risk since its presentation set forth in Part II, Item 7A Quantitative and Qualitative Disclosures About Market Risk in its 2012 Annual Report. As of September 30, 2013, the Company s average LIBOR rate was 0.18%. A 10% change in the LIBOR interest rate at September 30, 2013 would have no material effect on interest expense. The Company does not expect changes in interest rates to have a material effect on income or cash flows in 2013, although there can be no assurances that interest rates will not significantly change.

Item 4. Controls and Procedures

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Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as of the period covered by this report. Based on their evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective in providing reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and such information is accumulated and communicated to management, including the Company's principal executive and financial officers, to allow timely decisions regarding required disclosure. There has been no change in the Company's internal controls over financial reporting during its most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Table of Contents**PART II - OTHER INFORMATION****Item 1. Legal Proceedings**

The Company and its subsidiaries have been named as defendants in several legal actions in which various amounts are claimed arising from normal business activities. Although the amount of any ultimate liability with respect to such matters cannot be precisely determined, in the opinion of management, such matters are not expected to have a material adverse effect on the Company's financial condition or results of operations.

Item 1A. Risk Factors

There have been no material changes to the Company's risk factors as disclosed in Part I, Item 1A of the Company's 2012 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Repurchase of Equity Securities**

In January 2013, the Company's Board of Directors authorized a stock repurchase program under which the Company may repurchase up to 10 million shares of its common stock during the two year period ending January 31, 2015 (the 2013 Stock Repurchase Program). The price and timing of any such purchases under the 2013 Stock Repurchase Program will depend on factors such as levels of cash generation from operations, the volume of stock option exercises by employees, cash requirements for acquisitions, economic and market conditions and stock price. During the nine months ended September 30, 2013, the Company repurchased approximately 4.0 million shares of its common stock for approximately \$297.0 million. These treasury shares have been or will be retired by the Company and common stock and accumulated earnings were reduced accordingly.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1 to January 31, 2013	393,131	\$ 67.60	393,131	9,606,869
February 1 to February 29, 2013	769,423	68.99	769,423	8,837,446
March 1 to March 31, 2013	81,007	69.67	81,007	8,756,439
April 1 to April 30, 2013				8,756,439
May 1 to May 31, 2013	395,197	79.43	395,197	8,361,242
June 1 to June 30, 2013	827,900	77.81	827,900	7,533,342
July 1 to July 31, 2013	669,054	77.58	669,054	6,864,288

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August 1 to August 31, 2013	820,903		77.92	820,903	6,043,385
September 1 to September 30, 2013					
Total	3,956,615	\$	75.06	3,956,615	6,043,385

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

- 3.1 Amphenol Corporation, Amended and Restated By-Laws, dated May 24, 2012 (filed as Exhibit 3.1 to the June 30, 2012 10-Q).*
- 3.2 Amended and Restated Certificate of Incorporation of Amphenol Corporation, dated April 24, 2000 (filed as Exhibit 3.1 to the Form 8-K filed on April 28, 2000).*
- 3.3 Second Certificate of Amendment of Amended and Restated Certificate of Incorporation of Amphenol Corporation, dated May 23, 2007 (filed as Exhibit 3.4 to the December 31, 2007 10-K).*
- 3.4 Third Certificate of Amendment of Amended and Restated Certificate of Incorporation of Amphenol Corporation, dated May 24, 2012 (filed as Exhibit 3.2 to the June 30, 2012 10-Q).*
- 4.1 Indenture, dated as of November 5, 2009, between Amphenol Corporation and the Bank of New York Mellon, as trustee (filed as Exhibit 4.1 to the Form 8-K filed on November 5, 2009).*
- 4.2 Officers Certificate, dated November 5, 2009, establishing the 4.75% Senior Notes due 2014 pursuant to the Indenture (filed as Exhibit 4.2 to the Form 8-K filed on November 5, 2009).*
- 4.3 Officers Certificate, dated January 26, 2012, establishing the 4.00% Senior Notes due 2022 pursuant to the Indenture (filed as Exhibit 4.2 to the Form 8-K filed on January 26, 2012).*
- 10.1 Receivables Purchase Agreement dated as of July 31, 2006 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.10 to the June 30, 2006 10-Q).*
- 10.2 Amendment to Receivables Purchase Agreement dated as of May 26, 2009 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.2 to the June 30, 2009 10-Q).*
- 10.3 Amendment to Receivables Purchase Agreement dated February 1, 2011 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.4 to the December 31, 2010 10-K).*
- 10.4 Amendment to Receivables Purchase Agreement dated September 9, 2011 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.5 to the September 30, 2011 10-Q).*
- 10.5 Amendment to Receivables Purchase Agreement dated January 17, 2013 among Amphenol Funding Corp., the Company, Atlantic Asset Securitization LLC and Calyon New York Branch, as Agent (filed as Exhibit 10.5 to the December 31, 2012 10-K).*
- 10.6 Purchase and Sales Agreement dated as of July 31, 2006 among the Originators named therein, Amphenol Funding Corp. and the Company (filed as Exhibit 10.13 to the June 30, 2006 10-Q).*
- 10.7 Fourth Amended 2000 Stock Purchase and Option Plan for Key Employees of Amphenol and Subsidiaries (filed as Exhibit 10.20 to the June 30, 2007 10-Q).*
- 10.8 Form of 2000 Management Stockholders Agreement as of May 24, 2007 (filed as Exhibit 10.25 to the June 30, 2007 10-Q).*
- 10.9 Form of 2000 Non-Qualified Stock Option Grant Agreement Amended as of May 24, 2007 (filed as Exhibit 10.28 to the June 30, 2007 10-Q).*
- 10.10 2009 Stock Purchase and Option Plan for Key Employees of Amphenol and Subsidiaries (filed as Exhibit 10.7 to the June 30, 2009 10-Q).*
- 10.11 Form of 2009 Non-Qualified Stock Option Grant Agreement dated as of May 20, 2009 (filed as Exhibit 10.8 to the June 30, 2009 10-Q).*
- 10.12 Form of 2009 Management Stockholders Agreement dated as of May 20, 2009 (filed as Exhibit 10.9 to the June 30, 2009 10-Q).*
- 10.13 The 2012 Restricted Stock Plan for Directors of Amphenol Corporation dated May 24, 2012 (filed as Exhibit 10.15 to the June 30, 2012 10-Q).*
- 10.14 2012 Restricted Stock Plan for Directors of Amphenol Corporation Restricted Share Award Agreement dated May 24, 2012 (filed as Exhibit 10.16 to the June 30, 2012 10-Q).*
- 10.15 Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011 (filed as Exhibit 10.25 to the December 31, 2010 10-K).*
- 10.16 First Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011, dated May 23, 2012 (filed as Exhibit 10.18 to the June 30, 2012 10-Q).*
- 10.17 Second Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011, dated August 14, 2012 (filed as Exhibit 10.19 to the September 30, 2012 10-Q).*
- 10.18 Third Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated effective January 1, 2011, dated December 19, 2012 (filed as Exhibit 10.18 to the December 31, 2012 10-K).*
- 10.19 Fourth Amendment to Pension Plan for Employees of Amphenol Corporation as amended and restated

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	effective January 1, 2011, dated April 24, 2013. (filed as an Exhibit 10.19 to the March 31, 2013 10-Q)*
10.20	Amended and Restated Amphenol Corporation Supplemental Employee Retirement Plan (filed as Exhibit 10.24 to the December 31, 2008 10-K).*
10.21	Amphenol Corporation Directors' Deferred Compensation Plan (filed as Exhibit 10.11 to the December 31, 1997 10-K).*
10.22	The 2004 Stock Option Plan for Directors of Amphenol Corporation (filed as Exhibit 10.44 to the June 30, 2004 10-Q).*
10.23	The Amended 2004 Stock Option Plan for Directors of Amphenol Corporation (filed as Exhibit 10.29 to the June 30, 2008 10-Q).*
10.24	2011 Amphenol Corporation Management Incentive Plan (filed as Exhibit 10.37 to the December 31, 2010 10-K).*
10.25	2012 Amphenol Corporation Management Incentive Plan (filed as Exhibit 10.22 to the December 31, 2011 10-K).*
10.26	2013 Amphenol Corporation Management Incentive Plan (filed as Exhibit 10.25 to the December 31, 2012 10-K).*
10.27	2009 Amphenol Corporation Executive Incentive Plan (filed as Exhibit 10.32 to the March 31, 2009 10-Q).*
10.28	Credit Agreement, dated as of August 13, 2010, among the Company, certain subsidiaries of the Company, a syndicate of financial institutions and Bank of America, N.A. acting as the administrative agent (filed as Exhibit 10.1 to the Form 8-K filed on August 18, 2010).*
10.29	First Amendment to Credit Agreement, dated as of June 30, 2011, among the Company, certain subsidiaries of the Company, a syndicate of financial institutions and Bank of America, N.A. acting as the administrative agent (filed as Exhibit 10.38 to the June 30, 2011 10-Q).*
10.30	Continuing Agreement for Standby Letters of Credit between the Company and Deutsche Bank dated March 4, 2009 (filed as Exhibit 10.36 to the March 31, 2009 10-Q).*
10.31	Agreement and Plan of Merger among Amphenol Acquisition Corporation, Allied Corporation and the Company, dated April 1, 1987, and the Amendment thereto dated as of May 15, 1987 (filed as Exhibit 2 to the 1987 Registration Statement).*
10.32	Settlement Agreement among Allied Signal Inc., the Company and LPL Investment Group, Inc. dated November 28, 1988 (filed as Exhibit 10.20 to the 1991 Registration Statement).*
10.33	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective March 1, 2010 (filed as Exhibit 10.50 to the March 31, 2010 10-Q).*
10.34	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective July 1, 2011 (filed as Exhibit 10.51 to the June 30, 2011 10-Q).*
10.35	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective August 16, 2011 (filed as Exhibit 10.29 to the September 30, 2011 10-Q).*
10.36	The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective December 14, 2011 (filed as Exhibit 10.32 to the December 31, 2011 10-K).*
10.37	First Amendment to The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective December 14, 2011, dated March 30, 2012 (filed as Exhibit 10.36 to the June 30, 2012 10-Q).*
10.38	Second Amendment to The Amphenol Corporation Employee Savings/401(k) Plan Adoption Agreement as amended and restated effective December 14, 2011, dated April 10, 2012 (filed as Exhibit 10.37 to the June 30, 2012 10-Q).*
10.39	Restated Amphenol Corporation Supplemental Defined Contribution Plan (filed as Exhibit 10.30 to the September 30, 2011 10-Q).*
10.40	Amphenol Corporation Supplemental Defined Contribution Plan as amended and restated effective January 1, 2012 (filed as Exhibit 10.34 to the December 31, 2011 10-K).*
10.41	Second Amendment to Credit Agreement, dated as of July 1, 2013, among the Company, certain subsidiaries of the Company, a syndicate of financial institutions and JPMorgan Chase, N.A. acting as the administrative agent (filed as Exhibit 10.1 to the Form 8-K filed on July 8, 2013).*
10.42	Credit Agreement, dated October 7, 2013, among the Company, certain subsidiaries of the Company and Sovereign Bank, N.A. with an effective date of October 18, 2013 (filed as Exhibit 10.1 to the Form 8-K filed on October 21, 2013).*
31.1	Certification pursuant to Exchange Act Rules 13a-14 and 15d-14; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
31.2	Certification pursuant to Exchange Act Rules 13a-14 and 15d-14; as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. **
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **

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32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. **
101.INS	XBRL Instance Document.**
101.SCH	XBRL Taxonomy Extension Schema Document.**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.**
101.DEF	XBRL Taxonomy Extension Definition Document.**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.**

* Incorporated herein by reference as stated.

** Filed herewith.

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SIGNATURE

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

AMPHENOL CORPORATION

By:

*/s/ Diana G. Reardon
Diana G. Reardon
Authorized Signatory
and Principal Financial Officer*

Date: November 1, 2013