WEBSTER FINANCIAL CORP
Form 424B7
May 10, 2013
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CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Maximum offering price per unit(1)	Maximum aggregate offering price	Amount of registration fee(2)
Common Stock, $0.01 par value per share	8,744,850	$23.06	$201,656,241	$27,505.91

(1) Estimated pursuant to Rule 457(c), the offering price per share is based on the average of the high and low prices for our common stock on May 3, 2013, as reported on the New York Stock Exchange.

(2) This filing fee is calculated in accordance with Rule 457(r) and relates to the Registration Statement on Form S-3 (File No. 333-178642) filed by the Registrant on December 20, 2011.

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Filed Pursuant to Rule 424(b)(7)
Registration No. 333-178642

PROSPECTUS SUPPLEMENT

(To prospectus dated December 20, 2011)

8,744,850 Shares

WEBSTER FINANCIAL CORPORATION

Common Stock

Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. (collectively, Warburg Pincus) are offering 8,744,850 shares of our common stock in the aggregate. We will not receive any proceeds from the sale of shares of our common stock offered hereby.

Immediately following completion of this offering, Warburg Pincus will no longer own any shares of our common stock.

Our common stock is listed on the New York Stock Exchange (the NYSE) under the trading symbol WBS. On May 7, 2013, the last sale price of our common stock as reported on the NYSE was $23.76 per share.

Investing in our common stock involves risks. You should consider the information under the heading Risk Factors beginning on page S-6 before investing in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

These securities are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

The underwriters have agreed to purchase the shares of our common stock from the selling stockholders at a price of $22.50 per share, which will result in approximately $196,759,125 of proceeds to the selling stockholders.

The underwriters propose to offer our shares of common stock from time to time for sale in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part.

See Underwriting beginning on page S-17 of this prospectus supplement for more information

The underwriters expect to deliver the common stock against payment on or about May 13, 2013 only in book-entry form through the facilities of The Depository Trust Company.

J.P. Morgan **Deutsche Bank Securities**

The date of this prospectus supplement is May 8, 2013.

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Prospectus Supplement

Prospectus

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to the offering. Generally, the term prospectus refers to both parts combined.

We have not authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it. We, Warburg Pincus and the underwriters, are offering to sell these securities and seeking offers to buy these securities only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of each document regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of these securities. In case there are any differences or inconsistencies between this prospectus supplement, the accompanying prospectus and the information incorporated by reference, you should rely on the information in the document with the latest date.

All references in this prospectus supplement to Webster Financial, the Company, we, us, our or similar references mean Webster Financial Corporation and its successors, and include our consolidated subsidiaries where the context so requires.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission (the SEC). You may read and copy any materials we file with the SEC at the Public Reference Room of the SEC at Room 1580, 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, we file many of our documents electronically with the SEC, and you may access those documents over the Internet. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the SEC s website is www.sec.gov. Documents we have filed with the SEC are also available on our website at www.wbst.com. Except as expressly stated herein, information contained on our website does not constitute a part of this prospectus and is not incorporated by reference herein.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus supplement. This means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this prospectus supplement, except for any information that is superseded by other information that is included in or incorporated by reference into this document.

This prospectus incorporates by reference the documents listed below that we have previously filed with the SEC (File No. 001-31486). These documents contain important information about us:

- our Annual Report on Form 10-K for the year ended December 31, 2012, filed on February 28, 2013;
- our Quarterly Report on Form 10-Q for the quarter ended March 31, 2013, filed on May 6, 2013;
- our Proxy Statement on Schedule 14A filed on March 15, 2013; and

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our Current Reports on Form 8-K filed with the SEC on February, 14, 2013, February 27, 2013 (file no. 13647505) (as amended on March 6, 2013), April 24, 2013 and April 26, 2013 (except, with respect to each of the foregoing, for portions of such reports which were deemed to be furnished and not filed).

We incorporate by reference any additional documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than those furnished pursuant to Item 2.02 or Item 7.01 of Form 8-K or other information furnished to the SEC) from the date of the registration statement of which this prospectus supplement is part until the termination of the offering of the securities. These documents may include annual, quarterly and current reports, as well as proxy statements. Any material that we later file with the SEC will automatically update and replace the information previously filed with the SEC. These documents are available to you without charge. See Where You Can Find More Information.

You may obtain copies of these documents, other than exhibits, free of charge by contacting Terrence K. Mangan, Senior Vice President, Investor Relations, at our principal executive offices, which are located at 145 Bank Street, Waterbury, Connecticut 06702, or by telephone at (203) 578-2202.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the prospectus and the information included or incorporated by reference in them include forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include the words believes, expects, anticipates, estimates, forecasts, intends, plans, targets, potentially, probably, projects, outlook or sim conditional verbs such as may, will, should, would and could. These forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from the statements, including:

- local, regional, national and international economic conditions and the impact they may have on us and our customers and our assessment of that impact;
- volatility and disruption in national and international financial markets;
- government intervention in the U.S. financial system;
- changes in the level of non-performing assets and charge-offs;
- changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- adverse conditions in the securities markets that lead to impairment in the value of securities in our investment portfolio;
- inflation, interest rate, securities market and monetary fluctuations;
- the timely development and acceptance of new products and services and perceived overall value of these products and services by customers;
- changes in consumer spending, borrowings and savings habits;

technological changes and cyber-security matters;

the ability to increase market share and control expenses;

changes in the competitive environment among banks, financial holding companies and other financial service providers;

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- the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which we and our subsidiaries must comply, including those under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Basel III update to the Basel Accords;

- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters;

- the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other governmental inquiries and the results of regulatory examinations or reviews; and

- our success at managing the risks involved in the foregoing items.

Some of these and other factors are discussed in our annual and quarterly reports previously filed with the SEC. Such developments could have an adverse impact on our financial position and our results of operations.

The forward-looking statements are based upon management s beliefs and assumptions and are made as of the date of this prospectus supplement. We undertake no obligation to publicly update or revise any forward-looking statements included or incorporated by reference in this prospectus supplement or to update the reasons why actual results could differ from those contained in such statements, whether as a result of new information, future events or otherwise, except to the extent required by federal securities laws. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this prospectus supplement or in the incorporated documents might not occur, and you should not put undue reliance on any forward-looking statements.

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PROSPECTUS SUPPLEMENT SUMMARY

The following summary contains basic information about us and this offering. Because it is a summary, it does not contain all the information that may be important to you. Before making an investment decision, you should read this entire prospectus supplement and accompanying prospectus carefully, including the section entitled Risk Factors, and the documents incorporated by reference herein, including the financial statements and the accompanying notes contained in such documents.

About Webster Financial Corporation

Webster Financial Corporation is a bank holding company and financial holding company under the Bank Holding Company Act of 1956, as amended, and was incorporated under the laws of Delaware in 1986. On a consolidated basis, at December 31, 2012, we had assets of $20.1 billion and equity of $2.1 billion. Our principal asset at December 31, 2012 was all of the outstanding capital stock of Webster Bank, National Association (Webster Bank).

Through Webster Bank and various non-banking financial services subsidiaries, we deliver financial services to individuals, families, and businesses throughout southern New England and into Westchester County, New York. We also offer equipment financing, commercial real estate lending, asset-based lending, and health savings accounts on a regional or national basis. We provide business and consumer banking, mortgage, financial planning, trust and investment services through 168 banking offices, 294 ATMs, telephone banking, mobile banking and the Internet. Webster Bank owns the asset based lending firm Webster Business Credit Corporation, the equipment finance firm Webster Capital Finance Corporation, and provides health savings account trustee and administrative services through its HSA Bank division. References to our website and those of our subsidiaries are not intended to be active links and the information on such websites is not, and you must not consider the information to be, a part of this prospectus supplement except as expressly set forth herein.

Our common stock is traded on the New York Stock Exchange under the symbol WBS. Our principal executive offices are located at 145 Bank Street, Waterbury, Connecticut 06702. Our telephone number is (203) 578-2202.

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The Offering

Common stock offered by Warburg Pincus	8,744,850 shares (approximately 9.7% of our outstanding common stock)
Common stock held by Warburg Pincus after this offering	None
Common stock to be outstanding after this offering(1)	90,256,724 shares
Use of proceeds	We will not receive any of the proceeds from the sale of shares of common stock by Warburg Pincus.
Risk Factors	You should read carefully the information set forth under Risk Factors herein for a discussion of factors that you should consider before deciding to invest in our common stock.
New York Stock Exchange symbol	WBS

(1) The number of shares of common stock outstanding after this offering is based on the number of shares outstanding as of April 30, 2013 (90,256,724 shares of common stock) and excludes:

- 2,906,253 shares of common stock issuable upon the exercise of stock options;
- 679,921 shares of common stock issuable upon the exercise of warrants; and
- 1,065,088 shares of common stock issuable upon conversion of our 8.50% Series A Non Cumulative Perpetual Convertible Preferred Stock.

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RISK FACTORS

An investment in our common stock involves certain risks. Before making an investment decision, you should carefully consider the following risks and all of the other information included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein. In particular, before deciding whether to invest in our common stock, you should carefully consider the risk factors and the discussion of risks contained in the Annual Report on Form 10-K for the year ended December 31, 2012, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.

Risks Related to this Offering and Our Common Stock

The market price of our common stock may decline after the offering.

The price per share of common stock sold in this offering may be more or less than the market price of our common stock on the date the offering is consummated. If the purchase price is greater than the market price at the time of sale, purchasers may experience an immediate decline in the market value of the common stock purchased in this offering. If the actual purchase price is less than the market price for the shares of common stock, some purchasers in the offering may be inclined to immediately sell shares of common stock to attempt to realize a profit. Any such sales, depending on the volume and timing, could cause the price of our common stock to decline. Additionally, because stock prices generally fluctuate over time, there is no assurance that purchasers of our common stock in the offering will be able to sell shares after the offering at a price that is equal to or greater than the actual purchase price. Purchasers should consider these possibilities in determining whether to purchase shares in the offering and the timing of any sales of shares of common stock.

Future sales of our common stock or other securities may dilute the value and adversely affect the market price of our common stock.

In many situations, our board of directors has the authority, without any vote of our stockholders, to issue shares of our authorized but unissued shares of common stock or shares of our authorized but unissued preferred stock. In the future, we may issue additional securities, through public or private offerings, in order to raise additional capital. Any such issuance would dilute the percentage of ownership interest of existing stockholders and may dilute the per share book value of the common stock. In addition, option holders may exercise their options at a time when we would otherwise be able to obtain additional equity capital on more favorable terms. In the case of issuances of our preferred stock, any issuances would likely result in your interest being subject to the prior rights of holders of that preferred stock. The market price of our common stock could decline as a result of this offering as well as sales of shares of our common stock made after this offering or the perception that such sales could occur.

You may not receive dividends on the common stock.

Although we have historically declared cash dividends on our common stock, we are not required to do so and may reduce or cease to pay common stock dividends in the future. If we reduce or cease to pay common stock dividends, the market price of our common stock could be adversely affected. See Supervision and Regulation Dividends in our Annual Report on Form 10-K for the year ended December 31, 2012 for a discussion of regulatory and other restrictions on dividend declarations.

We may not pay dividends if we are not able to receive dividends from our subsidiary, Webster Bank.

We are a separate and distinct legal entity from our banking and nonbanking subsidiaries and depend on the payment of cash dividends from Webster Bank and our existing liquid assets as the principal sources of funds for paying

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cash dividends on our common stock. Unless we receive dividends from Webster Bank or choose to use our liquid assets, we may not be able to pay dividends. Webster Bank s ability to pay dividends is subject to its ability to earn net income and to meet certain regulatory requirements. See Supervision and Regulation Dividends in our Annual Report on Form 10-K for the year ended December 31, 2012 for a discussion of regulatory and other restrictions on dividend declarations. If, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, such authority may require, after notice and the opportunity for a hearing, that such bank cease and desist from such practice, and may take other supervisory actions, including other formal or informal enforcement actions. Depending on the financial condition of our banking subsidiaries, the applicable regulatory authority might deem us or any relevant banking subsidiary to be engaged in an unsafe or unsound practice if our banking subsidiaries were to pay dividends. The Federal Reserve and the Office of the Comptroller of the Currency have issued policy statements generally requiring insured banks and bank holding companies only to pay dividends out of current operating earnings. In 2009, the Federal Reserve released a supervisory letter advising bank holding companies, among other things, that as a general matter a bank holding company should inform the Federal Reserve and should eliminate, defer or significantly reduce its dividends if (1) the bank holding company s net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends, (2) the bank holding company s prospective rate of earnings is not consistent with the bank holding company s capital needs and overall current and prospective financial condition, or (3) the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

Our common stock is equity and is subordinate to our existing and future indebtedness and preferred stock.

Shares of common stock are equity interests in us and do not constitute indebtedness. As such, shares of common stock will rank junior to all of our indebtedness and to other non-equity claims against us and our assets available to satisfy claims against us, including in our liquidation. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of holders of our outstanding preferred stock. The issued and outstanding shares of our 8.50% Series A Non-Cumulative Perpetual Convertible Preferred Stock and 6.40% Series E Non-Cumulative Perpetual Preferred Stock have an aggregate liquidation preference of approximately $155.4 million. We may also issue preferred stock in the future that has a preference over the common stock with respect to the payment of dividends or upon liquidation, dissolution or winding up, or voting rights that dilute the voting power of the common stock. Our board of directors is authorized to issue additional classes or series of preferred stock without any action on the part of the holders of our common stock and we are permitted to incur additional debt. Upon liquidation, lenders and holders of our debt securities and preferred stock would receive distributions of our available assets prior to holders of our common stock.

Offerings of debt, which would be senior to our common stock upon liquidation, and/or preferred equity securities which would likely be senior to our common stock for purposes of dividend distributions or upon liquidation, may adversely affect the market price of our common stock.

In the future, we may attempt to further increase our capital resources or, if our or Webster Bank s capital ratios fall below the required minimums, we or Webster Bank could be forced to raise additional capital by making additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution. Our certificate of incorporation, subject to limitations prescribed in our certificate of incorporation and subject to limitations prescribed by Delaware law, authorizes the board, from time to time by resolution or action of a committee of the board and without further stockholder action, to provide for the issuance of shares of preferred stock, in one or more series, and to fix the relative rights and preferences of the shares, including voting powers, dividend rights, liquidation preferences, redemption rights and conversion privileges. If we issue additional preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution, or winding-up, the rights of holders of our common stock or the market price of our common stock could be adversely affected.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of shares of our common stock being offered hereby. All proceeds from this offering will be received by Warburg Pincus.

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PRICE RANGE OF COMMON STOCK AND DIVIDENDS

Our common stock is listed on the NYSE under the symbol WBS. As of May 7, 2013, the last reported sale price of our common stock on the NYSE was $23.76 per share. As of May 1, 2013, there were approximately 7,705 stockholders of record.

The following table presents the high and low sales price per share of our common stock during certain periods, as reported on the NYSE. Cash dividends paid per share of our common stock are also shown.

Common Stock (per share)

	Market Prices		
2013	**High**	**Low**	**Dividends Declared**
Second quarter (through May 7, 2013)	$ 24.25	$ 22.04	$ 0.15
First quarter	24.67	20.81	0.10
2012	**High**	**Low**	**Dividends Declared**
Fourth quarter	$ 24.46	$ 19.71	$ 0.10
Third quarter	24.98	19.43	0.10
Second quarter	23.11	18.88	0.10
First quarter	23.94	20.15	0.05
2011	**High**	**Low**	**Dividends Declared**
Fourth quarter	$ 21.23	$ 14.34	$ 0.05
Third quarter	22.42	14.78	0.05
Second quarter	22.03	19.14	0.05
First quarter	23.73	19.16	0.01

Dividends

Although we have historically declared cash dividends on our common stock, we are not required to do so and may reduce or cease to pay common stock dividends in the future. See Risk Factors You may not receive dividends on the common stock.

Our primary source of liquidity is dividend payments from Webster Bank. Webster Bank s ability to make dividend payments to us is governed by OCC regulations. Without specific OCC approval, and subject to Webster Bank meeting applicable regulatory capital requirements before and after payment of dividends, the total of all dividends declared by Webster Bank is limited to net profits for the current year to date as of the declaration date plus net retained profits from the preceding two years less dividends declared in such years. In addition, the OCC has the discretion to prohibit any otherwise permitted capital distribution on general safety and soundness grounds. See Risk Factors We may not pay dividends if we are not able to receive dividends from our subsidiary, Webster Bank.

Payment of dividends to us from Webster Bank is subject to certain regulatory and other restrictions. Under OCC regulations, Webster Bank may pay dividends to us without prior regulatory approval so long as it meets its applicable regulatory capital requirements before and after payment of such dividends and its total dividends declared do not exceed its net profits for the current year to the date of declaration plus net retained profits from the preceding two years less dividends declared in such years. At December 31, 2012, Webster Bank was in compliance with all applicable minimum capital requirements, and had the ability to pay dividends to us.

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In addition, Webster Financial and Webster Bank are subject to other regulatory policies and requirements relating to the payment of dividends, including requirements to maintain capital above regulatory minimums. The appropriate federal regulatory authority is authorized to determine, under certain circumstances relating to the financial condition of a bank holding company or a bank, that the payment of dividends would be an unsafe or unsound practice and to prohibit payment thereof. The appropriate regulatory authorities have indicated that paying dividends that deplete a bank s capital base to an inadequate level would be an unsafe and unsound banking practice and that banking organizations should generally pay dividends only out of current operating earnings.

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SELLING STOCKHOLDER

The following table sets forth information regarding the ownership of our common stock held by Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. as of May 7, 2013. Prior to this offering, Warburg Pincus beneficially owned approximately 9.7% of our outstanding common stock. Immediately following completion of this offering, Warburg Pincus will no longer own any shares of our common stock.

For more information regarding the terms of our common stock, see Description of Common Stock in the accompanying prospectus. For more information regarding our relationship with Warburg Pincus, see our definitive proxy statement for our 2013 annual meeting of stockholders, which is incorporated by reference into this prospectus supplement.

The numbers listed below are based on 90,256,724 shares of our common stock outstanding as of April 30, 2013.

Name of Selling Stockholder	Shares Owned Before the Offering		Shares Offered Hereby	Shares Owned After the Offering	
	Number	Percentage		Number	Percentage
Warburg Pincus Private Equity X, L.P.(1)(2)	8,473,727	9.4%	8,473,727	0	0.0%
Warburg Pincus X Partners, L.P.(1)(2)	271,123	0.3%	271,123	0	0.0%

(1) Each of Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P. reported that it had shared voting and shared dispositive power over 8,744,850 shares.

(2) Warburg Pincus X, L.P., a Delaware limited partnership (WP X GP), is the general partner of Warburg Pincus Private Equity X, L.P. and Warburg Pincus X Partners, L.P., both Delaware limited partnerships. Warburg Pincus X LLC, a Delaware limited liability company (WP X LLC), is the general partner of WP X GP. Warburg Pincus Partners LLC, a New York limited liability company (WP Partners), is the sole member of WP X LLC. Warburg Pincus & Co., a New York general partnership, (WP), is the managing member of WP Partners. The principal offices of Warburg Pincus are located at 450 Lexington Avenue, New York, New York 10017.

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U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

This section describes the material U.S. federal income tax consequences relevant to the purchase, ownership and disposition of our common stock by non-U.S. holders. This discussion addresses only the U.S. federal income tax considerations relevant to non-U.S. holders of our common stock who are initial purchasers of our common stock and who will hold the common stock as capital assets, within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the Code). A capital asset for these purposes generally is property held for investment.

This discussion does not address tax considerations applicable in the case of non-U.S. holders that may themselves be subject to or whose owners may be subject to certain special U.S. federal income tax rules, including:

financial institutions,

controlled foreign corporations or passive foreign investment companies for U.S. federal income tax purposes,

grantor trusts,

dealers or traders in securities or currencies or notional principal contracts, and

certain former citizens or former long-term residents of the United States.

Moreover, this discussion does not address the U.S. federal estate and gift or alternative minimum tax or Medicare contribution tax consequences, or any foreign, U.S. state or local tax consequences, of the purchase, ownership and disposition of our common stock, or other tax considerations that may be relevant to holders of shares of our common stock in light of their personal circumstances.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in such partnership will generally depend on the tax status of the partner and the activities of the partnership. Such a partner should consult its own tax advisors as to the U.S. tax consequences of being a partner in a partnership that acquires, holds, or disposes of our common stock.

As used in this discussion, a non-U.S. Holder means a beneficial owner of our common stock (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not, for U.S. federal income tax purposes:

a citizen or individual resident of the United States,

a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state or political subdivision thereof (including the District of Columbia),

an estate the income of which is subject to U.S. federal income taxation regardless of its source, or

a trust if (a) a United States court can exercise primary supervision over the trust s administration and one or more United States persons are authorized to control all substantial decisions of the trust or (b) it has a valid election in effect under application Treasury Regulations to be treated as a United States person.

This discussion is not intended to constitute a complete analysis of all U.S. federal income tax consequences relating to the purchase, ownership and disposition of our common stock. You should consult a tax advisor regarding the tax consequences of purchasing, owning or disposing of our common stock in your particular circumstances (including the application and effect of any U.S. federal, state, local, foreign income, estate and other tax laws). This discussion is based upon the Code, proposed, temporary and final Treasury Regulations promulgated under the Code, and judicial and administrative interpretations of the Code and Treasury Regulations, in each case as in effect and available as of the date of this prospectus supplement. The Code,

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Treasury Regulations and judicial and administrative interpretations thereof may change at any time, and any change could be retroactive to the date of this prospectus supplement. In addition, new Code sections or Treasury Regulations may be proposed and subsequently enacted, which could result in different effects on an investment in our stock than those effects discussed in this prospectus supplement. We undertake no obligation to publicly update or otherwise revise this discussion whether as a result of new Treasury Regulations, Code sections, judicial and administrative interpretations or otherwise. The Code, Treasury Regulations and judicial and administrative interpretations thereof are also subject to various interpretations, and there can be no guarantee that the Internal Revenue Service, or the IRS, or U.S. courts will agree with the tax consequences described in this discussion.

Dividends

Except as described below, dividends paid to you on our common stock are subject to withholding of United States federal income tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate. Even if you are eligible for a lower treaty rate, we and other payors will generally be required to withhold at a 30% rate (rather than the lower treaty rate) on dividend payments to you, unless you have furnished to the withholding agent:

- a valid Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, your status as a person who is not a United States person and your entitlement to the lower treaty rate with respect to such payments; or

- in the case of payments made outside the United States to an offshore account (generally, an account maintained by you at an office or branch of a bank or other financial institution at any location outside the United States), other documentary evidence establishing your entitlement to the lower treaty rate in accordance with United States Treasury Department regulations.

If you are eligible for a reduced rate of United States withholding tax under a tax treaty, you may obtain a refund of any amounts withheld in excess of that rate by filing a refund claim with the United States Internal Revenue Service.

Because it will generally not be known, at the time you receive any distribution on our common stock, whether the distribution will be paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, and therefore whether the distribution will be treated as a dividend, we expect that a withholding agent will deduct and withhold U.S. tax at the applicable rate on all distributions that you receive on our common stock. If it is later determined that a distribution on our common stock was not a dividend, in whole or in part, you may be entitled to claim a refund of the U.S. tax withheld with respect to that portion of the distribution, provided that the required information is timely furnished to the U.S. Internal Revenue Service. If a distribution exceeds our current and accumulated earnings and profits as determined under United States federal income tax principles, the excess will be allocated ratably among each share of our common stock with respect to which the distribution is paid and treated first as a tax-free return of capital to the extent of your adjusted basis in each such share and thereafter as capital gain subject to the tax treatment described below in Gain on disposition of common stock. Your adjusted basis in such share is generally the purchase price of each share, reduced by the amount of any such tax-free returns of capital.

If dividends paid to you are effectively connected with your conduct of a trade or business within the United States, we and other payors generally are not required to withhold tax from the dividends, provided that you have furnished to the withholding agent a valid Internal Revenue Service Form W-8ECI or an acceptable substitute form upon which you certify, under penalties of perjury, that:

- you are not a United States person; and

- the dividends are effectively connected with your conduct of a trade or business within the United States and are includible in your gross income.

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Effectively connected dividends are generally taxed on a net basis at rates applicable to United States citizens, resident aliens and domestic United States corporations, provided that, if required by an applicable income tax treaty, such dividends are attributable to a permanent establishment maintained by the United States alien holder in the United States.

If you are a corporate non-U.S. Holder, effectively connected dividends that you receive may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Gain on disposition of common stock

You generally will not be subject to United States federal income tax on gain that you recognize on a disposition of our common stock unless:

- the gain is effectively connected with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States, if that is required by an applicable income tax treaty as a condition for subjecting you to United States taxation on a net income basis;