
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-Q

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2006
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____

Commission File Number 0-18277

VICOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

04-2742817
(I.R.S. Employer Identification No.)

25 Frontage Road, Andover, Massachusetts 01810
(Address of Principal Executive Office)

(978) 470-2900
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of each of the issuer's classes of common stock as of October 31, 2006 was:

Common Stock, \$.01 par value	29,707,583
Class B Common Stock, \$.01 par value	11,854,952

VICOR CORPORATION
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Item 1 — Financial Statements

VICOR CORPORATION
Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 28,376	\$ 34,024
Short-term investments	87,971	88,692
Accounts receivable, less allowance of \$693 in 2006 and \$635 in 2005	30,101	28,072
Inventories, net	20,931	17,168
Deferred tax assets	2,673	2,673
Other current assets	2,359	2,518
Total current assets	172,411	173,147
Long-term investments	—	3,348
Property, plant and equipment, net	53,358	59,114
Other assets	8,329	10,146
	<u>\$ 234,098</u>	<u>\$ 245,755</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 7,728	\$ 8,741
Accrued compensation and benefits	4,839	4,583
Accrued expenses	3,762	3,016
Income taxes payable	1,692	6,279
Deferred revenue	131	143
Total current liabilities	18,152	22,762
Deferred income taxes	3,259	3,172
Minority interests	3,448	3,031
Stockholders' equity:		
Preferred Stock	—	—
Class B Common Stock	119	119
Common Stock	382	377
Additional paid-in capital	157,782	151,698
Retained earnings	172,729	175,660
Accumulated other comprehensive income(loss)	54	(72)
Treasury stock, at cost	(121,827)	(110,992)
Total stockholders' equity	209,239	216,790
	<u>\$ 234,098</u>	<u>\$ 245,755</u>

See accompanying notes.

VICOR CORPORATION
Condensed Consolidated Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net revenues	\$ 46,932	\$ 45,298	\$ 144,014	\$ 133,057
Cost of revenues	26,981	26,284	81,852	81,419
Gross margin	19,951	19,014	62,162	51,638
Operating expenses:				
Selling, general and administrative	11,225	10,144	33,796	30,385
Research and development	7,961	7,590	23,531	22,066
Gain from litigation-related settlement, net	—	—	—	(2,250)
Total operating expenses	19,186	17,734	57,327	50,201
Income from operations	765	1,280	4,835	1,437
Other income (expense), net	1,318	261	3,787	938
Income before income taxes	2,083	1,541	8,622	2,375
(Benefit) provision for income taxes	(379)	(167)	210	539
Net income	\$ 2,462	\$ 1,708	\$ 8,412	\$ 1,836
Net income per common share:				
Basic	\$ 0.06	\$ 0.04	\$ 0.20	\$ 0.04
Diluted	\$ 0.06	\$ 0.04	\$ 0.20	\$ 0.04
Shares used to compute net income per share:				
Basic	41,703	41,912	41,932	41,896
Diluted	41,771	42,093	42,212	42,049
Cash dividends declared per share	—	—	\$ 0.27	\$ 0.12

See accompanying notes.

VICOR CORPORATION
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Nine Months Ended	
	September 30, 2006	September 30, 2005
Operating activities:		
Net income	\$ 8,412	\$ 1,836
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	10,621	12,794
Stock compensation expense	523	—
Minority interest in net income of subsidiaries	417	659
Amortization of bond premium	14	462
(Gain) loss on disposal of equipment	(75)	10
Change in current assets and liabilities, net	(8,852)	4,542
Net cash provided by operating activities	11,060	20,303
Investing activities:		
Purchases of short-term investments	(105,107)	(70,682)
Sales and maturities of short-term and long-term investments	109,398	73,596
Additions to property, plant and equipment	(4,242)	(6,571)
Increase in other assets	(148)	(442)
Net cash used in investing activities	(99)	(4,099)
Financing activities:		
Proceeds from issuance of Common Stock	5,566	1,724
Common Stock dividends paid	(11,343)	(5,025)
Acquisitions of treasury stock	(10,835)	(3,277)
Net cash used in financing activities	(16,612)	(6,578)
Effect of foreign exchange rates on cash	3	185
Net (decrease) increase in cash and cash equivalents	(5,648)	9,811
Cash and cash equivalents at beginning of period	34,024	36,277
Cash and cash equivalents at end of period	\$ 28,376	\$ 46,088

See accompanying notes.

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements
September 30, 2006
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2006 are not necessarily indicative of the results that may be expected for any other interim period or the year ending December 31, 2006. The balance sheet at December 31, 2005 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto contained in the Company's annual report on Form 10-K for the year ended December 31, 2005 (File No. 0-18277) filed by Vicor Corporation (the "Company" or "Vicor") with the Securities and Exchange Commission.

2. Stock-Based Compensation

On January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" (FAS 123R), which is a revision of FAS No. 123, "Accounting for Stock-Based Compensation". FAS 123(R) supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and amends SFAS No. 95, "Statement of Cash Flows". Generally, the approach in FAS 123(R) is similar to the approach described in FAS 123. However, FAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values at the date of grant. Pro forma disclosure is no longer an alternative.

The Company is using the modified prospective method as permitted under FAS 123(R). Under this transition method, compensation cost recognized in the first nine months of fiscal 2006 includes: (a) compensation cost for all share-based payments granted prior to but not yet vested as of December 31, 2005, based on the grant-date fair value estimated in accordance with the provisions of FAS 123, and (b) compensation cost for all share-based payments granted subsequent to December 31, 2005, based on the grant-date fair value estimated in accordance with the provisions of FAS 123(R). In accordance with the modified prospective method of adoption, Vicor's results of operations and financial position for prior periods have not been restated.

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

2. Stock-Based Compensation (Continued)

Vicor currently grants stock options under the following equity compensation plans that are shareholder-approved:

Amended and Restated 2000 Stock Option and Incentive Plan (the "2000 Plan") — The 2000 Plan permits the grant of share options to its employees and other key persons, including non-employee directors, for up to 4 million shares of common stock.

1998 Stock Option and Incentive Plan (the "1998 Plan") — The 1998 Plan permits the grant of share options to its employees and other key persons, including non-employee directors for up to 2 million shares of common stock.

1993 Stock Option Plan (the "1993 Plan") — The 1993 Plan permits the grant of share options to its employees and non-employee directors for up to 4 million shares of common stock.

Picor Corporation ("Picor"), a privately held majority owned subsidiary of Vicor, currently grants stock options under the following equity compensation plan that has been approved by its Board of Directors:

2001 Stock Option and Incentive Plan, as amended (the "2001 Picor Plan") — The 2001 Picor Plan, permits the grant of share options to its employees and other key persons, including non-employee directors and full or part-time officers, for up to 10 million shares of common stock.

All option awards are granted at an exercise price equal to or greater than the market price for Vicor at the date of the grant, and are granted at the fair market value for Picor at the date of grant. Options vest at various periods of up to five years and may be exercised for up to ten years from the date of grant, which is the maximum contractual term.

As a result of adopting FAS 123(R), the Company recorded \$173,000 of non-cash stock-based compensation expense for the three months ended September 30, 2006 and \$523,000 for the nine months ended September 30, 2006. The stock-based compensation included \$16,000 in cost of revenues, \$92,000 in selling, general and administrative expense and \$65,000 in research and development expense for the three months ended September 30, 2006 and \$65,000, \$271,000, and \$187,000, respectively, for the nine months ended September 30, 2006. The compensation expense did not have a material impact on basic or diluted net income per share.

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

2. Stock-Based Compensation (Continued)

Had expense been recognized using the fair value method described in FAS 123, using the Black-Scholes option pricing model, the following pro forma results of operations would have been reported (in thousands except for per share information):

	Three Months Ended September 30, 2005	Nine Months Ended September 30, 2005
Net income as reported	\$ 1,708	\$ 1,836
Stock-based employee compensation cost, net of related tax effects	(199)	(675)
Pro forma net income	<u>\$ 1,509</u>	<u>\$ 1,161</u>
Net income per share, as reported:		
Basic	\$ 0.04	\$ 0.04
Diluted	\$ 0.04	\$ 0.04
Pro forma net income per share:		
Basic	\$ 0.04	\$ 0.03
Diluted	\$ 0.04	\$ 0.03

The above table includes compensation expense for Picor options of \$28,000 and \$77,000 for the three and nine months ended September 30, 2005. The three and nine months ended September 30, 2005 expenses has been revised to include these Picor amounts. The fair value of Picor common stock was estimated by obtaining an independent valuation of Picor.

The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	Vicor		Picor		Vicor		Picor	
	2006	2005	2006	2005	2006	2005	2006	2005
Risk-free interest rate	4.8%	3.9%	5.1%	4.4%	4.7%	3.9%	5.1%	4.4%
Expected dividend yield	1.8%	.9%	—	—	1.5%	.2%	—	—
Expected volatility	.52	.57	.48	.43	.53	.59	.48	.43
Expected term (years)	4.1	4.5	6.5	6.5	3.8	3.9	6.5	6.5

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

2. Stock-Based Compensation (Continued)

Risk-free interest rate:

Vicor — The Company uses the yield on zero-coupon U.S. Treasury Strip securities for a period that is commensurate with the expected term assumption for each vesting period.

Picor — The Company uses the yield to maturity of a ten-year treasury bond, since all of Picor's options expire ten years after they are granted.

Expected dividend yield:

Vicor — The Company determines the expected dividend yield by annualizing the most recent prior cash dividends declared by the Company's Board of Directors and dividing that result by the closing stock price on the date of that dividend declaration. Because the Company historically has not paid regular periodic dividends and has not committed to do so in the future, the Company annualizes the most recent prior cash dividends based on its expectations at the time regarding the frequency of dividends to be declared over the next twelve months. Dividends are not paid on options.

Picor — Picor has not and does not expect to declare and pay dividends in the foreseeable future. Therefore, the expected dividend yield is not applicable.

Expected volatility:

Vicor — Under FAS 123, Vicor used historical volatility to estimate the grant-date fair value of the options. Under FAS 123(R), Vicor has elected to continue to use historical volatility, using the expected term for the period over which to calculate the volatility (see below). The Company does not expect its future volatility to differ from its historical volatility. The computation of the Company's volatility is based on a simple average calculation of monthly volatilities over the expected term.

Picor — As Picor is a nonpublic entity, historical volatility information is not available. As permitted under FAS 123(R), an industry sector index of approximately 40 publicly traded fabless semiconductor firms was developed for calculating historical volatility for Picor. Historical prices for each of the companies in the index based on the market price of the shares on each day of trading over the expected term were used to determine the historical volatility.

Expected term:

Vicor — The Company uses historical employee exercise and option expiration data to estimate the expected term assumption for the Black-Scholes grant-date valuation. The Company believes that this historical data is currently the best estimate of the expected term of options, and that generally all groups of our employees exhibit similar exercise behavior.

Picor — Due to the lack of historical information, the "simplified" method prescribed by the Securities and Exchange Commission's Staff Accounting Bulletin No. 107 was used to determine the expected term.

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

2. Stock-Based Compensation (Continued)

Forfeiture rate

Vicor — The amount of stock-based compensation recognized during a period is based on the value of the portion of the awards that are ultimately expected to vest. FAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The term “forfeitures” is distinct from “cancellations” or “expirations” and represents only the unvested portion of the surrendered option. The Company currently expects, based on an analysis of its historical forfeitures, that approximately 84% of its options will actually vest, and therefore has applied an annual forfeiture rate of 9.4% to all unvested options as of September 30, 2006. This analysis will be re-evaluated quarterly and the forfeiture rate will be adjusted as necessary. Ultimately, the actual expense recognized over the vesting period will only be for those shares that vest.

Picor — Since the compensation expense for the three and nine months ended September 30, 2006 was immaterial, the Company did not apply an estimated forfeiture rate to the compensation expense.

A summary of the activity under Vicor’s stock option plans as of September 30, 2006 and changes during the three and nine month periods then ended, is presented below (in thousands except for share and weighted-average data):

	<u>Options Outstanding</u>	<u>Weighted- Average Exercise Price</u>	<u>Weighted- Average Remaining Contractual Life in Years</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at June 30, 2006	1,766,992	\$18.94		
Granted	7,000	\$11.56		
Forfeited and expired	(65,119)	\$30.50		
Exercised	(14,542)	\$ 7.45		
Outstanding at September 30, 2006	<u>1,694,331</u>	\$18.56	3.09	\$760
Exercisable at September 30, 2006	<u>1,456,239</u>	\$19.16	2.60	\$609
Vested or expected to vest at September 30, 2006 (1)	<u>1,660,747</u>	\$18.61	3.01	\$747

(1) In addition to the vested options, the Company expects a portion of the unvested options to vest at some point in the future. Options expected to vest is calculated by applying an estimated forfeiture rate to the unvested options.

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

2. Stock-Based Compensation (Continued)

	Options Outstanding	Weighted- Average Exercise Price
Outstanding at December 31, 2005	2,260,248	\$18.14
Granted	103,860	\$18.57
Forfeited and expired	(235,337)	\$25.08
Exercised	(434,440)	\$12.80
Outstanding at September 30, 2006	1,694,331	\$18.56

During the three and nine months ended September 30, 2006, under all plans, the total intrinsic value of Vicor options exercised (i.e. the difference between the market price at exercise and the price paid by the employee to exercise the options) was \$77,000 and \$3,043,000, respectively, and the total amount of cash received from exercise of these options was \$109,000 and \$5,559,000, respectively. The total grant-date fair value of stock options that vested during the three and nine months ended September 30, 2006 was approximately \$125,000 and \$1,236,000, respectively.

As of September 30, 2006, there was \$883,000 of total unrecognized compensation cost related to unvested share-based awards for Vicor. That cost is expected to be recognized over a weighted-average period of 1.62 years for all Vicor awards.

A summary of the activity under Picor's stock option plan as of September 30, 2006 and changes during the three and nine month periods then ended, is presented below (in thousands except for share and weighted-average data):

	Options Outstanding	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Outstanding at June 30, 2006	4,057,140	\$0.53		
Granted	255,000	\$0.88		
Forfeited and expired	(9,600)	\$0.33		
Exercised	—	—		
Outstanding at September 30, 2006	4,302,540	\$0.55	7.17	\$1,402
Exercisable at September 30, 2006	1,950,904	\$0.38	6.02	\$ 980
Vested or expected to vest at September 30, 2006	4,302,540	\$0.55	7.17	\$1,402

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)2. Stock-Based Compensation (Continued)

	<u>Options Outstanding</u>	<u>Weighted- Average Exercise Price</u>
Outstanding at December 31, 2005	3,442,000	\$0.45
Granted	1,038,500	\$0.85
Forfeited and expired	(147,960)	\$0.31
Exercised	(30,000)	\$0.25
Outstanding at September 30, 2006	<u>4,302,540</u>	\$0.55

During the three and nine months ended September 30, 2006, under all plans, the total intrinsic value of Picor options exercised (i.e. the difference between the market price at exercise and the price paid by the employee to exercise the options) was \$0 and \$19,000, respectively, and the total amount of cash received from exercise of these options was \$0 and \$7,000, respectively. The total grant-date fair value of stock options that vested during the three and nine months ended September 30, 2006 was approximately \$5,000 and \$84,000, respectively.

As of September 30, 2006, there was \$561,000 of total unrecognized compensation cost related to unvested share-based awards for Picor. That cost is expected to be recognized over a weighted-average period of 1.79 years for all Picor awards.

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

3. Net Income per Share

The following table sets forth the computation of basic and diluted income per share for the three and nine months ended September 30 (in thousands, except per share amounts):

	Three Months Ended September 30		Nine Months Ended September 30	
	2006	2005	2006	2005
Numerator:				
Net income	<u>\$ 2,462</u>	<u>\$ 1,708</u>	<u>\$ 8,412</u>	<u>\$ 1,836</u>
Denominator:				
Denominator for basic income per share-weighted average shares	41,703	41,912	41,932	41,896
Effect of dilutive securities:				
Employee stock options	<u>68</u>	<u>181</u>	<u>280</u>	<u>153</u>
Denominator for diluted income per share - adjusted weighted - average shares and assumed conversions	<u>41,771</u>	<u>42,093</u>	<u>42,212</u>	<u>42,049</u>
Basic income per share	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.20</u>	<u>\$ 0.04</u>
Diluted income per share	<u>\$ 0.06</u>	<u>\$ 0.04</u>	<u>\$ 0.20</u>	<u>\$ 0.04</u>

Options to purchase 1,467,531 and 1,364,518 shares of Common Stock were outstanding for the three months ended September 30, 2006 and 2005, and options to purchase 611,095 and 1,364,518 shares of Common Stock were outstanding for the nine months ended September 30, 2006 and 2005, respectively, but were not included in the computation of diluted income per share because the options' exercise prices were greater than the average market price of the Common Stock and, therefore, the effect would have been antidilutive.

4. Inventories

Inventories are valued at the lower of cost (determined using the first-in, first-out method) or market. The Company provides reserves for inventories estimated to be excess, obsolete or unmarketable. The Company's estimation process for such reserves is based upon its known backlog, projected future demand and expected market conditions. If the Company's estimated demand and or market expectation were to change or if product sales were to decline, the Company's estimation process may cause larger inventory reserves to be recorded, resulting in larger charges to cost of revenues.

VICOR CORPORATION
Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

4. Inventories (Continued)

Inventories were as follows as of September 30, 2006 and December 31, 2005 (in thousands):

	<u>September 30, 2006</u>	<u>December 31, 2005</u>
Raw materials	\$ 25,399	\$ 21,519
Work-in-process	2,427	2,502
Finished goods	4,368	3,838
	<u>32,194</u>	<u>27,859</u>
Inventory reserves	(11,263)	(10,691)
Net balance	<u>\$ 20,931</u>	<u>\$ 17,168</u>

5. Product Warranties

The Company generally offers a two-year warranty for all of its products. The Company provides for the estimated cost of product warranties at the time product revenue is recognized. Factors that affect the Company's warranty reserves include the number of units sold, historical and anticipated rates of warranty returns and the cost per return. The Company periodically assesses the adequacy of the warranty reserves and adjusts the amounts as necessary. Warranty obligations are included in accrued expenses in the accompanying condensed consolidated balance sheets.

Product warranty activity for the nine months ended September 30, 2006 and 2005 were as follows (in thousands):

	<u>2006</u>	<u>2005</u>
Balance at the beginning of the period	\$ 755	\$ 1,042
Accruals for warranties for products sold in the period	144	138
Fulfillment of warranty obligations	(130)	(137)
Revisions of estimated obligations	(143)	(220)
Balance at the end of the period	<u>\$ 626</u>	<u>\$ 823</u>

6. Income Taxes

In 2006 and 2005, the tax provision includes estimated income taxes for federal and state taxes for certain minority-owned subsidiaries that are not part of the Company's consolidated income tax returns, for the Federal alternative minimum tax and for estimated income taxes due in various state and international taxing jurisdictions. In the third quarter of 2006 and 2005, the company reduced its tax reserves by \$618,000 and \$770,000, respectively, due to closing tax periods in certain jurisdictions and other tax reserves no longer considered necessary.

The Company operates in numerous taxing jurisdictions and is, therefore, subject to a variety of income and related taxes. The Company has provided for potential tax liabilities due in various jurisdictions which it judges to be probable and reasonably estimable in accordance with Statement of Financial

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)6. Income Taxes (Continued)

Accounting Standards No. 5 "Accounting for Contingencies". Judgment is required in determining the income tax expense and related tax liabilities. In the ordinary course of business, there are transactions and calculations where the ultimate tax outcome is uncertain. The Company believes it has reasonably estimated its accrued taxes for all jurisdictions for all open tax periods. The Company periodically assesses the adequacy of its tax and related accruals on a quarterly basis and adjusts appropriately as events warrant and open tax periods close. It is possible that the final tax outcome of these matters will be different from management's estimate reflected in the income tax provisions and accrued taxes. Such differences could have a material impact on the Company's income tax provision and operating results in the period in which such determination is made.

The Company recently underwent an audit of its federal tax returns for tax periods 1994 through 2002 by the Internal Revenue Service ("IRS"). The conclusions reached by the IRS based on their audit have been agreed to by the Joint Committee on Taxation of the U.S. Department of the Treasury. During the second quarter of 2006, the Company remitted payments to the IRS in settlement of the assessments, including interest, for these tax periods. The amounts paid were not materially different from the amounts previously estimated and recorded by the Company.

7. Comprehensive Income (Loss)

The following table sets forth the computation of comprehensive income (loss) for the three and nine months ended September 30 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Net income	\$ 2,462	\$ 1,708	\$ 8,412	\$ 1,836
Foreign currency translation gain (loss)	(40)	(12)	(14)	(81)
Unrealized gains (losses) on available for sale securities	41	9	140	(8)
Comprehensive income	<u>\$ 2,463</u>	<u>\$ 1,705</u>	<u>\$ 8,538</u>	<u>\$ 1,747</u>

8. Legal Proceedings

Vicor and VLT, Inc. ("VLT"), a wholly owned subsidiary of the Company, are pursuing Reser Patent infringement claims directly against Artesyn Technologies, Lucent Technologies and Tyco Electronics Power Systems, Inc. in the United States District Court in Boston, Massachusetts. The lawsuit against Lucent was filed in May 2000 and in April 2001, the Company added Tyco Electronics as a defendant in that lawsuit. The lawsuit against Artesyn was filed in February 2001. In January 2003, the District Court issued a pre-trial decision in each of these patent infringement lawsuits relating to claim construction of

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)**8. Legal Proceedings (Continued)**

the Reset Patent. The District Court's decisions rejected assertions that the Reset Patent claims are invalid for indefiniteness; and affirmed Vicor's interpretation of several terms used in the Reset Patent claims. However, the District Court adopted interpretations of certain terms of the Reset Patent claims that are contrary to Vicor's position. On May 24, 2004, the United States Court of Appeals for the Federal Circuit affirmed the decisions issued in January 2003 by the District Court. Vicor believes that the District Court's decisions, and the affirmation of these decisions by the Federal Circuit, strengthens its position regarding validity of the patent, but reduces the cumulative amount of infringing power supplies and the corresponding amount of potential damages. The Federal Circuit has referred the proceedings back to the District Court for trials on validity of the Reset Patent and infringement and damages by Lucent, Tyco and Artesyn.

In the second quarter of 2005, the Company entered into a settlement agreement with Lambda Americas, Inc., successor to Lambda Electronics, Inc., under which the Company received a payment of \$2,500,000, net of a \$250,000 contingency fee paid by the Company to its litigation counsel, in full settlement of the Company's Reset Patent claims against Lambda and which settled the lawsuit that the Company had filed against Lambda in June 2001. The District Court has not yet set dates for the remaining trials. There can be no assurance that Vicor and VLT will ultimately prevail with respect to any of these claims or, if they prevail, as to the amount of damages that would be awarded.

In May 2004, Ericsson Wireless Communications, Inc. v. Vicor Corporation was filed in Superior Court of the State of California, County of San Diego. The plaintiff has brought an action against the Company seeking compensatory damages and lost profits with respect to post warranty contract and tort claims for products previously purchased by it from the Company. In November 2004, the plaintiff filed a First Amended Complaint adding claims against Exar Corporation, a former vendor of the Company. The Company filed cross-claims against Exar, and third-party claims against Rohm Device USA, LLC and Rohm Co., Ltd., the original manufacturer(s) of a component that Exar sold to the Company, which was included in the product subsequently sold by the Company to the plaintiff.

The Company has denied the claims made against it and believes that the plaintiff's claim of \$100 million in compensatory damages is not supported by the facts. The Company believes that the plaintiff's own actions caused damages to the plaintiff. The Company intends to vigorously defend the claims made against it and prosecute its cross and third party claims. However, if the Company is unsuccessful in the ultimate resolution of this matter, it may have a material adverse affect on its results of operations and financial position.

On March 4, 2005, Exar filed a declaratory judgment action against Vicor in the Superior Court of the State of California, County of Santa Clara, in which Exar seeks a declaration by the Court that Exar is not obligated to reimburse or indemnify Vicor for any claims brought against Vicor for alleged damages incurred as a result of the use of Exar components in Vicor products. The Company has brought cross-claims against Exar, and third-party claims against Rohm Device USA, LLC and Rohm Co., Ltd., for declaratory judgment. This matter has been coordinated with the above Ericsson matter in the Superior

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

8. Legal Proceedings (Continued)

Court of the State of California, County of San Diego. The Company intends to vigorously assert its cross-claims against Exar.

On August 18, 2005, the Company filed an action in The Superior Court of the Commonwealth of Massachusetts, County of Essex (“the Court”) against Concurrent Computer Corporation (“Concurrent”) in response to a demand made by Concurrent in connection with breach of contract and breach of product warranty claims against the Company. On September 22, 2005, Concurrent filed a Demand For Arbitration with The American Arbitration Association. Concurrent is seeking \$1,500,000 in replacement costs, plus incidental, consequential and any other damages to be determined. On March 8, 2006 the Court allowed Concurrent’s motion to compel arbitration. Vicor appealed the motion to compel arbitration decision and that the appeal is pending. The arbitration panel has set the matter for discovery with a hearing date of October, 2007. The Company has denied the claims made against it and intends to vigorously defend the claims made against it.

In addition, the Company is involved in certain other litigation and claims incidental to the conduct of its business. While the outcome of lawsuits and claims against the Company cannot be predicted with certainty, management does not expect any current litigation or claims to have a material adverse impact on the Company’s financial position or results of operations.

9. Impact of Recently Issued Accounting Standards

In November 2004, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards No. 151, “Inventory Costs, an amendment of Accounting Research Bulletin (ARB) No. 43, Chapter 4” (“FAS 151”). FAS 151 amends the guidance in ARB No 43, Chapter 4, “Inventory Pricing” to clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) should be recognized as current-period charges. In addition, FAS 151 requires that allocation of fixed production overhead to the costs of conversion be based on the normal capacity of the production facilities. The provisions of FAS 151 are effective for inventory costs incurred starting January 1, 2006. The adoption of FAS 151 did not have a significant impact on the Company’s financial position or results of operations.

In May 2005, the FASB issued Statement of Financial Accounting Standards No. 154, “Accounting Changes and Error Corrections” (“FAS 154”). This statement establishes new standards on accounting for changes in accounting principles. Pursuant to FAS 154, all such changes must be accounted for by retrospective application to the financial statements of prior periods unless it is impracticable to do so. FAS 154 replaces APB Opinion No. 20 and SFAS No. 3, though it carries forward the guidance in those pronouncements with respect to accounting for changes in estimates, changes in the reporting entity and the correction of errors. The provisions of FAS 154 are effective for accounting changes and corrections of errors incurred starting January 1, 2006. The adoption of FAS 154 did not have a significant impact on the Company’s financial position or results of operations.

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements (Continued)
September 30, 2006
(Unaudited)

9. Impact of Recently Issued Accounting Standards (Continued)

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes", (FIN48), an interpretation of FAS 109, "Accounting for Income Taxes". This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, interest and penalties, accounting in interim periods, disclosure and transition. The provisions of FIN48 are effective starting January 1, 2007. The Company has not yet evaluated the impact, if any, that FIN48 will have on the Company's financial position or results of operations.

10. Dividends

On February 4, 2006, the Company's Board of Directors approved a cash dividend of \$.12 per share of the Company's stock. The total dividend of approximately \$5,030,000 was paid on March 20, 2006 to shareholders of record at the close of business on February 28, 2006. On June 23, 2006, the Company's Board of Directors approved a cash dividend of \$.15 per share of the Company's stock. The total dividend of approximately \$6,313,000 was paid on August 7, 2006 to shareholders of record at the close of business on July 17, 2006.

Dividends are declared at the discretion of the Company's Board of Directors and depend on actual cash from operations, the Company's financial condition and capital requirements and any other factors the Company's Board of Directors may consider relevant. The Board of Directors anticipates reviewing its dividend policy on a semi-annual basis.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2006

Item 2 — Management's Discussion and Analysis of Financial Condition and Results of Operations

Except for historical information contained herein, some matters discussed in this report constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "believes," "expects," "anticipates," "intend," "estimate," "plans," "assumes," "may," "will," "would," "should," "continue," "prospective," "project," and other similar expressions identify forward-looking statements. These statements are based upon the Company's current expectations and estimates as to the prospective events and circumstances which may or may not be within the Company's control and as to which there can be no assurance. Actual results could differ materially from those projected in the forward-looking statements as a result of various factors, including our ability to develop and market new products and technologies cost effectively, to leverage design wins into increased product sales, to decrease manufacturing costs, to enter into licensing agreements that amplify the market opportunity and accelerate market penetration, to realize significant royalties under license agreements, to achieve a sustainable increased bookings rate over a longer period, to hire key personnel and build our business units, to successfully enforce our intellectual property rights, to successfully defend outstanding litigation, and to successfully leverage the V•I Chips in standard products to promote market acceptance of Factorized Power, factors impacting the Company's various end markets, including Consumer Electronics, Communications, Information Technology and Automotive, as well as those factors described in the risk factors set forth in this report and in the Company's Annual Report on Form 10-K for the year ended December 31, 2005. Reference is made in particular to the discussions set forth below in this report under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and set forth in the Annual Report on Form 10-K under Part I, Item 1 — "Business — Second-Generation Products," "— Competition," "—Patents," and "—Licensing," under Part I, Item 1A "—Risk Factors," under Part I, Item 3 — "Legal Proceedings," and under Part II, Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations." The risk factors contained in the Annual Report on Form 10-K may not be exhaustive. Therefore, the information contained in that Form 10-K should be read together with other reports and documents that the Company files with the Securities and Exchange Commission from time to time, including Forms 10-Q, 8-K and 10-K, which may supplement, modify, supersede or update those risk factors. The Company does not undertake any obligation to update any forward-looking statements as a result of future events or developments.

Critical Accounting Policies and Estimates

Please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2005 for a complete summary of the critical accounting policies and estimates.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2006
(Continued)Results of OperationsThree months ended September 30, 2006 compared to three months ended September 30, 2005

Net revenues for the third quarter of 2006 were \$46,932,000, an increase of \$1,634,000, or 3.6%, as compared to \$45,298,000 for the same period a year ago, and a decrease of \$2,278,000, or 4.6%, on a sequential basis from the second quarter of 2006. The increase in net revenues from the prior year resulted from an increase in shipments of standard and custom products. While revenues for the quarter decreased compared to the second quarter of 2006, orders during the third quarter increased by 10.9% compared to the second quarter. The book-to-bill ratio for the third quarter of 2006 was 1.00:1 as compared to 1.03:1 for the third quarter of 2005 and 0.86:1 in the second quarter of 2006.

Gross margin for the third quarter of 2006 increased \$937,000, or 4.9%, to \$19,951,000 from \$19,014,000 for the third quarter of 2005, and increased to 42.5% from 42.0% as a percentage of net revenues for the third quarter of 2005. The primary components of the increase in gross margin dollars and percentage were due to the increase in net revenues and an increase in manufacturing efficiencies resulting in lower average unit costs. The gross margin in the third quarter of 2006 of 42.5% was down from 42.9% in the second quarter of 2006. This decrease was principally due to the decrease in net revenues.

Selling, general and administrative expenses were \$11,225,000 for the period, an increase of \$1,081,000, or 10.7%, from the same period in 2005. As a percentage of net revenues, selling, general and administrative expenses increased to 23.9% from 22.4%. The principal components of the \$1,081,000 increase were \$263,000, or 6.0%, of increased compensation expense primarily due to annual compensation adjustments in May 2006, \$142,000, or 34.3%, of increased advertising, \$142,000, or 14.1%, in increased commissions due to higher revenues, \$113,000, in increased employee recruitment and relocation fees, \$95,000, or 366.0%, of increased outside services and \$93,000, or 34.2%, of increased training and consulting. The increase in compensation expense also includes \$92,000 of non-cash stock-based compensation recorded under newly adopted Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" (FAS 123R). See Note 2 to the condensed consolidated financial statements for further discussion.

Research and development expenses increased \$371,000, or 4.9%, to \$7,961,000, and increased as a percentage of net revenues to 17.0% from 16.8% from the same period in 2005. The principal components of the \$371,000 increase were \$319,000, or 7.0%, in increased compensation expense primarily due to annual compensation adjustments in May 2006 and increases in headcount, \$77,000, or 22.1%, of increased costs associated with the Vicor Integration Architects ("VIAs"), and \$43,000, or 10.5%, of increased facilities costs. The principal components partially offsetting the above increases were \$63,000, or 67.6%, of decreased costs associated with supplies and \$61,000, or 5.4%, in decreased project material costs associated with the Company's new Factorized Power Architecture ("FPA") products. The increase in compensation expense also includes \$65,000 of non-cash stock-based compensation recorded under FAS 123(R). The Company has a long-term commitment to investing in new product design and development in order to maintain and improve its competitive position.

VICOR CORPORATION
Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2006
(Continued)

The major changes in the components of the other income (expense), net were as follows (in thousands):

	<u>2006</u>	<u>2005</u>	<u>Increase (decrease)</u>
Interest income	\$ 1,483	\$ 809	\$ 674
Minority interest in net income of subsidiaries	(113)	(338)	225
Foreign currency losses	(94)	(91)	(3)
Other	<u>42</u>	<u>(119)</u>	<u>161</u>
	<u>\$ 1,318</u>	<u>\$ 261</u>	<u>\$ 1,057</u>

The increase in interest income is due to higher interest rates and higher average balances on the Company's cash equivalents and short-term investments.

Income before income taxes was \$2,083,000 for the third quarter of 2006 compared to \$1,541,000 for the same period in 2005.

In 2006 and 2005, the tax provision includes estimated income taxes for federal and state taxes for certain minority-owned subsidiaries that are not part of the Company's consolidated income tax returns, for the Federal alternative minimum tax and for estimated income taxes due in various state and international taxing jurisdictions. In the third quarter of 2006 and 2005, the company reduced its tax reserves by \$618,000 and \$770,000, respectively, due to closing tax periods in certain jurisdictions and other tax reserves no longer considered necessary, resulting in a net tax benefit in each period.

Basic and diluted income per share was \$0.06 for the third quarter of 2006 compared to \$0.04 for the third quarter of 2005.

VICOR CORPORATION
Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2006
(Continued)Nine months ended September 30, 2006 compared to nine months ended September 30, 2005

Net revenues for the first nine months of 2006 were \$144,014,000, an increase of \$10,957,000, or 8.2%, as compared to \$133,057,000 for the same period a year ago. The increase in net revenues from the prior year resulted from an increase in shipments of standard and custom products. Orders during the period increased by 7.7% compared with the last nine months of 2005. The book-to-bill ratio for the first nine months of 2006 was 1.00:1 as compared to 1.04:1 for the same period a year ago, and 0.99:1 for the last nine months of 2005.

Gross margin for the first nine months of 2006 increased \$10,524,000, or 20.4%, to \$62,162,000 from \$51,638,000, and increased to 43.2% from 38.8% as a percentage of net revenues. The primary components of the increase in gross margin dollars and percentage were due to the increase in net revenues, an increase in manufacturing efficiencies resulting in lower average unit costs and a significant increase in inventory reserves in the second quarter of 2005. During the second quarter of 2005, the Company provided additional reserves of approximately \$1,600,000 for potential obsolete inventory arising primarily from the European Union Restriction of Hazardous Substances ("RoHS") initiative and the conversion of second-generation products to the FasTrak platform. In addition, the Company identified other slow-moving and potential obsolete inventory of approximately \$1,200,000, of which \$300,000 was related to raw material inventory in support of pilot production of V•I Chips.

Selling, general and administrative expenses were \$33,796,000 for the period, an increase of \$3,411,000, or 11.2%, over the same period in 2005. As a percentage of net revenues, selling, general and administrative expenses increased to 23.5% from 22.8%. The principal components of the \$3,411,000 increase were \$838,000, or 6.3%, of increased compensation expense primarily due to annual compensation adjustments in May 2006, \$643,000, or 90.8%, in increased legal fees due to the litigation with Ericsson Wireless Communications, Inc. (see Part II — Item 1 — Legal Proceedings), \$625,000, or 22.2%, in increased commissions due to the increase in net revenues, \$333,000, or 15.1%, of increased costs associated with the VIAs, \$257,000, or 17.9%, of increased costs associated with depreciation and amortization, and \$222,000, or 507.3%, of increased costs associated with employee recruitment. The increase in compensation expense also includes \$271,000 of non-cash stock-based compensation recorded under FAS 123R. See Note 2 to the condensed consolidated financial statements for further discussion.

Research and development expenses increased \$1,465,000, or 6.6%, to \$23,531,000 and decreased as a percentage of net revenues to 16.3% from 16.6%. The principal components of the \$1,465,000 increase were \$1,367,000, or 10.3%, in increased compensation expense primarily due to annual compensation adjustments in May 2006 and increases in headcount, \$204,000, or 19.6%, of increased costs associated with the VIAs, and \$131,000, or 11.0%, of increased facilities costs. The principal components partially offsetting the above increases were \$464,000, or 14.8%, in decreased project material costs and \$169,000, or 56.7%, in decreased supplies costs. The savings are attributed to decreased project material costs associated with the Company's new FPA products. The increase in compensation expense also includes \$187,000 of non-cash stock-based compensation recorded under FAS 123(R).

VICOR CORPORATION
Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2006
(Continued)

In the second quarter of 2005, the Company entered into a settlement agreement with Lambda Americas, Inc., successor to Lambda Electronics, Inc., under which the Company received a payment of \$2,500,000 in full settlement of the Company's Reset Patent claims against Lambda and which settled the lawsuit that the Company had filed against Lambda in June 2001. The full amount of the payment, net of a \$250,000 contingency fee paid by the Company to its litigation counsel, has been included in gain from litigation-related settlement, net in the accompanying condensed consolidated statement of operations.

The major changes in the components of the other income (expense), net were as follows (in thousands):

	<u>2006</u>	<u>2005</u>	<u>Increase (decrease)</u>
Interest income	\$ 3,965	\$ 2,150	\$ 1,815
Minority interest in net income of subsidiaries	(416)	(659)	243
Foreign currency gains (losses)	117	(525)	642
Other	<u>121</u>	<u>(28)</u>	<u>149</u>
	<u>\$ 3,787</u>	<u>\$ 938</u>	<u>\$ 2,849</u>

The increase in interest income is due to higher interest rates and higher average balances on the Company's cash equivalents and short-term investments. The foreign currency gain is due to favorable exchange rates in 2006 for the year as compared to 2005.

Income before income taxes was \$8,622,000 for the first nine months of 2006 compared to \$2,375,000 for the same period in 2005.

In 2006 and 2005, the tax provision includes estimated income taxes for federal and state taxes for certain minority-owned subsidiaries that are not part of the Company's consolidated income tax returns, the Federal alternative minimum tax, and estimated income taxes due in various state and international taxing jurisdictions. In the third quarter of 2006 and 2005, the company reduced its tax reserves by \$618,000 and \$770,000, respectively, due to closing tax periods in certain jurisdictions and other tax reserves no longer considered necessary.

Basic and diluted income per share was \$0.20 for the first nine months of 2006, compared to \$0.04 for the first nine months of 2005.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2006
(Continued)Liquidity and Capital Resources

At September 30, 2006 the Company had \$28,376,000 in cash and cash equivalents. The ratio of current assets to current liabilities was 9.5:1 at September 30, 2006 compared to 7.6:1 at December 31, 2005. Working capital increased \$3,874,000, from \$150,385,000 at December 31, 2005 to \$154,259,000 at September 30, 2006. The primary factors affecting the working capital increase were increases in inventory of \$3,763,000, accounts receivable of \$2,029,000, and decreases in income taxes payable of \$4,587,000. These increases were partially offset by a decrease in cash and cash equivalents of \$5,648,000, and short term investments of \$721,000, and an increase in other accrued expenses of \$746,000 and accrued compensation and benefits of \$256,000. The primary sources of cash for the nine months ended September 30, 2006 were \$11,060,000 from operating activities, \$5,566,000 of proceeds from the issuance of common stock upon the exercise of stock options and proceeds from net sales of short-term investments of \$4,291,000. The primary uses of cash for the nine months ended September 30, 2006 were common stock dividends of \$11,343,000, the acquisition of treasury stock of \$10,835,000, and equipment additions of \$4,242,000.

In November 2000, the Board of Directors of the Company authorized the repurchase of up to \$30,000,000 of the Company's Common Stock (the "November 2000 Plan"). The November 2000 Plan authorizes the Company to make such repurchases from time to time in the open market or through privately negotiated transactions. The timing and amounts of stock repurchases are at the discretion of management based on its view of economic and financial market conditions. The Company spent approximately \$10,835,000 for the repurchase of 825,700 shares of Common Stock during the nine months ended September 30, 2006. As of September 30, 2006, the Company had approximately \$8,541,000 remaining under the plan.

On February 4, 2006, the Company's Board of Directors approved a cash dividend of \$.12 per share of the Company's stock. The total dividend of approximately \$5,030,000 was paid on March 20, 2006 to shareholders of record at the close of business on February 28, 2006. On June 23, 2006, the Company's Board of Directors approved a cash dividend of \$.15 per share of the Company's stock. The total dividend of approximately \$6,313,000 was paid on August 7, 2006 to shareholders of record at the close of business on July 17, 2006.

The Company's primary liquidity needs are for making continuing investments in manufacturing equipment, particularly equipment for the Company's new FPA products. The Company believes that cash generated from operations and the total of its cash and cash equivalents, together with other sources of liquidity, will be sufficient to fund planned operations and capital equipment purchases for the foreseeable future. At September 30, 2006, the Company had approximately \$436,000 of capital expenditure commitments, principally for manufacturing equipment.

The Company does not consider the impact of inflation and changing prices on its business activities or fluctuations in the exchange rates for foreign currency transactions to have been significant during the last three fiscal years.

VICOR CORPORATION

September 30, 2006

Item 3 — Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to a variety of market risks, including changes in interest rates affecting the return on its cash and cash equivalents, short-term and long-term investments and fluctuations in foreign currency exchange rates.

As the Company's cash and cash equivalents consist principally of money market securities, which are short-term in nature, the Company's exposure to market risk on interest rate fluctuations for these investments is not significant. The Company's short-term and long-term investments consist mainly of corporate debt securities. These debt securities are all highly rated investments, in which a significant portion have interest rates reset at auction at regular intervals. As a result, the Company believes there is minimal market risk to these investments.

The Company's exposure to market risk for fluctuations in foreign currency exchange rates relates primarily to the operations of Vicor Japan Company, Ltd. ("VJCL") and changes in the dollar/yen exchange rate. In addition, the functional currency of the Company's subsidiaries in Europe and Hong Kong is the U.S. Dollar. Therefore, the Company believes that market risk is mitigated since these operations are not materially exposed to foreign exchange fluctuations.

Item 4 — Controls and Procedures

(a) Disclosure controls and procedures.

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company's management conducted an evaluation with the participation of the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), regarding the effectiveness of the Company's disclosure controls and procedures, as of the end of the last fiscal quarter. The Company's disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and the Company's management necessarily was required to apply its judgment in evaluating and implementing the Company's disclosure controls and procedures. Based upon the evaluation described above, the CEO and CFO have concluded that they believe that the Company's disclosure controls and procedures were effective, as of the end of the period covered by this report, in providing reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. We intend to continue to review and document our disclosure controls and procedures, including our internal controls and procedures for financial reporting, and we may from time to time make changes to the disclosure controls and procedures to enhance their effectiveness and to ensure that our systems evolve with our business.

VICOR CORPORATION

September 30, 2006

The Company's management, including the CEO and CFO, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

(b) Changes in internal control over financial reporting.

There were no changes in the Company's internal control over financial reporting identified in connection with the Company's evaluation of internal control over financial reporting that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

VICOR CORPORATION
Part II — Other Information
September 30, 2006

Item 1 — Legal Proceedings

In May 2004, Ericsson Wireless Communications, Inc. v. Vicor Corporation was filed in Superior Court of the State of California, County of San Diego. The plaintiff has brought an action against the Company seeking compensatory damages and lost profits with respect to post warranty contract and tort claims for products previously purchased by it from the Company. In November 2004, the plaintiff filed a First Amended Complaint adding claims against Exar Corporation, a former vendor of the Company. The Company filed cross-claims against Exar, and third-party claims against Rohm Device USA, LLC and Rohm Co., Ltd., the original manufacturer(s) of a component that Exar sold to the Company, which was included in the product subsequently sold by the Company to the plaintiff.

The Company has denied the claims made against it and believes that the plaintiff's claim of \$100 million in compensatory damages is not supported by the facts. The Company believes that the plaintiff's own actions caused damages to the plaintiff. The Company intends to vigorously defend the claims made against it and prosecute its cross and third party claims. However, if the Company is unsuccessful in the ultimate resolution of this matter, it may have a material adverse affect on its results of operations and financial position.

Item 1A — Risk Factors

There have been no material changes in the risk factors described in Item 1A ("Risk Factors") of the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Item 2 — Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

<u>Period</u>	<u>Total Number of Shares (or Units) Purchased</u>	<u>Average Price Paid per Share (or Unit)</u>	<u>Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</u>	<u>Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs</u>
July 1 — 31, 2006	102,300	\$ 11.21	102,300	\$ 13,345,000
August 1 — 31, 2006	435,700	\$ 11.03	435,700	\$ 8,541,000
September 1 — 30, 2006	—	—	—	\$ 8,541,000
Total	538,000	\$ 11.06	538,000	\$ 8,541,000

In November 2000, the Board of Directors of the Company authorized the repurchase of up to \$30,000,000 of the Company's Common Stock.

VICOR CORPORATION
Part II — Other Information
September 30, 2006

Item 3 — Defaults Upon Senior Securities

Not applicable.

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

Not applicable.

Item 5 — Other Information

On October 21, 2006, the Board of Directors of the Company adopted the Amended and Restated By-Laws of Vicor Corporation, which will go into effect on November 15, 2006.

The revised version of the by-laws include a change to the procedures by which security holders may recommend nominees to our board of directors. The revised by-laws now require a stockholder to give notice in advance of the stockholder meeting to the secretary before such stockholder may nominate a person for election to the Board of Directors. In addition, the revised by-laws now describe the procedures by which stockholders can propose business to be considered by the stockholders. The revised version states that the presiding officer of any stockholder meetings shall be the chairman of the board or, if not elected or in his or her absence, the president or the treasurer. The presiding officer has the power to, among other things, adjourn the meeting and determine the order of business and all matters of procedure, subject to the Board of Director's right to adopt rules and regulations for the conduct of the meeting as it deems appropriate. The revised by-laws also include a new provision detailing the process for appointing an inspector of elections to act at the stockholder meeting and make a written report thereof. They also permit the Company to make stockholder lists available electronically.

The revised version of the by-laws now permit notice of meetings to be given to stockholders or directors by electronic transmission, as well as permit stockholders or directors to waive notice electronically, and permit the Company to send only one such notice to stockholders who share an address, if consented to by the stockholders at that address. The revised by-laws would also now permit the Board of Directors to act by unanimous electronic written consent.

The revised by-laws clarify that if there are two or fewer directors, any action taken by the Board of Directors must be unanimous. They also permit the Board of Directors to issue uncertificated shares and fractional shares.

The revised by-laws have more defined terms relating to indemnification of directors and officers and more detail than the previous by-laws relating to such matters.

The foregoing is merely a summary of the material amendments to the by-laws and is qualified in its entirety by the Amended and Restated By-Laws of Vicor Corporation attached hereto as Exhibit 3.1 and incorporated herein by reference in its entirety.

VICOR CORPORATION
Part II — Other Information
September 30, 2006

Item 6 — Exhibits

Exhibit Number	Description
3.1	Company By-Laws as amended on October 21, 2006.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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 thereunto duly authorized.

VICOR CORPORATION

Date: November 8, 2006

By: /s/ Patrizio Vinciarelli
Patrizio Vinciarelli
President, Chief Executive Officer and Chairman of the
Board
(Principal Executive Officer)

Date: November 8, 2006

By: /s/ Mark A. Glazer
Mark A. Glazer
Chief Financial Officer
(Principal Financial Officer)

BY-LAWS
OF
VICOR CORPORATION
ARTICLE I - STOCKHOLDERS

1. Annual Meeting. The annual meeting of stockholders of Vicor Corporation (the "Corporation") shall be held on the third Wednesday of April in each year after 1981 (or if that be a legal holiday in the place where the meeting is to be held, on the next succeeding full business day) at the principal office of the Corporation in Andover, Massachusetts at 10:00 o'clock A.M. unless a different hour or place is fixed by the Board of Directors or the President. The purposes for which the annual meeting is to be held, in addition to those prescribed by law, by the Certificate of Incorporation or by these By-Laws, may be specified by the Board of Directors or the President. If no annual meeting has been held on the date fixed above, a special meeting in lieu thereof may be held or there may be action by written consent of the Stockholders on matters to be voted on at the annual meeting, and such special meeting or written consent shall have for the purposes of these By-Laws or otherwise all the force and effect of an annual meeting.

2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders. Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an Annual Meeting (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors or (c) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in this By-Law, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in this By-Law. In addition to the other requirements set forth in this By-Law, for any proposal of business to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (c) of paragraph (a) of this By-Law, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth day nor earlier than the close of business on the one hundred twentieth day prior to the first anniversary of the preceding year's Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is advanced by more than 30 days before or delayed by more than sixty days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such Annual Meeting and not later than the close of business on the later of the ninetieth day prior to such Annual Meeting or the tenth day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election or reelection as a Director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); (ii) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made, and the names and addresses of other stockholders known by the stockholder proposing such business to support such proposal, and the class and number of shares of the Corporation's capital stock beneficially owned by such other stockholders; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (B) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

Notwithstanding anything in this paragraph (a) of this By-Law to the contrary, in the event that the number of Directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for Director or specifying the size of the increased Board of Directors made by the Corporation at least 85 days prior to the first anniversary of the preceding year's Annual Meeting, a stockholder's notice required by this By-Law shall also be considered timely, but only with respect

to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) General. Only such persons who are nominated in accordance with the provisions of this By-Law shall be eligible for election and to serve as Directors and only such business shall be conducted at an Annual

Meeting as shall have been brought before the meeting in accordance with the provisions of this By-Law. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of this By-Law. If neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of this By-Law, the presiding officer of the Annual Meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of this By-Law. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of this By-Law, such proposal or nomination shall be disregarded and shall not be presented for action at the Annual Meeting.

For purposes of this By-Law, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Notwithstanding the foregoing provisions of this By-Law, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this By-Law. Nothing in this By-Law shall be deemed to affect any rights of (i) stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) the holders of any series of undesignated preferred stock to elect Directors under specified circumstances.

3. Special Meetings. Special meetings of stockholders may be called by the President or by the Board of Directors. Special meetings shall be called by the Secretary, or in case of death, absence, incapacity or refusal of the Secretary, by any other officer, upon written application of one or more stockholders who hold at least twenty-five percent in interest of the capital stock entitled to vote at such meeting. The call for the meeting may be oral or written and shall state the place, date, hour and purposes of the meeting.

4. Notice of Meetings.

Whenever stockholders are required or permitted to take any action at a meeting, a notice stating the place, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present and vote at such meeting, and, in the case of a special meeting, the purpose or purposes of the meeting, shall be given by the Secretary (or other person authorized by these By-Laws or by law) not less than ten nor more than sixty days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, under the Certificate of Incorporation or under these By-Laws is entitled to such notice. If mailed, notice is given when deposited in the mail, postage prepaid, directed to such stockholder at such stockholder's address as it appears in the records of the Corporation. Without limiting the manner by which notice otherwise may be effectively given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law (the "DGCL") and notice may be given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given in the manner provided in Section 233 of the DGCL.

Notice need not be given to a stockholder if a written waiver of notice is executed before or after the meeting by such stockholder (or a waiver is given by electronic transmission by the person entitled to notice), if communication with such stockholder is unlawful, or if such stockholder attends the meeting in question, unless such attendance was for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

When any meeting is convened, the presiding officer may adjourn the meeting if (a) no quorum is present for the transaction of business, (b) the Board of Directors determines that adjournment is necessary or appropriate to enable the stockholders to consider fully information which the Board of Directors determines has not been made sufficiently or timely available to stockholders, or (c) the Board of Directors determines that adjournment is otherwise in the best interests of the Corporation.

When any Annual Meeting or special meeting of stockholders is adjourned to another time or place, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote

communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

The Board of Directors may postpone and reschedule any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article I of these By-Laws or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders commence a new time period for the giving of a stockholder's notice under Section 2 of this Article I of these By-Laws.

5. Quorum. The holders of a majority in interest of all stock issued, outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present. The stockholders present at a duly constituted meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to reduce the voting shares below a quorum.

6. Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the books of the Corporation unless otherwise provided by law or by the Certificate of Incorporation. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period or is coupled with an interest and irrevocable. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as a proxy, stockholders may grant such authority in writing or by transmission pursuant to Section 212(c) of the DGCL. Proxies shall be filed with the Secretary of the meeting, or of any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger.

7. Action at Meeting. When a quorum is present, any matter before the meeting shall be decided by vote of the holders of a majority of the shares of stock voting on such matter except where a larger vote is required by law, by the Certificate of Incorporation or by these By-Laws. Any election by stockholders shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Certificate of Incorporation or by these By-Laws. No ballot shall be required for any election unless requested by a stockholder entitled to vote in the election. The Corporation shall not directly or indirectly vote any share of its own stock; provided, however, that the Corporation may vote shares which it holds in a fiduciary capacity to the extent permitted by law.

8. Presiding Officer. The Chairman of the Board, if one is elected, or if not elected or in his or her absence, the President or the Treasurer, shall preside at all Annual Meetings or special meetings of stockholders and shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to the applicable provisions of this Article I. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

9. Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any

determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further

review by any court of competent jurisdiction.

10. Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the presiding officer of any meeting of stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the presiding officer of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

11. Action Without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted by law to be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office, by hand or by certified mail, return receipt requested, or to the Corporation's principal place of business or to the officer of the Corporation having custody of the minute book. Every written consent shall bear the date of signature and no written consent shall be effective unless, within sixty days of the earliest dated consent delivered pursuant to these By-Laws, written consents signed by a sufficient number of stockholders entitled to take action are delivered to the Corporation in the manner set forth in these By-Laws. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

12. Stockholder Lists. The Secretary or an Assistant Secretary (or the Corporation's transfer agent or other person authorized by these By-Laws or by law) shall prepare and make, at least ten days before every meeting of Stockholders, a complete list of the Stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this section shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, (1) on a reasonably accessible electronic network provided that the information required to gain access to such list is provided with the notice of the meeting, pursuant to the terms of Section 219 of the DGCL, or (ii) during ordinary business hours, at the principal place of business of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

ARTICLE II - DIRECTORS

1. Powers. The business of the Corporation shall be managed by or under the direction of a Board of Directors who may exercise all the powers of the Corporation except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws. In the event of a vacancy in the Board of Directors, the remaining Directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.

2. Election and Qualification. The Board of Directors shall consist of one or more members. At each annual meeting the stockholders shall fix the number of Directors and shall elect not more than the number of Directors so designated. No Director need be a stockholder.

3. Vacancies; Reduction of Board. Any vacancy in the Board of Directors however occurring including a vacancy resulting from the enlargement of the Board of Directors may be filled by the stockholders or by the Directors then in office or by a sole remaining Director. In lieu of filling any such vacancy the

stockholders or Board of Directors may reduce the number of Directors. When one or more Directors shall resign from the Board of Directors, effective at a

future date, a majority of the Directors then in office, including those who so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective.

4. Enlargement of the Board. The Board of Directors may be enlarged by the stockholders at any meeting or by vote of a majority of the Directors then in office.

5. Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-Laws, Directors shall hold office until their successors are elected and qualified or until their earlier resignation or removal. Any Director may resign by delivering his or her written resignation to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

6. Removal. Except as otherwise provided by law, a Director may be removed from office (a) with or without cause by vote of the holders of a majority of the shares of stock entitled to vote in the election of Directors, or Director is unlawful, or if all of the Directors are present at the meeting. A notice of waiver of a meeting of the Board of Directors need not specify the purposes of the meeting. (b) for cause by vote of a majority of the Directors then in office. A Director may be removed for cause only after reasonable notice and opportunity to be heard before the body proposing to remove him.

7. Meetings. Regular meetings of the Board of Directors may be held without notice at such time, date and place as the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called, orally or in writing, by the President, Treasurer or two or more Directors, designating the time, date and place thereof. Directors may participate in meetings of the Board of Directors by means of conference telephone or similar communications equipment by means of which all Directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting.

8. Notice of Meetings. Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each Director by the Secretary, or Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by any other officer or one of the Directors calling the meeting. Notice shall be given to each Director in person, by telephone, or by facsimile, electronic mail or other form of electronic communications, sent to such Director's business or home address at least twenty-four hours in advance of the meeting, or by written notice mailed to such Director's business or home address at least forty-eight hours in advance of the meeting. Such notice shall be deemed to be delivered when hand delivered to such address, read to such Director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, dispatched or transmitted if faxed, telexed or telecopied, or when delivered to the telegraph company if sent by telegram. Notice need not be given to any Director if a written waiver of notice is executed by him or her before or after the meeting (or a waiver is given by electronic transmission by the person entitled to notice), if communication with such Director is unlawful, or if all of the Directors are present at the meeting. A notice of waiver of a meeting of the Board of Directors need not specify the purposes of the meeting.

9. Quorum. At any meeting of the Board of Directors, a majority of the Directors then in office shall constitute a quorum. Less than a quorum may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice.

10. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, unless otherwise provided in the following sentence, a majority of the Directors present may take any action on behalf of the Board of Directors, unless a larger number is required by law, by the Certificate of Incorporation or by these By-Laws. So long as there are two or fewer Directors, any action to be taken by the Board of Directors shall require the approval of all Directors.

11. Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

12. Committees. The Board of Directors, by a vote of a majority of its members,

may establish one or more

committees, each committee to consist of one or more Directors, and may delegate thereto some or all of its powers except those which by law, the Certificate of Incorporation, or these By-Laws may not be delegated. Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but in the absence of such rules its business shall be conducted so far as possible in the same manner as is provided in these By-Laws for the Board of Directors. All members of such committees shall hold their committee offices at the pleasure of the Board of Directors, and the Board may abolish any committee at any time. Each such committee shall report its action to the Board of Directors who shall have power to rescind any action of any committee without retroactive effect.

ARTICLE III - OFFICERS

1. Enumeration. The officers of the Corporation shall consist of a President, a Treasurer, a Secretary, and such other officers, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine.

2. Election. The President, Treasurer and Secretary shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders. Other officers may be chosen by the Board of Directors at such meeting or any other meeting.

3. Qualification. No officer need be a stockholder or Director. Any two or more offices may be held by the same person. Any officer may be required by the Board of Directors to give bond for the faithful performance of such officer's duties in such amount and with such sureties as the Board of Directors may determine.

4. Tenure. Except as otherwise provided by the Certificate of Incorporation or by these By-Laws, each of the officers of the Corporation shall hold his or her office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any officer may resign by delivering his or her written resignation to the Corporation, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

5. Removal. The Board of Directors may remove any officer with or without cause by a vote of a majority of the entire number of Directors then in office; provided, that an officer may be removed for cause only after reasonable notice and opportunity to be heard by the Board of Directors.

6. Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

7. President and Vice Presidents. The President shall be the chief executive officer of the Corporation and shall, subject to the direction of the Board of Directors, have general supervision and control of its business. Unless otherwise provided by the Board of Directors, the President shall preside, when present, at all meetings of stockholders, as further provided in Article I, Section 8 of these By-Laws, and of the Board of Directors.

Any Vice President shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

8. Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. He or she shall have custody of all funds, securities, and valuable documents of the Corporation, except as the Board of Directors may otherwise provide.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time designate.

9. Secretary and Assistant Secretaries. The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board) in books kept for that purpose. In his or her absence from any such meeting an Assistant Secretary, or if there be none or he or she is absent, a temporary secretary chosen at the meeting shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation) and shall have such other

duties and powers as may be designated from time to time by the Board of Directors or the President.

Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time designate.

10. Other Powers and Duties. Subject to these By-Laws and to such limitations as the Board of Directors may from time to time prescribe, each officer of the Corporation shall have in addition to the duties and powers specifically set forth in these By-Laws, such duties and powers as are customarily incident to such officer's office, and such duties and powers as may be designated from time to time by the Board of Directors.

ARTICLE IV - CAPITAL STOCK

1. Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors; provided that the Board may provide that some or all of any or all classes or series of its stock shall be uncertificated shares, in which case the holders of such stock will not be entitled to certificates with respect to such stock. Any such certificate issued by the Corporation shall be signed by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary. Such signatures may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. The Corporation shall be permitted to issue fractional shares.

2. Transfers. Subject to any restrictions on transfer, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

3. Record Holders. Except as may otherwise be required by law, by the Certificate of Incorporation or by these By-Laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-Laws. It shall be the duty of each stockholder to notify the Corporation of such stockholder's post office address.

4. Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not precede the date on which it is established, and which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. In such case only stockholders of record on such record date shall be so entitled notwithstanding any transfer of stock on the books of the Corporation after the record date. If no record date is fixed, (a) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, (b) the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this state, to its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, and (c) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of

Directors adopts the resolution relating thereto.

5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof, upon such terms as the Board of Directors may prescribe.

ARTICLE V - INDEMNIFICATION

1. Definitions. For purposes of this Article:

(a) "Corporate Status" describes the status of a person who is serving or has served (i) as a Director of the Corporation, (ii) as an Officer of the Corporation, or (iii) as a Director, partner, trustee, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a), an Officer or Director of the Corporation who is serving or has served as a Director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, "Corporate Status" shall not include the status of a person who is serving or has served as a Director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person's activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(b) "Director" means any person who serves or has served the Corporation as a Director on the Board of Directors of the Corporation;

(c) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(d) "Expenses" means all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(e) "Non-Officer Employee" means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(f) "Officer" means any person who serves or has served the Corporation as an officer appointed by the Board of Directors of the Corporation;

(g) "Proceeding" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitral or investigative; and

(h) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) 50% or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) 50% or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

2. Indemnification of Directors and Officers. Subject to the operation of Section 4 of this Article V of these By-Laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment) against any and all Expenses, judgments, penalties, fines and amounts reasonably paid in settlement that are incurred by such Director or Officer or on such

Director's or Officer's behalf in connection with any threatened, pending or completed Proceeding or any claim, issue or matter therein, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding was authorized by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce an Officer or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-Laws in accordance with the provisions set forth herein.

3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article V of these By-Laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses, judgments, penalties, fines and amounts reasonably paid in settlement that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 3 shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized by the Board of Directors of the Corporation.

4. Good Faith. Unless ordered by a court, no indemnification shall be provided pursuant to this Article V to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (c) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (d) by the stockholders of the Corporation.

5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within ten days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding was (i) authorized by the Board of Directors of the Corporation, or (ii) brought to enforce Director's rights to indemnification or advancement of Expenses under these By-Laws.

(b) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within ten days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid

amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such

claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Article V shall not be a defense to the action and shall not create a presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(c) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer and Non-Officer Employee in connection with any Proceeding in which such is involved by reason of the Corporate Status of such Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer and Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(b) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

7. Contractual Nature of Rights.

(a) The foregoing provisions of this Article V shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Article V is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any Proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

(b) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification under this Article V shall not be a defense to the action and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(c) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

8. Non-Exclusivity of Rights. The rights to indemnification and advancement of Expenses set forth in this Article V shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate of Incorporation or these By-Laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the

provisions of this Article V.

10. Other Indemnification. The Corporation's obligation, if any, to indemnify any person under this Article V as a result of such person serving, at the request of the Corporation, as a Director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise.

ARTICLE VI - MISCELLANEOUS PROVISIONS

1. Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on December 31 of each year.

2. Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

3. Execution of Instruments. Subject to any limitations which may be set forth in a resolution of the Board of Directors, all deeds, leases, transfers, contracts, bonds, notes and other obligations authorized to be executed by an officer of the Corporation in its behalf shall be signed by the President or the Treasurer except as the Board of Directors may generally or in particular cases otherwise determine.

4. Voting of Securities. Unless otherwise provided by the Board of Directors, the President or Treasurer may waive notice of and act on behalf of this corporation, or appoint another person or persons to act as proxy or attorney in fact for this corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this corporation.

5. Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

6. Corporate Records. The original or attested copies of the Certificate of Incorporation, By-Laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock and transfer records, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, shall be kept at the principal office of the Corporation, at the office of its counsel, at an office of its transfer agent, or at such other place or places as may be designated for time to time by the Board of Directors.

7. Certificate of Incorporation. All references in these By-Laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

8. Amendments. These By-Laws may be amended or repealed or additional By-Laws adopted by the stockholders or by the Board of Directors; provided, that (a) the Board of Directors may not amend or repeal this Section 8 or any provision of these By-Laws which by law, by the Certificate of Incorporation or by these By-Laws requires action by the stockholder, and (b) any amendment or repeal of these By-Laws by the Board of Directors and any By-Law adopted by the Board of Directors may be amended or repealed by the stockholders.

As amended on November 15, 2006, July 27, 1990 and November 27, 1986.

CERTIFICATIONS

I, Patrizio Vinciarelli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vicor Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2006

/s/ Patrizio Vinciarelli
Patrizio Vinciarelli
Chief Executive Officer

CERTIFICATIONS

I, Mark A. Glazer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vicor Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 8, 2006

/s/ Mark A. Glazer
Mark A. Glazer
Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vicor Corporation (the "Company") on Form 10-Q for the period ending September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrizio Vinciarelli, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Patrizio Vinciarelli

Patrizio Vinciarelli

President, Chairman of the Board and
Chief Executive Officer

November 8, 2006

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vicor Corporation (the "Company") on Form 10-Q for the period ending September 30, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark A. Glazer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark A. Glazer

Mark A. Glazer
Chief Financial Officer

November 8, 2006

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.