

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 27, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 0-20388

LITTELFUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

36-3795742

(I.R.S. Employer Identification No.)

8755 W. Higgins Road, Suite 500
Chicago, Illinois

(Address of principal executive offices)

60631

(Zip Code)

(773) 628-1000

(Registrant's telephone number, including area code)

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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

As of October 24, 2014, 22,489,432 shares of common stock, \$.01 par value, of the registrant were outstanding.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

LITTELFUSE, INC.
Condensed Consolidated Balance Sheets
(In thousands of USD, except share amounts)

	September 27, 2014 (unaudited)	December 28, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 378,276	\$ 305,192
Short-term investments	38	6,886
Accounts receivable, less allowances	134,706	127,887
Inventories	99,822	92,591
Deferred income taxes	10,722	10,463
Prepaid expenses and other current assets	16,570	17,080
Assets held for sale	5,500	5,500
Total current assets	<u>645,634</u>	<u>565,599</u>
Property, plant and equipment:		
Land	5,969	4,382
Buildings	66,780	59,699
Equipment	363,438	354,475
	<u>436,187</u>	<u>418,556</u>
Accumulated depreciation	<u>(278,927)</u>	<u>(268,383)</u>
Net property, plant and equipment	157,260	150,173
Intangible assets, net of amortization:		
Patents, licenses and software	24,514	25,166
Distribution network	39,604	42,685
Customer lists, trademarks and tradenames	42,911	30,506
Goodwill	198,702	186,464
Other investments	13,115	12,286
Deferred income taxes	5,325	5,092
Other assets	6,750	6,402
Total assets	<u>\$ 1,133,815</u>	<u>\$ 1,024,373</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 37,062	\$ 33,872
Accrued payroll	28,022	29,437
Accrued expenses	13,342	13,087
Accrued severance	320	182
Accrued income taxes	15,059	5,931
Deferred income taxes	7	229
Current portion of long-term debt	186,500	126,000
Total current liabilities	<u>280,312</u>	<u>208,738</u>
Long-term debt, less current portion	90,000	93,750
Deferred income taxes	10,821	11,585
Accrued post-retirement benefits	225	8,528
Other long-term liabilities	14,558	14,856
Total equity	<u>737,899</u>	<u>686,916</u>
Total liabilities and equity	<u>\$ 1,133,815</u>	<u>\$ 1,024,373</u>

Common shares issued and outstanding of 22,541,918 and 22,467,491, at September 27, 2014, and December 28, 2013, respectively.

See accompanying notes.

LITTELFUSE, INC.
Consolidated Statements of Net Income
(In thousands of USD, except per share amounts, unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	September 27, 2014	September 28, 2013	September 27, 2014	September 28, 2013
Net sales	\$ 217,608	\$ 201,040	\$ 645,375	\$ 559,724
Cost of sales	<u>130,228</u>	<u>120,080</u>	<u>396,506</u>	<u>340,601</u>
Gross profit	87,380	80,960	248,869	219,123
Selling, general and administrative expenses	36,647	34,437	109,146	98,091
Research and development expenses	7,449	6,217	22,833	17,725
Amortization of intangibles	<u>3,154</u>	<u>2,747</u>	<u>9,451</u>	<u>6,249</u>
	47,250	43,401	141,430	122,065
Operating income	40,130	37,559	107,439	97,058
Interest expense	1,292	939	3,736	1,959
Impairment and equity in net loss of unconsolidated affiliate	—	—	—	10,678
Foreign exchange (gain) loss	(101)	1,476	2,022	(1,929)
Other (income) expense, net	<u>(2,261)</u>	<u>(1,380)</u>	<u>(4,893)</u>	<u>(3,543)</u>
Income before income taxes	41,200	36,524	106,574	89,893
Income taxes	<u>11,260</u>	<u>9,534</u>	<u>26,667</u>	<u>24,767</u>
Net income	<u>\$ 29,940</u>	<u>\$ 26,990</u>	<u>\$ 79,907</u>	<u>\$ 65,126</u>
Net income per share (see Note 8):				
Basic	<u>\$ 1.33</u>	<u>\$ 1.20</u>	<u>\$ 3.55</u>	<u>\$ 2.92</u>
Diluted	<u>\$ 1.32</u>	<u>\$ 1.19</u>	<u>\$ 3.52</u>	<u>\$ 2.89</u>
Weighted average shares and equivalent shares outstanding:				
Basic	<u>22,536</u>	<u>22,428</u>	<u>22,536</u>	<u>22,274</u>
Diluted	<u>22,689</u>	<u>22,625</u>	<u>22,722</u>	<u>22,497</u>
Cash dividends paid per common share	<u>\$ 0.25</u>	<u>\$ 0.22</u>	<u>\$ 0.69</u>	<u>\$ 0.62</u>

See accompanying notes.

LITTELFUSE, INC.
Consolidated Statements of Comprehensive Income
(In thousands of USD, unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	<u>September 27, 2014</u>	<u>September 28, 2013</u>	<u>September 27, 2014</u>	<u>September 28, 2013</u>
Net income	\$ 29,940	\$ 26,990	\$ 79,907	\$ 65,126
Other comprehensive income (loss):				
Pension liability adjustments (net of tax of \$39 and \$49, for the three months ended 2014 and 2013, and \$178 and \$233 for the nine months ended 2014 and 2013, respectively)	4	(24)	(1)	(349)
Unrealized (loss) gain on investments	(1,773)	(532)	1,811	546
Foreign currency translation adjustments	(14,962)	10,273	(15,273)	(2,998)
Comprehensive income	<u>\$ 13,209</u>	<u>\$ 36,707</u>	<u>\$ 66,444</u>	<u>\$ 62,325</u>

See accompanying notes.

LITTELFUSE, INC.
Consolidated Statements of Cash Flows
(In thousands of USD, unaudited)

	For the Nine Months Ended	
	September 27, 2014	September 28, 2013
OPERATING ACTIVITIES:		
Net income	\$ 79,907	\$ 65,126
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	21,736	19,603
Amortization of intangibles	9,451	6,249
Stock-based compensation	7,168	7,030
Non-cash inventory charge	2,769	2,069
Excess tax benefit on share-based compensation	(2,477)	(3,763)
Loss on sale of assets	673	169
Impairment and equity in net loss of unconsolidated affiliate	—	10,678
Changes in operating assets and liabilities:		
Accounts receivable	(9,728)	(16,348)
Inventories	(4,118)	(4,537)
Accounts payable	3,024	6,659
Accrued expenses (including post-retirement)	(7,080)	(11,743)
Accrued payroll and severance	(1,198)	5,492
Accrued taxes	5,756	(2,167)
Prepaid expenses and other	(2,052)	1,294
Net cash provided by operating activities	<u>103,831</u>	<u>85,811</u>
INVESTING ACTIVITIES:		
Purchases of property, plant, and equipment	(19,422)	(25,328)
Acquisition of businesses, net of cash acquired	(52,768)	(145,000)
Purchase of short-term investments	—	(8,478)
Proceeds from maturities of short-term investments	6,770	—
Proceeds from sale of assets	72	158
Net cash used in investing activities	<u>(65,348)</u>	<u>(178,648)</u>
FINANCING ACTIVITIES:		
Proceeds from term loan	—	100,000
Proceeds from revolving credit facility	97,500	160,500
Payments of term loan	(3,750)	—
Payments of revolving credit facility	(37,000)	(116,000)
Debt issuance costs paid	(108)	(809)
Cash dividends paid	(15,543)	(13,789)
Purchases of common stock	(14,283)	—
Proceeds from exercise of stock options	12,170	19,335
Excess tax benefit on share-based compensation	2,477	3,763
Net cash provided by financing activities	<u>41,463</u>	<u>153,000</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(6,862)</u>	<u>(2,631)</u>
Increase in cash and cash equivalents	73,084	57,532
Cash and cash equivalents at beginning of period	305,192	235,404
Cash and cash equivalents at end of period	<u>\$ 378,276</u>	<u>\$ 292,936</u>

See accompanying notes.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements of Littelfuse, Inc. and its subsidiaries (the “company”) have been prepared in accordance with U.S. *Generally Accepted Accounting Principles* (GAAP) for interim financial information, the instructions to Form 10-Q and Article 10 of Regulations S-X. Accordingly, certain information and disclosures normally included in the consolidated balance sheet, statements of net income and comprehensive income and cash flows prepared in conformity with U.S. GAAP have been condensed or omitted as permitted by such rules and regulations. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the period ended September 27, 2014 are not necessarily indicative of the results that may be expected for the year ending December 27, 2014. For further information, refer to the company’s consolidated financial statements and the notes thereto incorporated by reference in the company’s Annual Report on Form 10-K for the year ended December 28, 2013. The company evaluated subsequent events through the date of its financial statements when filed with the Securities and Exchange Commission (“SEC”).

2. Acquisition of Businesses

The company accounts for acquisitions using the purchase method in accordance with ASC 805, “Business Combinations.” The results of operations of each acquisition have been included in the accompanying consolidated financial statements as of the dates of the acquisition.

SymCom, Inc.

On January 3, 2014, the company acquired 100% of SymCom, Inc. (“SymCom”) for \$52.8 million net of cash acquired. Headquartered in Rapid City, South Dakota, SymCom provides overload relays and pump controllers primarily to the industrial market. The acquisition allows the company to strengthen its position in the relay products market by adding new products and new customers within its Electrical business unit segment. SymCom is based in Rapid City, South Dakota. The company funded the acquisition with available cash and proceeds from credit facilities.

The following table sets forth the preliminary purchase price allocation for SymCom acquisition-date net assets, in accordance with the purchase method of accounting with adjustments to record the acquired net assets at their estimated fair values.

SymCom preliminary purchase price allocation (in thousands):

Cash	\$	325
Current assets, net		9,154
Property, plant and equipment		11,193
Goodwill		15,063
Trademarks		17,020
Patents		1,500
Other non-current assets		20
Current liabilities		(1,182)
	\$	<u>53,093</u>

All SymCom goodwill and other assets and liabilities were recorded in the Electrical business unit segment and reflected in the Americas geographical area. The trademarks are being amortized over 15 to 20 years. The patents are being amortized over 16 to 17 years. The goodwill resulting from this acquisition consists largely of the company’s expected future product sales and synergies from combining SymCom’s products with the company’s existing electrical product offerings. Goodwill for the above acquisition is expected to be deductible for tax purposes.

As required by purchase accounting rules, the company initially recorded a \$2.6 million step-up of inventory to its fair value as of the acquisition date based on the preliminary valuation. During the first quarter of 2014, as a portion of this inventory was sold, cost of goods sold included a \$1.4 million non-cash charge for this step-up.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

2. Acquisition of Businesses, continued

During the second quarter of 2014, the inventory step-up valuation was finalized at \$2.8 million which resulted in an additional \$1.4 million non-cash charge to cost of goods sold for the second quarter of 2014.

Pro forma financial information is not presented for the SymCom acquisition due to amounts not being materially different than actual results.

Hamlin, Inc.

On May 31, 2013, the company acquired 100% of Hamlin, Inc. (“Hamlin”) from Key Safety Systems, for \$144.4 million (net of cash acquired). Hamlin is a manufacturer of sensor technology providing standard products and custom solutions for leading global manufacturers in the automotive and electronic industries. The acquisition allows the company to expand its automotive and electronics product offerings in the global sensor market in both the Automotive and Electronics business segments. Hamlin has manufacturing, engineering and sales offices in the U.S., Mexico, Europe and Asia. Hamlin operations are being integrated into the Electronics and Automotive segments of Littelfuse. The company funded the acquisition with available cash raised from borrowings on the company’s new credit arrangement. (See Note 6).

The following table sets forth the final purchase price allocation, as of May 31, 2014, for Hamlin acquisition-date net assets, in accordance with the purchase method of accounting with adjustments to record the acquired net assets at their estimated fair values.

Hamlin final purchase price allocation (in thousands):	
Cash	\$ 15,984
Current assets, net	27,811
Property, plant and equipment	24,728
Goodwill	51,218
Distribution network	35,327
Patents and licenses	16,276
Trademarks	6,522
Non-current assets	2,452
Current liabilities	(7,734)
Non-current liabilities	(12,217)
	<u>\$ 160,367</u>

All Hamlin goodwill and other assets and liabilities were recorded in the Automotive and Electronics business unit segments and reflected in the Americas, Europe and Asia-Pacific geographical areas. The distribution network, trademarks and patents and licenses are all being amortized over 10 years. The goodwill resulting from this acquisition consists largely of the company’s expected future product sales and synergies from combining Hamlin’s products with the company’s existing product offerings. A portion of the goodwill for the acquisition is not expected to be deductible for tax purposes.

As required by purchase accounting rules, the company recorded a \$2.1 million step-up of inventory to its fair value as of the acquisition date. During the second quarter of 2013, as a portion of this inventory was sold, cost of goods sold included \$1.7 million of non-cash charges for this step-up.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

2. Acquisition of Businesses, continued

The following unaudited pro forma results are provided below for the company's acquisition of Hamlin and assume that the acquisition of Hamlin had been completed as of the beginning of fiscal year 2012.

	(In thousands except for per share amounts)			
	For the Three Months Ended		For the Nine Months Ended	
	Sept. 27, 2014 (Unaudited)	Sept. 28, 2013 (Unaudited)	Sept. 27, 2014 (Unaudited)	Sept. 28, 2013 (As restated) (Unaudited)
Revenues	\$ 217,608	\$ 201,040	\$ 645,375	\$ 591,095
Net income	\$ 29,940	\$ 26,990	\$ 79,907	\$ 65,425
Net income per share:				
Basic	\$ 1.33	\$ 1.20	\$ 3.55	\$ 2.94
Diluted	\$ 1.32	\$ 1.19	\$ 3.52	\$ 2.91
Weighted-average shares and equivalent shares outstanding:				
Basic	22,536	22,428	22,536	22,274
Diluted	22,689	22,625	22,722	22,497

3. Inventories

The components of inventories at September 27, 2014 and December 28, 2013 are as follows (in thousands):

	September 27, 2014	December 28, 2013
Raw material	\$ 31,549	\$ 28,228
Work in process	16,810	17,576
Finished goods	51,463	46,787
Total inventories	<u>\$ 99,822</u>	<u>\$ 92,591</u>

4. Other Investments

The company's other investments represent shares of Polytronics Technology Corporation Ltd. ("Polytronics"), a Taiwanese company. The Polytronics investment was acquired as part of the Heinrich Companies acquisition in 2004. The fair value of the Polytronics investment was €10.2 million (approximately \$13.1 million) at September 27, 2014 and €9.0 million (approximately \$12.3 million) at December 28, 2013. Included in 2014 other comprehensive income is an unrealized gain of \$1.8 million, due to the increase in fair market value of the Polytronics investment. The remaining movement was due to the impact of changes in exchange rates.

5. Impairment of Investment in Unconsolidated Affiliate

During the first quarter of 2013, the company fully impaired its investment in and loan receivable from Shocking Technologies, Inc. owing to their filing for Chapter 7 bankruptcy on March 12, 2013. The impairment charge of approximately \$10.7 million consisted of the remaining equity method investment of \$8.7 million and a \$2.0 million loan receivable, and reduced the carrying value of both the investment and loan receivable to zero at March 30, 2013.

The loss was recorded as a component of impairment and equity loss of unconsolidated affiliate in the Consolidated Statements of Net Income for the nine months ended September 28, 2013.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

6. Debt

The carrying amounts of long-term debt at September 27, 2014 and December 28, 2013 are as follows (in thousands):

	<u>September 27, 2014</u>	<u>December 28, 2013</u>
Term loan	\$ 95,000	\$ 98,750
Revolving credit facility	181,500	121,000
Total debt	276,500	219,750
Less: Current maturities	186,500	126,000
Total long-term debt	\$ 90,000	\$ 93,750

On May 31, 2013, the company entered into a new credit agreement with J.P Morgan Securities LLC for up to \$325.0 million which consisted of an unsecured revolving credit facility of \$225.0 million and an unsecured term loan of \$100.0 million. The new credit agreement is for a five year period. On January 30, 2014, the company increased the unsecured revolving credit facility entered into on May 31, 2013, by \$50.0 million thereby increasing the total revolver borrowing capacity from \$225.0 million to \$275.0 million. The company incurred debt issuance costs of \$0.1 million which will be amortized over the life of the existing credit agreement. As of September 27, 2014, the company had available \$92.9 million of borrowing capacity under the revolving credit agreement at an interest rate of LIBOR plus 1.50% (1.65% as of September 27, 2014). At September 27, 2014, the company was in compliance with all covenants under the revolving credit facility.

7. Fair Value of Assets and Liabilities

In determining fair value, the company uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

Applicable accounting literature establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Applicable accounting literature defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1—Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2—Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3—Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy.

Investment in Polytronics

The company holds an investment in the equity securities of Polytronics as described in Note 4. Equity securities listed on a national market or exchange are valued at the last sales price. Such securities are classified within Level 1 of the valuation hierarchy.

There were no changes during the nine months ended September 27, 2014 to the company's valuation techniques used to measure asset and liability fair values on a recurring basis. As of September 27, 2014 and December 28, 2013 the company held no non-financial assets or liabilities that are required to be measured at fair value on a recurring basis.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. Fair Value of Assets and Liabilities, continued

The following table presents assets and liabilities measured at fair value by classification within the fair value hierarchy as of September 27, 2014 (in thousands):

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investment in Polytronics	\$ 13,115	\$ —	\$ —	\$ 13,115
Total	<u>\$ 13,115</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 13,115</u>

The following table presents assets measured at fair value by classification within the fair value hierarchy as of December 28, 2013 (in thousands):

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Investment in Polytronics	\$ 12,286	\$ —	\$ —	\$ 12,286
Total	<u>\$ 12,286</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,286</u>

The company's other financial instruments include cash and cash equivalents, short-term investments, accounts receivable, accounts payable and debt. The carrying amounts of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and debt approximate their fair values. The company's debt fair value approximates book value at September 27, 2014 and December 28, 2013, respectively, as the variable interest rates fluctuate along with market interest rates.

8. Earnings Per Share

In 2013, the company calculated its earnings per share using the two-class method which included an earnings allocation formula that determined earnings per share for each class of common stock according to dividends declared and undistributed earnings for the period. Previously, the company's reported net earnings were reduced by the amount allocated to participating securities to arrive at the earnings allocated to common stock shareholders for purposes of calculating earnings per share under the two-class method. As of January, 2014, the company no longer has "participating securities" as defined under ASC 260. As such, the company now calculates its earnings per share using the treasury method. All of the previous participating securities that resulted in the company using the two-class method have become fully vested or have otherwise expired.

Under the previous two-class method calculation, the dilutive effect of participating securities was calculated using the more dilutive of the treasury stock or the two-class method. The company previously determined the two-class method to be the more dilutive. As such, the earnings allocated to common stock shareholders in the basic earnings per share calculation was adjusted for the reallocation of undistributed earnings to participating securities to arrive at the earnings allocated to common stock shareholders for calculating the diluted earnings per share.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

8. Earnings Per Share, continued

The following table sets forth the computation of basic and diluted earnings per share under the treasury share method as of September 27, 2014 and the two-class method as of September 28, 2013.

(in thousands except per share amounts)	For the Three Months Ended		For the Nine Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Net income as reported	\$ 29,940	\$ 26,990	\$ 79,907	\$ 65,126
Less: Distributed earnings available to participating securities	—	(3)	—	(21)
Less: Undistributed earnings available to participating securities	—	—	—	(16)
Numerator for basic earnings per share —				
Undistributed and distributed earnings available to common shareholders	\$ 29,940	\$ 26,987	\$ 79,907	\$ 65,089
Add: Undistributed earnings allocated to participating securities	—	—	—	16
Less: Undistributed earnings reallocated to participating securities	—	—	—	(16)
Numerator for diluted earnings per share —				
Undistributed and distributed earnings available to common shareholders	\$ 29,940	\$ 26,987	\$ 79,907	\$ 65,089
Denominator for basic earnings per share —				
Weighted-average shares	22,536	22,428	22,536	22,274
Effect of dilutive securities:				
Common stock equivalents	153	197	186	223
Denominator for diluted earnings per share —				
Adjusted for weighted-average shares & assumed conversions	22,689	22,625	22,722	22,497
Basic earnings per share	\$ 1.33	\$ 1.20	\$ 3.55	\$ 2.92
Diluted earnings per share	\$ 1.32	\$ 1.19	\$ 3.52	\$ 2.89

9. Income Taxes

The effective tax rate for the third quarter of 2014 was 27.3% compared to an effective tax rate of 26.1% in the third quarter of 2013 reflecting more income earned in higher tax jurisdictions in the third quarter of 2014. The effective tax rate for the nine months ended September 27, 2014 was 25.0% as compared to an effective tax rate of 27.6% for the nine months ended September 28, 2013. The higher tax rate for the nine months ended September 28, 2013 was primarily the result of certain non-recurring tax items.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

10. Pensions

The components of net periodic benefit cost for the three and nine months ended September 27, 2014, compared with the three and nine months ended September 28, 2013, were (in thousands):

	U.S. Pension Benefits				Foreign Plans			
	Three Months Ended		Nine Months Ended		Three Months Ended		Nine Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Service cost	\$ 150	\$ 150	\$ 450	\$ 450	\$ 311	\$ 290	\$ 933	\$ 813
Interest cost	971	891	2,913	2,674	591	532	1,774	1,014
Expected return on plan assets	(1,412)	(1,340)	(4,234)	(4,020)	(572)	(446)	(1,718)	(717)
Amortization of net loss	137	235	411	706	47	39	142	116
Total (credit) cost of the plan	(154)	(64)	(460)	(190)	377	415	1,131	1,226
Expected plan participants' contribution	-	-	-	-	-	-	-	-
Net periodic benefit (credit) cost	\$ (154)	\$ (64)	\$ (460)	\$ (190)	\$ 377	\$ 415	\$ 1,131	\$ 1,226

The expected rate of return assumption on domestic pension assets is approximately 6.75% in 2014 and 2013. The expected return on foreign pension assets is approximately 5.14% and 3.00% in 2014 and 2013, respectively.

On July 31, 2014, the company terminated the Littelfuse, Inc. Retirement Plan (the "Pension Plan"), a plan that was previously offered to all full-time Company employees but frozen as to new participants and benefit accruals as of April 1, 2009. Distribution of plan assets resulting from the Pension Plan termination will not be made until the Internal Revenue Service and the Pension Benefit Guaranty Corporation determine that the termination satisfies applicable regulatory requirements. As a result of the termination of the Pension Plan, each participant will become fully vested in his or her benefits under the Pension Plan without regard to age and years of service. All participants will have a choice of receiving a lump sum payment or an annuity in full payment of their benefits accrued under the Pension Plan.

11. Business Unit Segment Information

The company and its subsidiaries design, manufacture and sell circuit protection devices throughout the world. The company reports its operations by the following business unit segments: Electronics, Automotive, and Electrical. Each operating segment is directly responsible for sales, marketing and research and development. Manufacturing, purchasing, logistics, customer service, finance, information technology and human resources are shared functions that are allocated back to the three operating segments. The CEO allocates resources to and assesses the performance of each operating segment using information about its revenue and operating income (loss) before interest and taxes, but does not evaluate the operating segments using discrete balance sheet information.

Sales, marketing and research and development expenses are charged directly into each operating segment. All other functions are shared by the operating segments and expenses for these shared functions are allocated to the operating segments and included in the operating results reported below. The company does not report inter-segment revenue because the operating segments do not record it. The company does not allocate interest and other income, interest expense, or taxes to operating segments. Although the CEO uses operating income (loss) to evaluate the segments, operating costs included in one segment may benefit other segments. Except as discussed above, the accounting policies for segment reporting are the same as for the company as a whole.

An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenues and incur expenses, and about which separate financial information is regularly evaluated by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources. The CODM is the company's President and Chief Executive Officer ("CEO").

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

11. Business Unit Segment Information, continued

Business unit segment information for the three and nine months ended September 27, 2014 and September 28, 2013 are summarized as follows (in thousands):

	For the Three Months Ended		For the Nine Months Ended	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
Net sales				
Electronics	\$ 107,754	\$ 101,013	\$ 313,726	\$ 271,878
Automotive	80,639	70,386	245,083	194,319
Electrical	29,215	29,641	86,566	93,527
Total net sales	\$ 217,608	\$ 201,040	\$ 645,375	\$ 559,724
Depreciation and amortization				
Electronics	\$ 5,582	\$ 5,784	\$ 16,482	\$ 15,776
Automotive	3,435	2,880	10,609	7,183
Electrical	1,414	937	4,096	2,893
Total depreciation and amortization	\$ 10,431	\$ 9,601	\$ 31,187	\$ 25,852
Operating income (loss)				
Electronics	\$ 25,800	\$ 20,362	\$ 70,805	\$ 52,284
Automotive	12,227	11,135	35,158	29,531
Electrical	3,224	6,687	7,541	18,801
Other ⁽¹⁾	(1,121)	(625)	(6,065)	(3,558)
Total operating income	40,130	37,559	107,439	97,058
Interest expense	1,292	939	3,736	1,959
Impairment, loan loss and equity in net loss of unconsolidated affiliate ⁽²⁾	—	—	—	10,678
Foreign exchange (gain) loss	(101)	1,476	2,022	(1,929)
Other (income) expense, net	(2,261)	(1,380)	(4,893)	(3,543)
Income before income taxes	\$ 41,200	\$ 36,524	\$ 106,574	\$ 89,893

(1) "Other" consists of acquisition related costs, severance charges and restructuring costs. (2) During the first quarter of 2013, the company recorded an impairment of its investment in Shocking Technologies. (See Note 5).

The company's significant net sales by country for the three and nine months ended September 27, 2014 and September 28, 2013 are summarized as follows (in thousands):

	For the Three Months Ended ^(a)		For the Nine Months Ended ^(a)	
	Sept. 27, 2014	Sept. 28, 2013	Sept. 27, 2014	Sept. 28, 2013
United States	\$ 85,326	\$ 76,183	\$ 243,979	\$ 202,731
China	45,905	43,644	134,166	114,952
Other countries	86,377	81,213	267,230	242,041
Total	\$ 217,608	\$ 201,040	\$ 645,375	\$ 559,724

(a) Sales by country represent sales to customer or distributor locations.

The company's significant long-lived assets by country as of September 27, 2014 and December 28, 2013 are summarized as follows (in thousands):

	Long-lived assets ^(b)	
	September 27, 2014	December 28, 2013
United States	\$ 38,964	\$ 27,294
China	40,015	45,843
Canada	13,621	14,429
Other countries	64,660	62,607
Total	\$ 157,260	\$ 150,173

(b) Long-lived assets consist of net property, plant and equipment.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

12. Accumulated Other Comprehensive Income (Loss) (AOCI)

The following table sets forth the changes in the components of AOCI by component (in thousands):

AOCI component	Balance at December 28, 2013	Other comprehensive income (loss) activity	Reclassification adjustment for expense included in net income	Balance at September 27, 2014
Pension liability adjustment ^(a)	\$ (17,140)	\$ (243)	\$ 242	\$ (17,141)
Unrealized gain on investments ^(b)	9,393	1,811	—	11,204
Foreign currency translation adjustment	28,164	(15,273)	—	12,891
AOCI income (loss)	<u>\$ 20,417</u>	<u>\$ (13,705)</u>	<u>\$ 242</u>	<u>\$ 6,954</u>

(a) Balances are net of tax of \$6,549 and \$6,549 for 2014 and 2013, respectively.

(b) Balances are net of tax of \$0 and \$0 for 2014 and 2013, respectively.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Littelfuse Overview

Littelfuse, Inc. and its subsidiaries (the “company” or “Littelfuse”) is the worldwide leader in circuit protection offering the industry’s broadest and deepest portfolio of circuit protection products and solutions. The company’s devices protect products in virtually every market that uses electrical energy, from consumer electronics to automobiles to industrial equipment. The company’s worldwide revenue in 2013 was \$757.9 million and net earnings were \$88.8 million. The company conducts its business through three reportable segments, which are defined by markets and consist of Electronics, Automotive, and Electrical. The company’s customer base includes original equipment manufacturers, tier one automotive suppliers and distributors.

In addition to protecting and growing its core circuit protection business, Littelfuse has been investing in power control and sensing technologies. These newer platforms combined with the company’s strong balance sheet and operating cash flow, provide opportunities for increased organic and acquisition growth. The company has set a target to grow 15% per year, 5% organically and 10% through acquisitions.

To maximize shareholder value, the company’s primary strategic goals are to:

- Grow organically faster than its markets;
- Double the pace of acquisitions;
- Sustain high-teens operating margins;
- Improve return on investment; and
- Return excess cash to shareholders.

The company serves markets that are directly impacted by global economic trends with significant exposures to the consumer electronics, automotive, industrial and mining end markets. The company’s results will be impacted positively or negatively by changes in these end markets.

Electronics Segment

The Electronics segment sells passive and semiconductor components and modules primarily into the global consumer electronics, general industrial and telecommunications markets. The core electronics markets are characterized by significant Asia competition and price erosion. As a result the company is focusing additional efforts on higher growth, less price sensitive niche markets and higher-power industrial applications. The Hamlin acquisition in 2013 expands the company’s product offering into reed switches which are used in a wide variety of electronic products and go through the same channels as the company’s core electronics products.

Automotive Segment

The Automotive segment is comprised of passenger vehicle circuit protection, commercial vehicle products and sensors. The primary growth drivers for these businesses are increasing global demand for passenger and commercial vehicles and increasing content per vehicle for both circuit protection and sensing products. The move away from internal combustion engines to hybrid and electric drive systems that require more circuit protection is expected to be an additional growth driver. The Hamlin acquisition in 2013 significantly expands the company’s position in automotive sensors.

Electrical Segment

The Electrical segment derives its revenues from power fuses, protection relays and custom products selling primarily into the industrial, mining, solar and oil and gas markets. Custom products sales, after several years of strong growth, have declined due to several large Canadian potash mining projects nearing completion. The company intends to expand this business by moving into new markets such as non-potash mining and oil and gas. Protection relay sales have also slowed due to the general slowdown in the global mining market.

The following table is a summary of the company's net sales by business unit and geography:

Net Sales by Business Unit and Geography (in thousands, unaudited)

	Third Quarter			Year-to-Date		
	2014	2013	% Change	2014	2013	% Change
Business Unit						
Electronics	\$ 107,754	\$ 101,013	7%	\$ 313,726	\$ 271,878	15%
Automotive	80,639	70,386	15%	245,083	194,319	26%
Electrical	29,215	29,641	(1%)	86,566	93,527	(7%)
Total	\$ 217,608	\$ 201,040	8%	\$ 645,375	\$ 559,724	15%
	Third Quarter			Year-to-Date		
	2014	2013	% Change	2014	2013	% Change
Geography^(a)						
Americas	\$ 97,903	\$ 89,682	9%	\$ 282,928	\$ 254,037	11%
Europe	39,568	35,490	11%	127,791	100,360	27%
Asia-Pacific	80,137	75,868	6%	234,656	205,327	14%
Total	\$ 217,608	\$ 201,040	8%	\$ 645,375	\$ 559,724	15%

(a) Sales by geography represent sales to customer or distributor locations.

Results of Operations – Third Quarter, 2014 compared to 2013

The following table summarizes the company's consolidated results of operations for the periods presented. The results include incremental activity from the company's business acquisitions as described, where applicable, in the below analysis. There was an additional \$2.8 million in 2014 year-to-date for the write-off of stepped-up inventory valuation related to the SymCom acquisition as described in Note 2. The company incurred \$2.0 million of severance charges in 2014 year-to date resulting from restructuring at the Hamlin-Mexico plant. The company also incurred \$1.1million of charges during the third quarter of 2014 related to its internal organization restructuring to optimize its ability to use cash. There was \$0.1 million of foreign exchange gains during the third quarter of 2014 (\$2.0 million of losses in 2014 year-to-date) due primarily to balance sheet remeasurement in the Philippines.

(In thousands, unaudited)

	Third Quarter			Year-to-Date		
	2014	2013	% Change	2014	2013	% Change
Sales	\$ 217,608	\$ 201,040	8%	\$ 645,375	\$ 559,724	15%
Gross Profit	87,380	80,960	8%	248,869	219,123	14%
Operating expense	47,250	43,401	9%	141,430	122,065	16%
Operating income	40,130	37,559	7%	107,439	97,058	11%
Other (income) expense, net	(1,070)	1,035	(203%)	865	7,165	(88%)
Income before income taxes	41,200	36,524	13%	106,574	89,893	19%
Net income	\$ 29,940	\$ 26,990	11%	\$ 79,907	\$ 65,126	23%

Net sales increased \$16.6 million or 8% to \$217.6 million in the third quarter of 2014 compared to \$201.0 million in the third quarter of 2013 due primarily to strong organic growth in automotive and electronics and an incremental \$5.5 million from the SymCom acquisition, partially offset by lower electrical sales. The company also experienced \$0.3 million in favorable foreign currency effects in the third quarter of 2014 as compared to the third quarter of 2013. Excluding incremental sales from SymCom and currency effects, net sales increased \$10.8 million or 5% year-over-year.

Electronics sales increased \$6.7 million or 7% to \$107.8 million in the third quarter of 2014 compared to \$101.0 million in the third quarter of 2013 due primarily to strong growth for both semiconductor and passive components. The electronics segment experienced \$0.2 million in favorable currency effects in the third quarter of 2014 primarily from sales denominated in Korean won. Excluding the impact of currency effects, sales increased \$6.6 million or 6% year-over-year.

Automotive sales increased \$10.3 million or 15% to \$80.6 million in the third quarter of 2014 compared to \$70.4 million in the third quarter of 2013 due to strong organic growth for passenger car fuses, commercial vehicle products and sensors. The automotive segment experienced \$0.2 million in favorable currency effects in the third quarter of 2014 primarily due to sales denominated in Korean won. Excluding currency effects, net sales increased \$10.1 million or 14% year-over-year.

Electrical sales decreased \$0.4 million or 1% to \$29.2 million in the third quarter of 2014 compared to \$29.6 million in the third quarter of 2013 primarily from declines in custom and relay sales into the mining market and power fuses into the industrial market. These declines more than offset incremental sales of \$5.5 million from the SymCom acquisition. The electrical segment experienced \$0.1 million in unfavorable currency effects in the third quarter of 2014 primarily from sales denominated in Canadian dollars. Excluding incremental sales from SymCom and currency effects, net sales decreased \$5.8 million or 20% year-over-year.

On a geographic basis, sales in the Americas increased \$8.2 million or 9% to \$97.9 million in the third quarter of 2014 compared to \$89.7 million in the third quarter of 2013 due primarily to incremental sales of \$5.5 million from SymCom offset by \$0.1 million in unfavorable currency effects from sales denominated in Canadian dollars. Excluding incremental sales from acquisitions and currency effects, the Americas sales increased \$2.9 million or 3% due to the increase in automotive and electronics sales partially offset by decreased electrical sales.

Europe sales increased \$4.1 million or 11% to \$39.6 million in the third quarter of 2014 compared to \$35.5 million in the third quarter of 2013 mainly due to strong demand for electronics and automotive products and \$0.2 million in favorable currency effects.

Asia-Pacific sales increased \$4.3 million or 6% to \$80.1 million in the third quarter of 2014 compared to \$75.9 million in the third quarter of 2013 primarily due to strong demand for automotive and electronics products and \$0.2 million in favorable currency effects primarily from sales denominated in Korean won. Excluding currency effects, net sales increased \$4.1 million or 5% year-over-year.

Gross profit was \$87.4 million or 40% of net sales for the third quarter of 2014 compared to \$81.0 million or 40% of net sales in the same quarter last year. Gross profit for the third quarter of 2013 included a \$0.4 million non-cash charge to cost of goods sold for inventory that was stepped-up to fair value as a result of the Hamlin acquisition.

Total operating expense was \$47.3 million or 22% of net sales for the third quarter of 2014 compared to \$43.4 million or 22% of net sales for the same quarter in 2013. The increase in operating expenses primarily reflects incremental operating expenses of \$2.3 million from the SymCom acquisition and \$1.1 million of expenses to effect changes in the company's legal structure that will enable the up-streaming of cash to the U.S.

Operating income for the third quarter of 2014 was approximately \$40.1 million compared to operating income of \$37.6 million for the same quarter in 2013 primarily due to higher sales partially offset by higher operating expenses as described above.

Interest expense was \$1.3 million in the third quarter of 2014 compared to \$0.9 million in the third quarter of 2013 and is primarily related to the company's revolving credit facility.

Foreign exchange loss (gain), reflecting net gains and losses from balance sheet revaluation, was approximately \$0.1 million of income for the third quarter of 2014 and \$1.5 million of expense for the third quarter of 2013 and primarily reflects fluctuations in the Philippine peso against the U.S. dollar.

Other (income) expense, net, consisting of interest income, royalties and non-operating income and expense was approximately \$2.3 million of income for the third quarter of 2014 compared to \$1.4 million of income in the third quarter of 2013.

Income before income taxes was \$41.2 million for the third quarter of 2014 compared to income before income taxes of \$36.5 million for the third quarter of 2013. Income tax expense was \$11.3 million with an effective tax rate of 27.3% for the third quarter of 2014 compared to income tax expense of \$9.5 million with an effective tax rate of 26.1% in the third quarter of 2013. The higher effective tax rate in the third quarter of 2014 was primarily due to more income earned in high tax jurisdictions.

Net income for the third quarter of 2014 was \$29.9 million or \$1.32 per diluted share compared to net income of \$27.0 million or \$1.19 per diluted share for the same quarter of 2013.

Results of Operations – Nine Months, 2014 compared to 2013

Net sales increased \$85.7 million or 15% to \$645.4 million in the first nine months of 2014 compared to \$559.7 million in the first nine months of 2013 due primarily to an incremental \$51.8 million from business acquisitions. The company also experienced \$4.0 million in favorable foreign currency effects in the first nine months of 2014 as compared to 2013. The favorable foreign currency impact primarily resulted from sales denominated in euros. Excluding incremental sales from acquisitions and currency effects, net sales increased \$29.9 million or 5% year-over-year.

Electronics sales increased \$41.8 million or 15% to \$313.7 million in the first nine months of 2014 compared to \$271.9 million in the first nine months of 2013 due primarily to strong organic growth in fuse products and incremental sales of \$16.3 million from the Hamlin acquisition. The electronics segment experienced \$1.5 million in favorable currency effects in the first nine months of 2014 primarily from sales denominated in euros. Excluding incremental sales from Hamlin and currency effects, net sales increased \$24.1 million or 9% year-over-year.

Automotive sales increased \$50.8 million or 26% to \$245.1 million in the first nine months of 2014 compared to \$194.3 million in the first nine months of 2013 due primarily to incremental sales of \$20.2 million from Hamlin and strong growth in all product categories. The automotive segment experienced \$3.1 million in favorable currency effects in the first nine months of 2014 primarily due to sales denominated in euros. Excluding incremental sales from acquisitions and currency effects, net sales increased \$27.5 million or 14% year-over-year.

Electrical sales decreased \$7.0 million or 7% to \$86.6 million in the first nine months of 2014 compared to \$93.5 million in the first nine months of 2013 due primarily to slowing demand for custom and relay products as a result of a slow-down in the mining industry. This more than offset incremental sales of \$15.3 million from the SymCom acquisition. The electrical segment experienced \$0.6 million in unfavorable currency effects in the first nine months of 2014 primarily from sales denominated in Canadian dollars. Excluding incremental sales from SymCom and currency effects, net sales decreased \$21.6 million or 23% year-over-year.

On a geographic basis, sales in the Americas increased \$28.9 million or 11% to \$282.9 million in the first nine months of 2014 compared to \$254.0 million in the first nine months of 2013 due to incremental sales from business acquisitions of \$32.0 million, offset by weaker custom and relay sales and \$0.8 million in unfavorable currency effects from sales denominated in Canadian dollars. Excluding incremental sales from acquisitions and currency effects, net sales decreased \$2.3 million or 1% year-over-year.

Europe sales increased \$27.4 million or 27% to \$127.8 million in the first nine months of 2014 compared to \$100.4 million in the first nine months of 2013 mainly due to strong demand for both automotive and electronics products, incremental sales of \$9.4 million from Hamlin and \$4.3 million in favorable currency effects. Excluding incremental sales from acquisitions and currency effects, Europe sales increased \$13.7 million or 14% year-over-year.

Asia-Pacific sales increased \$29.3 million or 14% to \$234.7 million in the first nine months of 2014 compared to \$205.3 million in the first nine months of 2013 primarily due to higher demand for automotive and electronics products, incremental sales from Hamlin of \$10.4 million and \$0.5 million in favorable currency effects primarily from sales denominated in Korean won. Excluding incremental sales from Hamlin and currency effects, net sales increased \$18.4 million or 9% year-over-year.

Gross profit was \$248.9 million or 39% of net sales in the first nine months of 2014 compared to \$219.1 million or 39% of net sales in the first nine months of 2013. Gross profit for the nine months of 2014 included a \$2.8 million non-cash charge to cost of goods sold for inventory that was stepped up to fair value as a result of the SymCom acquisition and \$2.0 million of severance charges resulting from restructuring at the Hamlin-Mexico plant. Gross profit for the first nine months of 2013 included a \$2.1 million non-cash charge to cost of goods sold for inventory that was stepped-up to fair value as a result of the Hamlin acquisition. Excluding the impact of these charges, gross profit was 39% for the first nine months of 2014 and 40% for the first nine months of 2013. The decline in gross margin is primarily attributable to lower sales in the Electrical market.

Total operating expense was \$141.4 million or 22% of net sales for the first nine months of 2014 compared to \$122.1 million or 22% of net sales for the first nine months in 2013. The increase in operating expenses primarily reflects incremental operating expenses of \$12.0 million from business acquisitions.

Operating income for the first nine months of 2014 was \$107.4 million compared to operating income of \$97.1 million for the first nine months in 2013 primarily due to higher sales partially offset by higher operating expenses as described above.

Interest expense was \$3.7 million for the first nine months of 2014 and \$2.0 million for the first nine months of 2013 and is primarily related to the company's revolving credit facility.

Foreign exchange loss (gain), reflecting net gains and losses resulting from the effect of exchange rate changes on various foreign currency transactions worldwide, was approximately \$2.0 million of expense for the first nine months of 2014 and \$1.9 million of income for the first nine months of 2013 and primarily reflects fluctuations in the Philippine peso against the U.S. dollar.

Other (income) expense, net, consisting of interest income, royalties and non-operating income and expense was \$4.9 million of income for the first nine months of 2014 compared to \$3.5 million of income for the first nine months of 2013.

Income before income taxes was \$106.6 million for the first nine months of 2014 compared to \$89.9 million for the first nine months of 2013. Income tax expense was \$26.7 million with an effective tax rate of 25.0% for the first nine months of 2014 compared to income tax expense of \$24.8 million with an effective tax rate of 27.6% for the first nine months of 2013. The effective tax rates for both the first nine months of 2014 and 2013 are lower than the U.S. statutory tax rate primarily due to income earned in countries with lower tax rates than the U.S.

Net income for the first nine months of 2014 was \$79.9 million or \$3.52 per diluted share compared to net income of \$65.1 million or \$2.89 per diluted share for the same nine months of 2013.

Liquidity and Capital Resources

As of September 27, 2014, \$365.3 million of the \$378.3 million of the company's cash and cash equivalents was held by foreign subsidiaries. Of the \$365.3 million held by foreign subsidiaries, approximately \$17.7 million could be repatriated with minimal tax consequences as of September 27, 2014.

In the fourth quarter of 2014, in conjunction with the post-merger integration of Hamlin, the company expects to repatriate over \$90.0 million of cash to the U.S. from various overseas subsidiaries. The company expects to maintain its foreign cash balances (other than the aforementioned \$90.0 million) for local operating requirements, to provide funds for future capital expenditures and for potential acquisitions. The company does not expect to repatriate these funds to the U.S. in the foreseeable future. The company is also in the process of reviewing and revising its internal legal structure to optimize its ability to use cash.

The company historically has financed capital expenditures through cash flows from operations. Management expects that cash flows from operations and available lines of credit will be sufficient to support both the company's operations and its debt obligations for the foreseeable future.

Revolving Credit Facilities

On May 31, 2013, the company entered into a new credit agreement with J.P. Morgan Securities LLC for up to \$325.0 million which consisted of a revolving credit facility of \$225.0 million and an unsecured term loan of \$100.0 million. The new credit agreement is for a five year period. On January 30, 2014, the company increased the unsecured revolving credit facility entered into on May 31, 2013, by \$50.0 million thereby increasing the total revolver borrowing capacity from \$225.0 million to \$275.0 million. At September 27, 2014, the company had available \$92.9 million of borrowing capacity under the revolving credit agreement at an interest rate of LIBOR plus 1.50% (1.65% as of September 27, 2014). The credit agreement replaces the company's previous credit agreement dated June 13, 2011 which was terminated on May 31, 2013.

This arrangement contains covenants that, among other matters, impose limitations on the incurrence of additional indebtedness, future mergers, sales of assets, payment of dividends, and changes in control, as defined in the agreement. In addition, the company is required to satisfy certain financial covenants and tests relating to, among other matters, interest coverage and leverage. At September 27, 2014, the company was in compliance with all covenants under the revolving credit facility.

The company also had \$0.8 million outstanding in letters of credit at September 27, 2014. No amounts were drawn under these letters of credit at September 27, 2014.

Cash Flow

The company started 2014 with \$305.2 million of cash and cash equivalents. Net cash provided by operating activities was approximately \$103.8 million for the first nine months of 2014 reflecting \$79.9 million in net income and \$39.3 million in non-cash adjustments (primarily \$31.2 million in depreciation and amortization) offset by \$15.4 million in net changes to various operating assets and liabilities.

Changes in operating assets and liabilities for the first nine months of 2014 (including short-term and long-term items) that impacted cash flows negatively consisted of increases in accounts receivables (\$9.7 million), inventory (\$4.1 million) and prepaid and other assets (\$2.1 million), decreases in accrued expenses (including post-retirement) (\$7.1 million) and accrued payroll and severance (\$1.2 million). The increase in accounts receivables was due to increased sales in the first nine months. The increase in inventory resulted from higher stock levels to meet increased demand. The decrease in accrued expenses was due primarily to \$9.9 million in pension contributions made during the first quarter. Changes having a positive impact on cash flows were increases in accounts payable (\$3.0 million) and accrued and deferred taxes (\$5.8 million).

Net cash used in investing activities was approximately \$65.3 million and included \$19.4 million in capital spending and \$52.8 million for the acquisition of SymCom offset by \$6.8 million in proceeds from sales of short-term investments.

Net cash provided by financing activities was approximately \$41.5 million and included \$56.8 million in net proceeds from borrowing and \$14.6 million from the exercise of stock options, including tax benefits, partially offset by debt issuance costs of \$0.1 million, cash dividends paid of \$15.5 million and the repurchase of common stock for \$14.3 million. The effects of exchange rate changes decreased cash and cash equivalents by \$6.9 million. The net cash provided by operating activities combined with the effects of exchange rate changes less net cash used in investing and financing activities resulted in a \$73.1 million increase in cash, which left the company with a cash and cash equivalents balance of \$378.3 million at September 27, 2014.

The ratio of current assets to current liabilities was 2.3 at the end of the third quarter of 2014 compared to 2.5 at the end of the third quarter of 2013 and 2.7 at year-end 2013. Days sales outstanding in accounts receivable was approximately 56 days at the end of the third quarter of 2014 compared to 58 days at the end of the third quarter of 2013 and 59 days at year-end 2013. Days inventory outstanding was approximately 70 days at the end of the third quarter of 2014 as well as at the end of the third quarter of 2013 and at year-end 2013.

Outlook

Sales for the fourth quarter are expected to follow normal seasonal patterns which will call for slightly softer Automotive sales and a moderate decline in Electronics sales compared to the third quarter of 2014. The Electrical segment is expected to remain weak due primarily to continued softness in the mining market. The company issued the following guidance for the fourth quarter of 2014:

- Sales for the fourth quarter are expected to be in the range of \$201.0 million to \$211.0 million which represents 4% year-over-year growth at the midpoint.
- Earnings for the fourth quarter are expected to be in the range of \$1.05 to \$1.19 per diluted share, excluding any special items.
- Capital expenditures are expected to increase to approximately \$11.0 million for the fourth quarter of 2014 due to spending on a new building at the company's Philippines site and several large equipment purchases.

The company also made the following comments regarding 2015:

- After a relatively strong first half of 2014, electronics market growth has slowed. We see a continuation of modest growth in 2015.
- Global car build rates have moderated after several years of above-trend growth. We see this slower growth environment continuing through 2015. However, our program wins for fuses and sensors give us confidence that we can continue to grow our automotive sales faster than the market.
- The overall electrical business is expected to have moderate growth in 2015 driven primarily by the beginnings of a recovery for custom products and the ramp up of new products at SymCom.

Cautionary Statement Regarding Forward-Looking Statements Under the Private Securities Litigation Reform Act of 1995 ("PSLRA").

The statements in this section and the other sections of this report that are not historical facts are intended to constitute "forward-looking statements" entitled to the safe-harbor provisions of the PSLRA. These statements may involve risks and uncertainties, including, but not limited to, risks relating to product demand and market acceptance, economic conditions, the impact of competitive products and pricing, product quality problems or product recalls, capacity and supply difficulties or constraints, coal mining exposures reserves, failure of an indemnification for environmental liability, exchange rate fluctuations, commodity price fluctuations, the effect of the company's accounting policies, labor disputes, restructuring costs in excess of expectations, pension plan asset returns less than assumed, integration of acquisitions and other risks which may be detailed in the company's other Securities and Exchange Commission filings. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual results and outcomes may differ materially from those indicated or implied in the forward-looking statements. This report should be read in conjunction with information provided in the financial statements appearing in the company's Annual Report on Form 10-K for the year ended December 28, 2013. For a further discussion of the risk factors of the company, please see Item 1A. "Risk Factors" to the company's Annual Report on Form 10-K for the year ended December 28, 2013.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

The company is exposed to market risk from changes in interest rates, foreign exchange rates and commodity prices.

Interest Rates

The company had \$276.5 million in debt outstanding at September 27, 2014 at variable interest rates. While 100% of this debt has variable interest rates, the company's interest expense is not materially sensitive to changes in interest rate levels since debt levels and potential interest expense increases are small relative to earnings.

Foreign Exchange Rates

The majority of the company's operations consist of manufacturing and sales activities in foreign countries. The company has manufacturing facilities in the U.S., Mexico, Canada, Denmark, China, Lithuania and the Philippines. During the first nine months of 2014, sales to customers outside the U.S. were 62.2% of total net sales. Substantially all sales in Europe are denominated in euros and substantially all sales in the Asia-Pacific region are denominated in U.S. dollars, Japanese yen, Korean won, Chinese yuan or Taiwanese dollars.

The company's foreign exchange exposures result primarily from sale of products in foreign currencies, foreign currency denominated purchases, employee-related and other costs of running operations in foreign countries and translation of balance sheet accounts denominated in foreign currencies. The company's most significant long exposure is to the euro, with lesser long exposures to the Canadian dollar, Japanese yen and Korean won. The company's most significant short exposures are to the Chinese yuan, Mexican peso and Philippine peso. Changes in foreign exchange rates could affect the company's sales, costs, balance sheet values and earnings. The company uses netting and offsetting intercompany account management techniques to reduce known foreign currency exposures where possible. From time to time, the company has utilized derivative instruments to hedge certain foreign currency exposures.

The company uses various metals in the manufacturing of its products, including copper, zinc, tin, gold and silver. Prices of these commodities can and do fluctuate significantly, which can impact the company's earnings. The most significant of these exposures is to copper, zinc, silver, and gold where at current prices and volumes, a 10% price change would affect annual pre-tax profit by approximately \$1.2 million for copper, \$0.9 million for zinc, \$0.8 million for silver and \$0.3 million for gold. From time to time, the company has utilized derivative instruments to hedge certain commodity exposures deemed to be material.

Item 4. Controls and Procedures.

With the participation of our management, including the company's principal executive officer and principal financial officer, the company has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(c) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation and the fact that the company is in the process of remediating the material weakness, which is expected to be completed by the fourth quarter of 2014, the company's principal executive officer and principal financial officer concluded that the company's disclosure controls and procedures were not effective as of the end of the period ended September 27, 2014.

The errors resulted from the 2013 year-end treatment of tax deductions related to the company's write-off of its investment in Shocking Technologies, Inc. The tax deductions were determined to be a capital loss for tax purposes, instead of an ordinary loss as the company had previously determined in consultation with a third party expert.

Material Weakness and Related Remediation Initiatives

On February 4, 2014, the company concluded there was a material weakness in internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act as it relates to deferred tax valuation allowance accounting at March 30, 2013. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statement will not be prevented or detected on a timely basis.

The material weakness in internal control over financial reporting relates to the company's evaluation of the income tax considerations, including deferred tax valuation allowances relating to the write-off of its investment in Shocking Technologies, Inc. during the first quarter of 2013. Management has commenced steps to remediate the material weakness associated with this misstatement and has begun the process of implementing an enhanced process to review and approve the income tax accounting treatment for any material items that are of an unusual or complex nature. In accordance with the company's internal control over financial reporting compliance program, however, the material weakness designation cannot be remediated fully until the remediation processes have been operational for a period of time and successfully tested. Such remediation is anticipated to be completed in the fourth quarter of 2014.

Changes in Internal Control Over Financial Reporting

Except as has been described above, there has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period ended September 27, 2014, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Reference is made to Exhibits 31.1 and 31.2 for the Certification statements issued by the company's Chief Executive Officer and Chief Financial Officer, regarding the company's disclosure controls and procedures, and internal control over financial reporting, as of September 27, 2014.

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors.

A detailed description of risks that could have a negative impact on our business, revenues and performance results can be found under the caption “Risk Factors” in our most recent Form 10-K, filed with the SEC on February 25, 2014. There have been no material changes from risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 28, 2013 in response to Item 1A to Part 1 of Form 10-K.

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

The company’s Board of Directors authorized the repurchase of up to 1,000,000 shares of the company’s common stock under a program for the period May 1, 2014 to April 30, 2015. The company repurchased 161,751 shares of its common stock during the first nine months of fiscal 2014, and 838,249 shares may yet be purchased under the program as of September 27, 2014. No shares were repurchased during the third quarter of 2014. The company withheld 16,518 shares of stock in lieu of withholding taxes on behalf of employees who became vested in restricted stock units during the first nine months of 2014.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

<u>Exhibit</u>	<u>Description</u>
3.1	Bylaws, as amended to date
10.1	Termination of Amendment to the Littelfuse, Inc. Retirement Plan.
31.1	Certification of Gordon Hunter, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Philip G. Franklin, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended September 27, 2014, to be signed on its behalf by the undersigned thereunto duly authorized.

Littelfuse, Inc.

Date: October 31, 2014

By /s/ Philip G. Franklin

Philip G. Franklin
Senior Vice President and
Chief Financial Officer
(As duly authorized officer and as
the principal financial and accounting
officer)

BYLAWS
OF
LITTELFUSE, INC.

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BYLAWS
of
Littelfuse, Inc.
(the “*Corporation*”)

Article I

OFFICES

Section 1. Registered Office. The registered office of the Corporation shall be at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

Article II

STOCKHOLDERS

Section 1. Annual Meeting. An annual meeting of the stockholders of the Corporation shall be held each calendar year on such date and at such place and time as may be fixed by resolution of the Board of Directors.

Section 2. Special Meeting. Subject to the rights of the holders of any series of stock having a preference over the Common Stock of the Corporation as to dividends or upon liquidation (“*Preferred Stock*”) with respect to such series of Preferred Stock, special meetings of the stockholders may be called only by the Chairman of the Board or by the Board of Directors pursuant to a resolution adopted by a majority of the total number of directors which the Corporation would have if there were no vacancies (the “*Whole Board*”).

Section 3. Place of Meeting. The Board of Directors or the Chairman of the Board, as the case may be, may designate the place of meeting for any annual meeting or for any special meeting of the stockholders called by the Board of Directors or the Chairman of the Board. If no designation is so made, the place of meeting shall be the principal office of the Corporation. Notwithstanding the foregoing, the Board of Directors may, in its sole discretion, determine that any such annual meeting shall not be held at any designated place, but may instead be held solely by means of remote communication.

Section 4. Notice of Meeting. Written or printed notice, stating the place, if any, day and hour of any annual meeting or special meeting of the stockholders and the purpose or purposes for which the meeting is called, shall be given by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting. Such further notice shall be given as may be required by law. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation’s notice of meeting. Meetings may be held without notice if all stockholders entitled to vote are present or if notice is waived by those not present in accordance with Section 2 of Article V of these Bylaws. Any previously scheduled meeting of the stockholders may be postponed, and (unless the Certificate of Incorporation otherwise provides) any special meeting of the stockholders may be cancelled, by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders.

Section 5. Quorum and Adjournment. Except as otherwise provided by the Certificate of Incorporation, the holders of a majority of the outstanding shares of the Corporation entitled to vote generally in the election of directors (the “*Voting Stock*”), represented in person or by proxy, shall constitute a quorum at a meeting of stockholders, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. The Board of Directors may, in its sole discretion, adopt guidelines and procedures so that stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, be deemed present in person at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication. The Chairman of the meeting or a majority of the shares so represented may adjourn the meeting from time to time, whether or not there is such a quorum. No notice of the time and place of adjourned meetings need be given except as required by law. The stockholders present at a duly called meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 6. Proxies and Electronic Voting. At all meetings of stockholders, a stockholder may vote by proxy executed in writing (or in such manner prescribed by the General Corporation Law of the State of Delaware) by the stockholder, or by such stockholder’s duly authorized attorney in fact. The Board of Directors may, in its sole discretion, adopt guidelines and procedures so that stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, participate in a meeting of stockholders and be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 7. Notice of Stockholder Business and Nominations.

(A) *Annual Meeting of Stockholders.* (1) 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 of stockholders (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 Section 7(A) who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 7(A).

(2) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of Section 7(A)(1) of these Bylaws, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such other business must otherwise be a proper matter for stockholder action. 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 60th day nor earlier than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting of stockholders; *provided, however*, that in the event that the date of the annual meeting to which such stockholder's notice relates is more than 30 days before or more than 60 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 90th day prior to such annual meeting and not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such annual meeting is first made by the Corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election 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*") and Rule 14a-11 thereunder (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) 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 and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(3) Notwithstanding anything in the second sentence of Section 7(A)(2) of these Bylaws 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 by the Corporation naming all of the nominees for director or specifying the size of the increased Board of Directors at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 7(A) 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 10th day following the day on which such public announcement is first made by the Corporation.

(B) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) provided that the Board of Directors has determined that directors shall be elected at such special meeting, by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section 7(B), who shall be entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 7(B). In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by Section 7(A)(2) of these Bylaws shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 90th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment of a special meeting commence a new time period for the giving of a stockholder's notice as described above.

(C) *General.* (1) Only such persons who are nominated in accordance with the procedures set forth in this Section 7 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 7. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 7 and, if any proposed nomination or business is not in compliance with this Section 7, to declare that such defective proposal or nomination shall be disregarded.

(2) For purposes of this Section 7, "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.

(3) Notwithstanding the foregoing provisions of this Section 7, 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 Section 7. Nothing in this Section 7 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (b) of the holders of any series of Preferred Stock to elect directors under specified circumstances.

Section 8. Procedure for Election of Directors; Required Vote.

(A) Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws (including with respect to the removal of directors), (1) directors of the Corporation shall be elected in the manner described in subsections (B) and (C) below, and (2) with respect to all matters other than the election of directors, the affirmative votes of a majority of the voting power of the shares present or in person or represented by proxy at a meeting and entitled to vote on a matter presented to the meeting and voting in favor of or against the matter presented shall be required for, and sufficient to constitute, the act of the stockholders on such matter.

(B) Subject to the rights (if any) of the holders of any series of preferred stock to elect directors from time to time as provided by the Certificate of Incorporation or any certificate of designation, and except as set forth in subsection (C) below, each director to be elected by stockholders after the effective date of these Bylaws shall be elected by the vote of the majority of the votes cast at a meeting for the election of directors at which a quorum is present. For purposes of these Bylaws, "majority of votes cast" shall mean that the number of votes cast "for" a director's election exceeds the number of votes "withheld" or "against." Votes cast shall exclude "abstentions" and any "broker non-votes" with respect to that director's election.

(C) In the event of a contested election of directors, directors shall be elected by the vote of a plurality of the votes cast at a meeting for the election of directors at which a quorum is present. For the purposes of these Bylaws, a "contested election" shall mean any election of directors in which the number of candidates for election as director exceeds the number of directors to be elected, with the determination that an election of directors is a "contested election" to be made by the Secretary within thirty (30) days following the close of the applicable notice of nomination period set forth in Section 7, based on whether one or more notices of nomination were timely filed in accordance with said Section 7 (provided that the Secretary also shall be able to consider such other facts and circumstances as may be reasonably relevant to the determination that an election of directors is a "contested election," and provided further that the determination that an election is a "contested election" shall be determinative only as to the timeliness of a notice of nomination and not otherwise as to its validity). If, prior to the time the Corporation mails or otherwise delivers its initial proxy statement in connection with such election of directors, one or more notices of nomination are withdrawn such that the number of candidates for election as director no longer exceeds the number of directors to be elected, the election shall not be considered a contested election, and in such event, directors shall be elected in accordance with subsection (B) above.

Section 9. Inspectors of Election; Opening and Closing the Polls. The Board of Directors by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at a meeting of stockholders and make a written report thereof. One or more persons may be designated as alternative inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act or is able to act at a meeting of stockholders, the Chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by law. The Chairman of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at the meeting.

Section 10. Record Date for Action by Written Consent. In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such request is received, 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 required by applicable law, 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 Delaware, its principal place of business or to any officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

Section 11. Inspectors of Written Consent. In the event of the delivery, in the manner provided by Section 10 of this Article II, to the Corporation of the requisite written consent or consents to take corporate action and/or related revocation or revocations, the Corporation shall engage nationally recognized independent inspectors of elections for the purpose of promptly performing a ministerial review of the validity of the consents and revocations. For the purpose of permitting the inspectors to perform such review, no action by written consent without a meeting shall be effective until such date as the independent inspectors certify to the Corporation that the consents delivered to the Corporation in accordance with Section 10 of this Article II represent at least the minimum number of votes that would be necessary to take the corporate action. Nothing contained in this Section 11 shall in any way be construed to suggest or imply that the Board of Directors or any stockholder shall not be entitled to contest the validity of any consent or revocation thereof, whether before or after such certification by the independent inspectors, or to take any other action (including, without limitation, the commencement, prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

Section 12. Effectiveness of Written Consent. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date the earliest dated written consent was received in accordance with Section 10 of this Article II, a written consent or consents signed by a sufficient number of holders to take such action are delivered to the Corporation in the manner prescribed in Section 10 of this Article II.

Article III

DIRECTORS

Section 1. Management. The business and affairs of the Corporation shall be managed by its Board of Directors, who may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, the Certificate of Incorporation or these Bylaws directed or required to be exercised or done by the stockholders. The Board of Directors shall keep regular minutes of its proceedings.

Section 2. Number; Election. The number of directors which shall constitute the whole Board of Directors shall be seven (7); *provided, however,* that the number of directors which shall constitute the whole Board of Directors may be changed from time to time pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption).

Section 3. Change in Number. The number of directors may be increased or decreased from time to time by resolution of the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent director.

Section 4. Removal. Any director may be removed, with or without cause, at any annual or special meeting of stockholders, by the affirmative vote of the holders of a majority of the shares represented in person or by proxy at such meeting and entitled to vote for the election of such director, if notice of the intention to act upon such matters shall have been given in the notice calling such meeting.

Section 5. Vacancies and Newly Created Directorships. Vacancies and newly-created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until the first annual meeting of stockholders held after his election and until his successor is elected and qualified or until his earlier resignation or removal. If at any time there are no directors in office, an election of directors may be held in the manner provided by statute. Except as otherwise provided in these Bylaws, 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 have so resigned, shall have the power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in these Bylaws with respect to the filling of other vacancies.

Section 6. Election of Directors; Cumulative Voting Prohibited. At every election of directors, each stockholder shall have the right to vote in person or by proxy or, if authorized by the Board of Directors, by electronic transmission, the number of voting shares owned by such stockholder for as many persons as there are directors to be elected and for whose election such stockholder has a right to vote. Cumulative voting shall be prohibited.

Section 7. Place of Meetings. The directors of the Corporation may hold their meetings, both regular and special, either within or without the State of Delaware, or, at the sole discretion of the Board of Directors, any of such meetings may not be held at any designated place, but may instead be held solely by means of telephone conference or other communications equipment pursuant to Section 12 of this Article III.

Section 8. First Meetings. The first meeting of each newly elected Board shall be held without further notice immediately following the annual meeting of stockholders, and at the same place, unless by unanimous consent of the directors then elected and serving, such time or place shall be changed.

Section 9. Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the Board of Directors, or, at the sole discretion of the Board of Directors, any of such meetings may not be held at any designated place, but may instead be held solely by means of telephone conference or other communications equipment pursuant to Section 12 of this Article III.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President on twenty-four (24) hours' notice to each director, if by electronic transmission or hand delivery, or on three (3) days' notice to each director, if by mail, telegram or cablegram. Special meetings may be called in like manner and on like notice on the written request of any one of the directors. Except as may be otherwise expressly provided by statute, the Certificate of Incorporation or these Bylaws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

Section 11. Quorum. At all meetings of the Board of Directors, the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business, and the vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, or the Certificate of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 12. Action Without Meeting; Telephone Meetings. Any action required or permitted to be taken at a meeting of the Board of Directors or of any committee thereof may be taken without a meeting if all the members of the Board of Directors or of such committee, as the case may be, consent thereto in writing and/or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee, as the case may be. 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. Such consent shall have the same force and effect as a unanimous vote at a meeting. Subject to applicable notice provisions and unless otherwise restricted by the Certificate of Incorporation, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in and hold a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute presence in person at such meeting, except where a person's participation is for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 13. Chairman of the Board. The Board of Directors may elect a Chairman of the Board to preside at their meetings and to perform such other duties as the Board of Directors may from time to time assign to him.

Section 14. Compensation. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; *provided*, that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

Article IV

COMMITTEES

Section 1. Designation. The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, designate one or more committees.

Section 2. Number; Qualification; Term. Each committee shall consist of one or more directors appointed by resolution adopted by a majority of the entire Board of Directors. The number of committee members may be increased or decreased from time to time by resolution adopted by a majority of the entire Board of Directors. Each committee member shall serve as such until the earliest of (i) the expiration of his term as director, (ii) his resignation as a committee member or as a director, or (iii) his removal as a committee member or as a director.

Section 3. Authority. Each committee, to the extent expressly provided in the resolution of the Board of Directors establishing such committee, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation except to the extent expressly restricted by statute, the Certificate of Incorporation or these Bylaws.

Section 4. Committee Changes; Removal. The Board of Directors shall have the power at any time to fill vacancies in, to change the membership of, and to discharge any committee. The Board of Directors may remove any committee member, at any time, with or without cause.

Section 5. Alternate Members of Committees. The Board of Directors may designate one or more directors as alternate members of any committee. Any such alternate member may replace any absent or disqualified member at any meeting of the committee.

Section 6. Regular Meetings. Regular meetings of any committee may be held without notice at such time and place as may be designated from time to time by the committee and communicated to all members thereof or, at the sole discretion of the committee, any of such may not be held at any designated place, but may instead be held solely by means of telephone conference or other communications equipment pursuant to the provisions of Section 12 of Article III hereof.

Section 7. Special Meetings. Special meetings of any committee may be held whenever called by any committee member. The committee member calling any special meeting shall cause notice of such special meeting, including therein the time and place, if any, of such special meeting, to be given to each committee member at least (i) twenty-four (24) hours before such special meeting if notice is given by electronic transmission or hand delivery or (ii) at least three days before such special meeting if notice is given by mail, telegram or cablegram. Neither the business to be transacted at, nor the purpose of, any special meeting of any committee need be specified in the notice or waiver of notice of any special meeting.

Section 8. Quorum; Majority Vote. At meetings of any committee, a majority of the number of members designated by the Board of Directors shall constitute a quorum for the transaction of business. If a quorum is not present at a meeting of any committee, a majority of the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. The act of a majority of the members present at any meeting at which a quorum is in attendance shall be the act of a committee, unless the act of a greater number is required by law, the Certificate of Incorporation or these Bylaws.

Section 9. Minutes. Each committee shall cause minutes of its proceedings to be prepared and shall report the same to the Board of Directors upon the request of the Board of Directors. The minutes of the proceedings of each committee shall be delivered to the Secretary of the Corporation for placement in the minute books of the Corporation.

Section 10. Compensation. Committee members may, by resolution of the Board of Directors, be allowed a fixed sum and expenses of attendance, if any, for attending any committee meetings or a stated salary.

Section 11. Responsibility. The designation of any committee and the delegation of authority to it shall not operate to relieve the Board of Directors or any director of any responsibility imposed upon it or such director by law.

Article V

NOTICES

Section 1. Method. Whenever by statute, the Certificate of Incorporation or these Bylaws, notice is required to be given to any committee member, director or stockholder and no provision is made as to how such notice shall be given, any such notice shall be in writing and may be given (a) by hand delivery, (b) by mail, postage prepaid, addressed to such committee member, director, or stockholder at his, her or its address as it appears on the books or (in the case of a stockholder) the stock transfer records of the Corporation, or (c) by any other method permitted by law, including, but not limited to, overnight courier service, telegram, cablegram or, to the extent permitted by the provisions of the General Corporation Law of the State of Delaware, electronic transmission; *provided, however,* that any notice given to a stockholder by electronic transmission must be given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any notice required or permitted to be given by mail shall be deemed to be given when deposited in the United States mail as aforesaid. Any notice required or permitted to be given by overnight courier service shall be deemed to be given at the time delivered to such service with all charges prepaid and addressed as aforesaid. Any notice required or permitted to be given by telegram or cablegram shall be deemed to be given at the time transmitted with all charges prepaid and addressed as aforesaid. Any notice given by electronic transmission shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the committee member, director or stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the committee member, director or stockholder has consented to receive notice; (iii) if by a posting on an electronic network together with separate notice to the committee member, director or stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the committee member, director or stockholder. Notice given by any other method not described above shall only be deemed to have been given when actually received by the person or entity to whom such notice is intended to be given.

Section 2. Waiver. Whenever any notice is required to be given to any stockholder, director, or committee member of the Corporation by statute, the Certificate of Incorporation or these Bylaws, a written waiver thereof, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be equivalent to notice. Attendance of a stockholder, director, or committee member at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 3. Exception to Notice Requirement. The giving of any notice required under any provision of the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws shall not be required to be given to any stockholder to whom (i) notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such stockholder during the period between such two consecutive annual meetings, or (ii) all, and at least two, payments (if sent by first class mail) of dividends or interest on securities during a twelve-month period, have been mailed addressed to such person at his address as shown on the records of the Corporation and have been returned undeliverable. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated.

Article VI

OFFICERS

Section 1. Officers. The officers of the Corporation shall be elected by the directors and shall be a President, a Vice President, a Secretary, and a Treasurer. The Board of Directors may also choose a Chairman of the Board, additional Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers. Any two or more offices may be held by the same person, except that no person shall be both the President and the Secretary.

Section 2. Election. The Board of Directors at its first meeting after each annual meeting of stockholders shall elect the officers of the Corporation, none of whom need be a member of the Board, a stockholder or a resident of the State of Delaware. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 3. Compensation. The compensation of all officers and agents of the Corporation shall be fixed by the Board of Directors.

Section 4. Removal and Vacancies. Each officer of the Corporation shall hold office until his successor is elected and qualified or until his earlier resignation or removal. Any officer or agent elected or appointed by the Board of Directors may be removed either for or without cause by a majority of the directors represented at a meeting of the Board of Directors at which a quorum is represented, whenever in the judgment of the Board of Directors the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

Section 5. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the stockholders and the Board of Directors unless the Board of Directors shall elect a Chairman of the Board, in which event the President shall preside at Board meetings in the absence of the Chairman of the Board. The President shall have general and active management of the business and affairs of the Corporation, shall see that all orders and resolutions of the Board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.

Section 6. Vice Presidents. In the absence of the President or in the event of his inability to refusal to act, the Vice President (or in the event there is more than one Vice President, the vice presidents in the order designated by the Board, or in the absence of any designation, then in the order of their election or appointment) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all of the restrictions upon the President. Each Vice President shall have only such powers and perform only such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him.

Section 7. Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committee when required. Except as otherwise provided herein, the Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, affix the same to any instrument requiring it, and, when so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

Section 8. Assistant Secretaries. Each Assistant Secretary shall have only such powers and perform only such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

Section 9. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the Corporation a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 10. Assistant Treasurers. Each Assistant Treasurer shall have only such powers and perform only such duties as the Board of Directors may from time to time prescribe.

Article VII

CAPITAL STOCK

Section 1. Shares of Stock. The shares of capital stock of the Corporation shall be represented by certificates in such form as shall be determined by the Board of Directors, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of the capital stock of the Corporation shall be uncertificated shares. Any such resolution or resolutions shall not apply to any such shares represented by a certificate theretofore issued until such certificate is surrendered to the Corporation or its transfer agent or reported lost, stolen or destroyed pursuant to Section 3 of this Article VII.

A record of all shares of capital stock issued by the Corporation shall be kept by the Secretary or any other officer or employee of the Corporation designated by the Secretary or by any transfer clerk or transfer agent appointed by the Corporation. Such record shall show the name and address of the registered holder of shares of capital stock; the number and class of such shares held by the registered holder; the numbers of the certificates covering such shares, if certificated; the date of each such certificate; the par value of such shares or a statement that such shares are without par value; and in the case of certificates that have been cancelled, the dates of cancellation thereof.

Certificates for shares of capital stock shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary and may be sealed with the seal of the Corporation or a facsimile thereof. Any or all of the signatures on a certificate may be facsimile.

Within a reasonable time after the issuance or transfer of uncertificated shares of any class or series of stock, the Corporation shall send to the registered owner thereof (i) a written notice containing the information required by law to be set forth or stated on certificates representing shares of such class or series as well as any legends authorized by the Board of Directors pursuant to Section 2 of this Article VII or (ii) a statement that the Corporation will furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights, and any legends authorized by the Board of Directors.

Section 2. Legends. The Board of Directors shall have the power and authority to provide that uncertificated shares and certificates representing shares of stock shall be subject to such legends as the Board of Directors shall authorize, including, without limitation, such legends as the Board of Directors deems appropriate to assure that the Corporation does not become liable for violations of federal or state securities laws or other applicable law. If shares of stock are represented by a certificate, such certificate shall bear all applicable legends.

Section 3. Lost Certificates. The Corporation may issue a new certificate or uncertificated shares in place of any certificate for shares of capital stock theretofore issued by the Corporation, alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. The Board of Directors, in its discretion and as a condition precedent to the issuance of any new certificate or uncertificated shares, may require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as it shall specify and/or to give the Corporation a bond in such form, in such sum, and with such surety or sureties as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfer of Shares. Shares of stock shall be transferable only on the books of the Corporation by the holder thereof in person or by his duly authorized attorney. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation or the transfer agent of the Corporation to issue a new certificate or evidence of the issuance of uncertificated shares to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Upon the receipt of proper transfer instructions from the registered owners of uncertificated shares, it shall be the duty of the Corporation or the transfer agent of the Corporation to issue a new certificate or evidence of the issuance of uncertificated shares to the person entitled thereto, cancel the old shares, and record the transaction upon its books.

Section 5. Registered Stockholders. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof for any and all purposes, and, accordingly, shall not be bound to recognize any equitable or other claim or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

Article VIII

GENERAL PROVISIONS

Section 1. Dividends. The directors, subject to any restrictions contained in the Certificate of Incorporation, may declare dividends upon the shares of the Corporation's capital stock. Dividends may be paid in cash, in property, or in shares of the Corporation, subject to the provisions of the General Corporation Law of Delaware and the Certificate of Incorporation.

Section 2. Reserves. By resolution of the Board of Directors, the directors may set apart out of any of the funds of the Corporation such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to equalize dividends, or to repair or maintain any property of the Corporation, or for such other purposes as the directors shall think beneficial to the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 3. Checks. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 5. Seal. The corporate seal shall have inscribed thereon the name of the Corporation. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 6. Indemnification. The Corporation shall indemnify its directors, officers, employees and agents to the fullest extent permitted by the General Corporation Law of Delaware and the Certificate of the Incorporation.

Section 7. Transactions with Directors and Officers. No contract or other transaction between the Corporation and any other corporation and no other act of the Corporation shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors of the Corporation are pecuniarily or otherwise interested in such contract, transaction or other act, or are directors or officers of such other corporation. Any director of the Corporation, individually, or any firm or corporation of which any such director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the Corporation; *provided, however*, that the fact that the director, individually, or the firm or corporation is so interested shall be disclosed or shall have been known to the Board of Directors or a majority of such members thereof as shall be present at any annual meeting or at any special meeting, called for that purpose, of the Board of Directors at which action upon any contract or transaction shall be taken. Any director of the Corporation who is so interested may be counted in determining the existence of a quorum at any such annual or special meeting of the Board of Directors which authorizes such contract or transaction, any may vote thereat to authorize such contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested. Every director of the Corporation is hereby relieved from any disability which might otherwise prevent him from carrying out transactions with or contracting with the Corporation for the benefit of himself or any firm, corporation, trust or organization in which or with which he may be in anywise interested or connected.

Section 8. Amendments. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors at any regular meeting of the stockholders or the Board of Directors, at any special meeting of the stockholders or the Board of Directors if notice of such alteration, amendment, repeal, or adoption of new Bylaws be contained in the notice of such special meeting, or by written consent of the Board of Directors or the stockholders without a meeting.

Section 9. Table of Contents; Headings. The Table of Contents and headings used in these Bylaws have been inserted for convenience only and do not constitute matters to be construed in interpretation.

**TERMINATION AMENDMENT TO THE
LITTELFUSE, INC. RETIREMENT PLAN**

THIS TERMINATION AMENDMENT to the Littelfuse, Inc. Retirement Plan, as amended and restated January 1, 2013, (the "Plan") is made and entered into by Littelfuse, Inc. (the "Company"), effective as set forth below.

W I T N E S S E T H:

WHEREAS, the Company sponsors the frozen Plan under an amended and restated plan document, effective as of January 1, 2013;

WHEREAS, the Board of Directors (the "Board") has determined it is in the best interests of the Company to terminate the Plan and has authorized the Company's Senior Vice President, Chief Legal and Human Resources Officer ("Authorized Officer") to specify such termination date (the "Termination Date") and to take all actions he determines are necessary or advisable to terminate and wind-down the plan and obtain IRS and PBGC approval thereof, including adopting any amendments; and

WHEREAS, such Authorized Officer has specified July 31, 2014 as the Termination Date and wishes to amend the Plan to ensure compliance with guidance and applicable legal requirements issued to-date and to make certain design changes to the Plan to facilitate the termination process.

NOW, THEREFORE, BE IT RESOLVED, that the Company hereby amends the Plan as follows:

Plan Termination

1. Effective July 31, 2014:
 - (a) the Plan is terminated; and
 - (b) the accrued benefits of all active Participants in the Plan are 100% vested.

Ancillary Benefit Changes

2. Effective July 31, 2014:
 - (a) Section 2.4(A)(3) of the Plan is amended in its entirety to read as follows:

"In the event that the terminated Participant dies prior to the date as of which his retirement income payments are to commence as described above without his having received, prior to his death, the actuarially equivalent value of the benefit provided on his behalf under Section 2.4(A)(1) above, his Beneficiary will receive the monthly retirement income, beginning on the first day of the month coincident with or next following the date of the terminated Participant's death, which can be provided on an actuarially equivalent basis by the single-sum value of the benefit determined in accordance with Section 2.4(A)(1) above to which the terminated Participant was entitled as of the date of termination of his service, accumulated with interest from such date to the date of his death. The monthly retirement income payments under this Paragraph shall, subject to the provisions of Paragraph (4) hereof, be payable for the life of the Beneficiary designated or selected under Section 5.2 to receive such benefit. In the case of a Participant who terminated employment prior to January 1, 2008, the death benefit described herein shall be paid only if the Participant did not waive the death benefit in accordance with the provisions of Section 2.4(A) as in effect prior to the amendment and restatement of the Plan that became effective January 1, 2008, and the adjustment to the amount of the benefit of a Participant who did not waive the death benefit described therein shall continue to apply."

(b) Section 2.4(A)(4) of the Plan is amended in its entirety to read as follows:

“The provisions of Section 4 hereof are applicable to the benefits provided under this Section 2.4(A).”

(c) Section 2.4(B)(2) of the Plan is amended in its entirety to read as follows:

“Subject to the provisions of Section 2.4(B)(4) below, the monthly retirement income payments under this Section 2.4(B) shall be payable in equal amounts for the life of the Beneficiary designated or selected under Section 5.2 to receive such benefit.”

(d) Section 2.4(B)(3) shall be amended to add the following sentence to the end thereof:

“Notwithstanding the foregoing, the provisions of this Section 2.4(A)(3) shall not be applicable with respect to benefits payable on behalf of any Participant whose death occurs on or after July 31, 2014.”

(e) 6.2(C) of the **Fifth Supplement, Merger of Cole Hersee Company Office Pension Plan**, is amended in its entirety to read as follows:

“(C) a joint and survivor annuity with a monthly benefit payable to and during the lifetime of the Cole Hersee Office Plan Member with the provision that after his death, a monthly benefit at the rate of 50%, 75% or 100% of his monthly benefit shall then be paid to and during the lifetime of his designated Beneficiary; or”

Increased Cash-Out Threshold

3. Effective July 31, 2014:

(a) Section 3.2(A) of the Plan is hereby amended in its entirety to read as follows:

“*Involuntary Cash-Out.* If the single-sum value of the benefit payable to or on behalf of the Participant does not exceed \$5,000, the actuarial equivalent of such benefit shall be paid in a lump sum. If the single-sum value of the Participant’s benefit is greater than \$1,000 but equal to or less than \$5,000 and if the Participant does not elect to either have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover transaction in accordance with Section 4.1(I), Direct Rollover Options for Eligible Rollover Distributions or to directly receive the distribution, then an immediate lump sum payment shall automatically be made as a direct rollover to an individual retirement account on behalf of the Participant (or his Beneficiary, in the case of the Participant’s death) without the Participant’s consent (or the Beneficiary’s consent, as applicable).”

(b) 6.1(C) of the **Fifth Supplement, Merger of Cole Hersee Company Office Pension Plan**, is amended in its entirety to read as follows:

“(C) Small Accrued Benefit. Notwithstanding subsections (A) and (B) above, if the benefit payable to a Cole Hersee Office Plan Member (including other amounts due, if any, under the Sixth Supplement) does not exceed \$5,000, the Cole Hersee Office Plan Member’s vested Accrued Benefit, including other amounts due under the Sixth Supplement, shall be paid to him in a lump sum distribution as soon as practicable following the date he retires, dies or otherwise terminates.

If the Actuarial Equivalent lump sum value of a Cole Hersee Office Plan Member's vested Accrued Benefit is greater than \$1,000 but equal to or less than \$5,000 and if the Participant does not elect, in accordance with this Section 6, to either have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover transaction or to directly receive the distribution, then an immediate lump sum payment of such Accrued Benefit shall automatically be made as a direct rollover to an individual retirement account on behalf of the Participant (or his Beneficiary, in the case of the Participant's death) without the Participant's consent (or the Beneficiary's consent, as applicable).

If (i) the Actuarial Equivalent lump-sum value is greater than \$5,000, but not in excess of seven thousand five hundred dollars (\$7,500) then the Cole Hersee Office Plan Member may elect, with the consent of his spouse in accordance with the requirements described in Section 6.1A, to have such benefit made, in the form of a single-lump sum payment or, to the extent required under Section 417 of the Code, the actuarial equivalent (determined using the interest and mortality assumptions that are being used as of the date of termination of the Participant's service to determine actuarially equivalent non-decreasing annuities) of such benefit payable in the form of a Qualified Joint and 50% Survivor Annuity if he is married or in the form of a monthly retirement benefit payable for life if he is not married, to be paid or to commence, as applicable, as soon as administratively possible following the date the Cole Hersee Office Plan Member retires, dies or otherwise terminates."

(c) The second sentence of the first paragraph of Section 6.6 of the **Fifth Supplement, Merger of Cole Hersee Company Office Pension Plan**, is amended in its entirety to read as follows:

"However, if the Actuarial Equivalent lump-sum value of the Cole Hersee Office Plan Member's vested Accrued Benefit exceeds \$5,000, distribution of his benefit shall not commence prior to such Cole Hersee Office Plan Member's Normal Retirement Date unless he otherwise elects in writing."

(d) The second paragraph of 7.1(A) of the **Fifth Supplement, Merger of Cole Hersee Company Office Pension Plan**, is amended in its entirety to read as follows:

"Payment of the Actuarial Equivalent of the death benefit shall normally be made over the life of the Beneficiary, beginning as soon as reasonably practicable following the Cole Hersee Office Plan Member's death; provided, however, that if the Actuarial Equivalent lump-sum value of the Cole Hersee Office Plan Member's Accrued Benefit does not exceed seven thousand five hundred dollars (\$7,500), the Beneficiary may elect to have such death benefits paid in the form of a lump-sum payment; provided, further, that if the Actuarial Equivalent lump-sum value of the Cole Hersee Office Plan Member's Accrued Benefit does not exceed five thousand dollars (\$5,000), such death benefit shall automatically be distributed in the form of a lump-sum payment."

(e) 6.1(C) of the **Sixth Supplement, Merger of Cole Hersee Company Union Pension Plan**, is amended in its entirety to read as follows:

"(C) Small Accrued Benefit. Notwithstanding subsections (A) and (B) above, if the benefit payable to a Cole Hersee Union Plan Member (including other amounts due, if any, under the Fifth Supplement) does not exceed \$5,000, the Cole Hersee Union Plan Member's vested Account Benefit, including other amounts due under the Sixth Supplement, shall be paid to him in a lump sum distribution as soon as practicable following the date he retires, dies or otherwise terminates.

If the Actuarial Equivalent lump sum value of a Cole Hersee Union Plan Member's vested Accrued Benefit is greater than \$1,000 but equal to or less than \$5,000, and if the Participant does not elect, in accordance with this Section 6, to either have such distribution paid directly to an eligible retirement plan specified by the Participant in a direct rollover transaction or to directly receive the distribution, then an immediate lump sum payment of such Accrued Benefit shall automatically be made as a direct rollover to an individual retirement account on behalf of the Participant (or his Beneficiary, in the case of the Participant's death) without the Participant's consent (or the Beneficiary's consent, as applicable)."

(f) The second sentence of the first paragraph of 6.6 of the **Sixth Supplement, Merger of Cole Hersee Company Union Pension Plan**, is amended in its entirety to read as follows:

"However, if the Actuarial Equivalent lump-sum value of the Cole Hersee Union Plan Member's vested Accrued Benefit exceeds \$5,000, distribution of his benefit shall not commence prior to such Cole Hersee Union Plan Member's Normal Retirement Date unless he otherwise elects in writing."

(g) The last paragraph of 7.1 of the **Sixth Supplement, Merger of Cole Hersee Company Union Pension Plan**, of the Plan is amended in its entirety to read as follows:

"Notwithstanding anything contained herein to the contrary, if the Actuarial Equivalent lump-sum value of the Qualified Preretirement Survivor Annuity does not exceed \$5,000, then in lieu of receiving a monthly benefit, the surviving spouse shall receive a lump sum payment as soon as administratively possible following the Cole Hersee Union Plan Member's death."

Addition of Lump Sum Window

4. Effective July 31, 2014:

(a) The Plan is hereby amended by adding the following Section 3.7 to the Plan to read as follows:

"Section 3.7. OPTIONAL LUMP SUM PAYMENT DURING PLAN TERMINATION WINDOW PERIOD. A Participant or Beneficiary who has not begun receiving payment of his Plan benefit by the date on which the Internal Revenue Service issues a favorable determination letter with respect to the termination of the Plan ("FDL"), shall be permitted during the six (6) week period immediately following the date designated by the Senior Vice President, Chief Legal and Human Resources Officer of the Company, which date shall in no event be prior to the Company's receipt of the FDL, ("Lump Sum Payment Window") to elect to receive the actuarial equivalent of the Vested Percentage of the retirement income payable to him pursuant to the Plan in the form of a single lump sum payment with an Annuity Starting Date commencing 31 days after the last day of the Lump Sum Payment Window ("Lump Sum Annuity Starting Date"). Actuarial equivalence shall be determined for this purpose using the interest and mortality assumptions for determining actuarially equivalent lump sum distributions as of the Lump Sum Annuity Starting Date, which is the date as of which the Participant's benefit is payable if he elects the lump sum option. The lump sum option shall be available to a Participant regardless of whether he has reached a date on or after which he could receive or begin to receive payment of the Vested Percentage of his Plan benefit (such as his Normal or Early Retirement Date).

To the extent required under Section 417 of the Code, a Participant who is not otherwise eligible to begin receiving a benefit under the Plan as of the Lump Sum Annuity Starting Date, but is eligible to elect the lump sum option described above, may instead elect to receive the actuarial equivalent of such benefit payable, if he is married, in the form of a Qualified Joint and 50% Survivor Annuity or a joint and 75% survivor annuity with the Participant's spouse as his joint pensioner, or if he is not married, in the form of an annuity for life. Actuarial equivalence shall be determined for this purpose using the interest and mortality assumptions for determining actuarially equivalent non-decreasing annuities as of the Lump Sum Annuity Starting Date.

An election by a Participant under this Section 3.7 must be made in writing with the consent of his spouse if he is married and must be received by the Company no later than the last day of the Lump Sum Payment Window. The options described in this Section 3.7 shall be subject to the provisions of Section 4.1 and shall be in addition to any other distribution option(s) to which the Participant may be entitled under Section 3.1 or 3.2, as applicable.”

(b) The **Fifth Supplement, Merger of Cole Hersee Company Office Pension Plan** is hereby amended by adding the following Section 6.13 to read as follows:

“Section 6.13 Optional Lump Sum Payment During Plan Termination Window Period. A Cole Hersee Office Plan Member or Beneficiary who has not begun receiving payment of his vested Accrued Benefit by the date on which the Internal Revenue Service issues a favorable determination letter with respect to the termination of the Plan (“FDL”), shall be permitted during the six (6) week period immediately following the date designated by the Senior Vice President, Chief Legal and Human Resources Officer of the Company, which date shall in no event be prior to the Company’s receipt of the FDL, (“Lump Sum Payment Window”) to elect to receive the Actuarial Equivalent of his vested Accrued Benefit in the form of a single lump sum payment with an annuity starting date commencing 31 days after the last day of the Lump Sum Payment Window (“Lump Sum Annuity Starting Date”). Actuarial equivalence shall be determined for this purpose using the interest and mortality assumptions for determining actuarially equivalent lump sum distributions as of the Lump Sum Annuity Starting Date, which is the date as of which the Cole Hersee Office Plan Member’s benefit is payable if he elects the lump sum option. The lump sum option shall be available to a Cole Hersee Office Plan Member regardless of whether he has reached a date on or after which he could receive or begin to receive payment of his vested Accrued Benefit (such as his Normal or Early Retirement Date).

To the extent required under Section 417 of the Code, a Cole Hersee Office Plan Member who is not otherwise eligible to begin receiving a benefit under the Plan as of the Lump Sum Annuity Starting Date, but is eligible to elect the lump sum option described above, may instead elect to receive the actuarial equivalent of such benefit payable, if he is married, in the form of a Qualified Joint and 50% Survivor Annuity or a joint and 75% survivor annuity with his spouse as his joint pensioner, or if he is not married, in the form of an annuity for life. Actuarial equivalence shall be determined for this purpose using the interest and mortality assumptions for determining actuarially equivalent non-decreasing annuities as of the Lump Sum Annuity Starting Date.

An election by a Cole Hersee Office Plan Member under this Section 6.13 must be made in writing with the consent of his spouse if he is married and must be received by the Company no later than the last day of the Lump Sum Payment Window. The options described in this Section 6.13 shall be subject to the provisions of Section 6.1(A) and shall be in addition to any other distribution option(s) to which the Cole Hersee Office Plan Member may be entitled under Section 6.1(C) or 6.2, as applicable.”

(c) The **Sixth Supplement, Merger of Cole Hersee Company Union Pension Plan** is hereby amended by adding the following Section 6.11 to read as follows:

“Section 6.11 Optional Lump Sum Payment During Plan Termination Window Period. A Cole Hersee Union Plan Member or Beneficiary who has not begun receiving payment of his vested Accrued Benefit by the date on which the Internal Revenue Service issues a favorable determination letter with respect to the termination of the Plan (“FDL”), shall be permitted during the six (6) week period immediately following the date designated by the Senior Vice President, Chief Legal and Human Resources Officer of the Company, which date shall in no event be prior to the Company’s receipt of the FDL, (“Lump Sum Payment Window”) to elect to receive the Actuarial Equivalent of his vested Accrued Benefit in the form of a single lump sum payment with an annuity starting date commencing 31 days after the last day of the Lump Sum Payment Window (“Lump Sum Annuity Starting Date”). Actuarial equivalence shall be determined for this purpose using the interest and mortality assumptions for determining actuarially equivalent lump sum distributions as of the Lump Sum Annuity Starting Date, which is the date as of which the Cole Hersee Union Plan Member’s benefit is payable if he elects the lump sum option. The lump sum option shall be available to a Cole Hersee Union Plan Member regardless of whether he has reached a date on or after which he could receive or begin to receive payment of his vested Accrued Benefit (such as his Normal or Early Retirement Date).

To the extent required under Section 417 of the Code, a Cole Hersee Union Plan Member who is not otherwise eligible to begin receiving a benefit under the Plan as of the Lump Sum Annuity Starting Date, but is eligible to elect the lump sum option described above, may instead elect to receive the actuarial equivalent of such benefit payable, if he is married, in the form of a Qualified Joint and 50% Survivor Annuity or a joint and 75% survivor annuity with his spouse as his joint pensioner, or if he is not married, in the form of an annuity for life. Actuarial equivalence shall be determined for this purpose using the interest and mortality assumptions for determining actuarially equivalent non-decreasing annuities as of the Lump Sum Annuity Starting Date.

An election by a Cole Hersee Union Plan Member under this Section 6.11 must be made in writing with the consent of his spouse if he is married and must be received by the Company no later than the last day of the Lump Sum Payment Window. The options described in this Section 6.11 shall be subject to the provisions of Section 6.1(A) and shall be in addition to any other distribution option(s) to which the Cole Hersee Union Plan Member may be entitled under Section 6.1.”

DOMA Amendment

5. Effective June 26, 2013, the Plan shall be operated for all federal tax and qualification purposes in a manner consistent the outcome of the United States Supreme Court’s decision in *United States v. Windsor*, 570 U.S. ___, 133 S. Ct. 2675 (2013) striking down Section 3 of the Federal Defense of Marriage Act as unconstitutional and in compliance with the subsequent holdings by the Internal Revenue Service interpreting such ruling in Rev. Rul. 2013-17, 2013-38 I.R.B. 201 (Sept. 16, 2013) and Internal Revenue Service Notice 2014-19, 2014-10 I.R.B. (March 3, 2014). In accordance with such guidance, effective as of June 26, 2013, a Participant’s spouse under the Plan shall include a same-sex spouse legally married in any state or foreign jurisdiction that recognizes the marriage, even if the couple resides in a state that does not permit or recognize same-sex marriage.

Substitution of IRS Model Language

6. Effective July 31, 2014, the Plan is hereby amended by deleting the existing “**Fourth Supplement, Special Funding-Based Benefit**” in its entirety and by substituting in its place the “**Fourth Supplement, Special Funding-Based Benefit Restrictions**” attached to this First Amendment (and fully incorporated by this reference).
7. Except as specifically set forth above, the terms of the Plan shall remain in full force and effect.

IN WITNESS WHEREOF, the Authorized Officer has executed this Termination Amendment on the 3rd day of June, 2014 to be effective as of the dates set forth herein.

LITTELFUSE, INC.

By: /s/ Ryan K. Stafford

Ryan K. Stafford,
Senior Vice President, Chief Legal and
Human Resources Officer

Fourth Supplement
Special Funding-Based Benefit Restrictions

Unless otherwise provided in this Fourth Supplement, capitalized terms have the meaning ascribed to such terms in the Plan and all section references are references to sections designated in this Fourth Supplement.

Section 1. Limitations Applicable If the Plan's Adjusted Funding Target Attainment Percentage Is Less Than 80 Percent, But Not Less Than 60 Percent. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 80 percent (or would be less than 80 percent to the extent described in Section 1(b) below) but is not less than 60 percent, then the limitations set forth in this Section 1 apply.

(a) 50 Percent Limitation on Single Sum Payments, Other Accelerated Forms of Distribution, and Other Prohibited Payments. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, unless the present value of the portion of the benefit that is being paid in a prohibited payment does not exceed the lesser of:

- (1) 50 percent of the present value of the benefit payable in the optional form of benefit that includes the prohibited payment; or
- (2) 100 percent of the PBGC maximum benefit guarantee amount (as defined in Section 1.436-1(d)(3)(iii)(C) of the Treasury

Regulations).

The limitation set forth in this Section 1(a) does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant. If an optional form of benefit that is otherwise available under the terms of the Plan is not available to a Participant or Beneficiary as of the Annuity Starting Date because of the application of the requirements of this Section 1(a), the Participant or Beneficiary is permitted to elect to bifurcate the benefit into unrestricted and restricted portions (as described in Section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations). The Participant or Beneficiary may also elect any other optional form of benefit otherwise available under the Plan at that Annuity Starting Date that would satisfy the 50 percent/PBGC maximum benefit guarantee amount limitation described in this Section 1(a), or may elect to defer the benefit in accordance with any general right to defer commencement of benefits under the Plan. During a period when Section 1(a) applies to the Plan, Participants and beneficiaries are permitted to elect payment in any optional form of benefit otherwise available under the Plan that provides for the current payment of the unrestricted portion of the benefit (as described in Section 1.436-1(d)(3)(iii)(D) of the Treasury Regulations), with a delayed commencement for the restricted portion of the benefit (subject to other applicable qualification requirements, such as Sections 411(a)(11) and 401(a)(9) of the Code).

(b) Plan Amendments Increasing Liability for Benefits. No amendment to the Plan that has the effect of increasing liabilities of the Plan by reason of increases in benefits, establishment of new benefits, changing the rate of benefit accrual, or changing the rate at which benefits become nonforfeitable shall take effect in a Plan Year if the adjusted funding target attainment percentage for the Plan Year is:

(1) less than 80 percent; or

(2) 80 percent or more, but would be less than 80 percent if the benefits attributable to the amendment were taken into account in determining the adjusted funding target attainment percentage.

The limitation set forth in this Section 1(b) does not apply to any amendment to the Plan that provides a benefit increase under a Plan formula that is not based on compensation, provided that the rate of such increase does not exceed the contemporaneous rate of increase in the average wages of Participants covered by the amendment.

Section 2. Limitations Applicable If the Plan's Adjusted Funding Target Attainment Percentage Is Less Than 60 Percent. Notwithstanding any other provisions of the Plan, if the Plan's adjusted funding target attainment percentage for a Plan Year is less than 60 percent (or would be less than 60 percent to the extent described in Section 2(b) below), then the limitations in this Section 2 apply.

(a) Single Sums, Other Accelerated Forms of Distribution, and Other Prohibited Payments Not Permitted. A Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date on or after the applicable Section 436 measurement date, and the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment. The limitation set forth in this Section 2(a) does not apply to any payment of a benefit which under Section 1(a)(11) of the Code may be immediately distributed without the consent of the Participant.

(b) Shutdown Benefits and Other Unpredictable Contingent Event Benefits Not Permitted to Be Paid. An unpredictable contingent event benefit with respect to an unpredictable contingent event occurring during a Plan Year shall not be paid if the adjusted funding target attainment percentage for the Plan Year is:

(1) less than 60 percent; or

(2) 60 percent or more, but would be less than 60 percent if the adjusted funding target attainment percentage were redetermined applying an actuarial assumption that the likelihood of occurrence of the unpredictable contingent event during the Plan Year is 100 percent.

(c) Benefit Accruals Frozen. Benefit accruals under the Plan shall cease as of the applicable Section 436 measurement date. In addition, if the Plan is required to cease benefit accruals under this Section 2(c), then the Plan is not permitted to be amended in a manner that would increase the liabilities of the Plan by reason of an increase in benefits or establishment of new benefits.

Section 3. Limitations Applicable If the Plan Sponsor Is In Bankruptcy. Notwithstanding any other provisions of the Plan, a Participant or Beneficiary is not permitted to elect, and the Plan shall not pay, a single sum payment or other optional form of benefit that includes a prohibited payment with an Annuity Starting Date that occurs during any period in which the Plan Sponsor is a debtor in a case under Title 11, United States Code, or similar Federal or State law, except for payments made within a Plan Year with an Annuity Starting Date that occurs on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. In addition, during such period in which the Plan Sponsor is a debtor, the Plan shall not make any payment for the purchase of an irrevocable commitment from an insurer to pay benefits or any other payment or transfer that is a prohibited payment, except for payments that occur on a date within a Plan Year that is on or after the date on which the Plan's enrolled actuary certifies that the Plan's adjusted funding target attainment percentage for that Plan Year is not less than 100 percent. The limitation set forth in this Section 3 does not apply to any payment of a benefit which under Section 411(a)(11) of the Code may be immediately distributed without the consent of the Participant.

Section 4. Provisions Applicable After Limitations Cease to Apply.

(a) Resumption of Prohibited Payments. If a limitation on prohibited payments under Section 1(a), Section 2(a), or Section 3 applied to the Plan as of a Section 436 measurement date, but that limit no longer applies to the Plan as of a later Section 436 measurement date, then that limitation does not apply to benefits with Annuity Starting Dates that are on or after that later Section 436 measurement date. In addition, after the Section 436 measurement date on which the limitation on prohibited payments under Section 1(a) ceases to apply to the Plan, any Participant or Beneficiary who had an Annuity Starting Date within the period during which that limitation applied to the Plan is permitted to make a new election (within 90 days after the Section 436 measurement date on which the limit ceases to apply or, if later, 30 days after receiving notice of the right to make such election) under which the form of benefit previously elected is modified at a new Annuity Starting Date to be changed to a single sum payment for the remaining value of the Participant or Beneficiary's benefit under the Plan, subject to the other rules in this section of the Plan and applicable requirements of Section 401(a) of the Code, including spousal consent. In addition, after the Section 436 measurement date on which the limitation on prohibited payments under Section 2(a) ceases to apply to the Plan, any Participant or Beneficiary who had an Annuity Starting Date within the period during which that limitation applied to the Plan is permitted to make a new election (within 90 days after the section 436 measurement date on which the limit ceases to apply or, if later, 30 days after receiving notice of the right to make such election) under which the form of benefit previously elected is modified at a new Annuity Starting Date to be changed to a single sum payment for the remaining value of the Participant's or Beneficiary's benefit under the Plan, subject to the other rules in this Section of the Plan (including Section 1(a)) and applicable requirements of Section 401(a) of the Code, including spousal consent.

(b) Resumption of Benefit Accruals. If a limitation on benefit accruals under Section 2(c) applied to the Plan as of a Section 436 measurement date, but that limitation no longer applies to the Plan as of a later Section 436 measurement date, then benefit accruals shall resume prospectively and that limitation does not apply to benefit accruals that are based on service on or after that later Section 436 measurement date, except as otherwise provided under the Plan. The Plan shall comply with the rules relating to partial years of participation and the prohibition on double proration under Department of Labor regulation 29 CFR Section 2530.204-2(c) and (d). In addition, benefit accruals that were not permitted to accrue because of the application of Section 2(c) shall be restored when that limitation ceases to apply if the continuous period of the limitation was 12 months or less and the Plan's enrolled actuary certifies that the adjusted funding target attainment percentage for the Plan Year would not be less than 60 percent taking into account any restored benefit accruals for the prior Plan Year.

(c) Shutdown and Other Unpredictable Contingent Event Benefits. If an unpredictable contingent event benefit with respect to an unpredictable contingent event that occurs during the Plan Year is not permitted to be paid after the occurrence of the event because of the limitation of Section 2(b), but is permitted to be paid later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Section 1.436-1(g)(5)(ii)(B) of the Treasury Regulations), then that unpredictable contingent event benefit shall be paid, retroactive to the period that benefit would have been payable under the terms of the Plan (determined without regard to Section 2(b)). If the unpredictable contingent event benefit does not become payable during the Plan Year in accordance with the preceding sentence, then the Plan is treated as if it does not provide for that benefit.

(d) Treatment of Plan Amendments That Do Not Take Effect. If a Plan amendment does not take effect as of the effective date of the amendment because of the limitation of Section 1(b) or Section 2(c), but is permitted to take effect later in the same Plan Year (as a result of additional contributions or pursuant to the enrolled actuary's certification of the adjusted funding target attainment percentage for the Plan Year that meets the requirements of Section 1.436-1(g)(5)(ii)(C) of the Treasury Regulations), then the Plan amendment must automatically take effect as of the first day of the Plan Year (or, if later, the original effective date of the amendment). If the Plan amendment cannot take effect during the same Plan Year, then it shall be treated as if it were never adopted, unless the Plan amendment provides otherwise.

Section 5. Notice Requirement. The Plan Administrator shall provide a written notice in accordance with Section 101(j) of ERISA to Participants and beneficiaries within 30 days after certain specified dates if the Plan has become subject to a limitation described in Section 1(a), Section 2, or Section 3.

Section 6. Methods to Avoid or Terminate Benefit Limitations. Section 436(b)(2), (c)(2), (e)(2), and (f) of the Code and Section 1.436-1(f) of the Treasury Regulations shall govern employer contributions and other methods to avoid or terminate the application of the limitations set forth in Sections 1 through 3 for a Plan Year. In general, the methods the Plan Sponsor may use to avoid or terminate one or more of the benefit limitations under Sections 1 through 3 for a Plan Year shall include employer contributions and elections to increase the amount of plan assets which are taken into account in determining the adjusted funding target attainment percentage, making an employer contribution that is specifically designated as a current year contribution that is made to avoid or terminate application of certain of the benefit limitations, or providing security to the Plan.

Section 7. Special Rules.

(a) Rules of Operation for Periods Prior to and After Certification of Plan's Adjusted Funding Target Attainment Percentage.

(1) In General. Section 436(h) of the Code and Section 1.436-1(h) of the Treasury Regulations set forth a series of presumptions that shall apply (1) before the Plan's enrolled actuary issues a certification of the Plan's adjusted funding target attainment percentage for the Plan Year and (2) if the Plan's enrolled actuary does not issue a certification of the Plan's adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary issues a range certification for the Plan Year pursuant to Section 1.436-1(h)(4)(ii) of the Treasury Regulations but does not issue a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year). For any period during which a presumption under Section 436(h) of the Code and Section 1.436-1(h) of the Treasury Regulations applies to the Plan, the limitations under Sections 1 through 3 shall apply to the Plan as if the adjusted funding target attainment percentage for the Plan Year were the presumed adjusted funding target attainment percentage determined under the rules of Section 436(h) of the Code and Section 1.436-1(h)(1), (2), or (3) of the Treasury Regulations. These presumptions are set forth in Section 7(a)(ii) through (iv).

(2) Presumption of Continued Underfunding Beginning First Day of Plan Year. If a limitation under Section 1, 2, or 3 applied to the Plan on the last day of the preceding Plan Year, then, commencing on the first day of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Section 7(a)(iii) or Section 7(a)(iv) applies to the Plan:

(i) the adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the adjusted funding target attainment percentage in effect on the last day of the preceding Plan Year; and

(ii) the first day of the current Plan Year is a Section 436 measurement date.

(3) Presumption of Underfunding Beginning First Day of 4th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 4th month of the Plan Year and the Plan's adjusted funding target attainment percentage for the preceding Plan Year was either at least 60 percent but less than 70 percent or at least 80 percent but less than 90 percent, or is described in Section 1.436-1(h)(2)(ii) of the Treasury Regulations, then, commencing on the first day of the 4th month of the current Plan Year and continuing until the Plan's enrolled actuary issues a certification of the adjusted funding target attainment percentage for the Plan for the current Plan Year, or, if earlier, the date Section 7(a)(iv) applies to the Plan:

(i) the adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be the Plan's adjusted funding target attainment percentage for the preceding Plan Year reduced by 10 percentage points; and

(ii) the first day of the 4th month of the current Plan Year is a Section 436 measurement date.

(4) Presumption of Underfunding On and After First Day of 10th Month. If the Plan's enrolled actuary has not issued a certification of the adjusted funding target attainment percentage for the Plan Year before the first day of the 10th month of the Plan Year (or if the Plan's enrolled actuary has issued a range certification for the Plan Year pursuant to Section 1.436-1(h)(4)(ii) of the Treasury Regulations but has not issued a certification of the specific adjusted funding target attainment percentage for the Plan by the last day of the Plan Year), then, commencing on the first day of the 10th month of the current Plan Year and continuing through the end of the Plan Year:

(i) the adjusted funding target attainment percentage of the Plan for the current Plan Year is presumed to be less than 60 percent; and

(ii) the first day of the 10th month of the current Plan Year is a Section 436 measurement date.

(b) New Plans, Plan Termination, Certain Frozen Plans, and Other Rules.

(1) First 5 Plan Years. The limitations in Section 1(b), Section 2(b), and Section 2(c) do not apply for the first 5 Plan Years of the Plan, determined under the rules of Section 436(i) of the Code and Section 1.436-1(a)(3)(i) of the Treasury Regulations.

(2) Plan Termination. The limitations on prohibited payments in Section 1(a), Section 2(a), and Section 3 do not apply to prohibited payments that are made to carry out the termination of the Plan in accordance with applicable law. Any other limitations under this Section of the Plan do not cease to apply as a result of termination of the Plan.

(3) Exception to Limitations on Prohibited Payments Under Certain Frozen Plans. The limitations on prohibited payments set forth in Sections 1(a), 2(a), and 3 do not apply for a Plan Year if the terms of the Plan, as in effect for the period beginning on September 1, 2005, and continuing through the end of the Plan Year, provide for no benefit accruals with respect to any Participants. This Section 7(b)(iii) shall cease to apply as of the date any benefits accrue under the Plan or the date on which a Plan amendment that increases benefits takes effect.

(4) Special Rules Relating to Unpredictable Contingent Event Benefits and Plan Amendments Increasing Benefit Liability. During any period in which none of the presumptions under Section 7(a) apply to the Plan and the Plan's enrolled actuary has not yet issued a certification of the Plan's adjusted funding target attainment percentage for the Plan Year, the limitations under Section 1(b) and Section 2(b) shall be based on the inclusive presumed adjusted funding target attainment percentage for the Plan, calculated in accordance with the rules of Section 1.436-1(g)(2)(iii) of the Treasury Regulations.

(c) Special Rules Under PRA 2010.

(1) Payments Under Social Security Leveling Options. For purposes of determining whether the limitations under Section 1(a) or 2(a) apply to payments under a social security leveling option, within the meaning of Section 436(j)(3)(C)(i) of the Code, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the “Special Rule for Certain Years” under Section 436(j)(3) of the Code and any Treasury Regulations or other published guidance thereunder issued by the Internal Revenue Service.

(2) Limitation on Benefit Accruals. For purposes of determining whether the accrual limitation under Section 2(c) applies to the Plan, the adjusted funding target attainment percentage for a Plan Year shall be determined in accordance with the “Special Rule for Certain Years” under Section 436(j)(3) of the Code (except as provided under Section 203(b) of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010, if applicable).

(d) Interpretation of Provisions. The limitations imposed by this Section of the Plan shall be interpreted and administered in accordance with Section 436 of the Code and Section 1.436-1 of the Treasury Regulations.

Section 8. Definitions. The definitions in the following Treasury Regulations apply for purposes of Sections 1 through 7: Section 1.436-1(j)(1) defining “adjusted funding target attainment percentage”; Section 1.436-1(j)(2) defining “Annuity Starting Date”; Section 1.436-1(j)(6) defining “prohibited payment”; Section 1.436-1(j)(8) defining “Section 436 measurement date”; and Section 1.436-1(j)(9) defining an “unpredictable contingent event” and an “unpredictable contingent event benefit”.

Section 9. Effective Date. The rules in Sections 1 through 8 are effective for Plan Years beginning after December 31, 2007.

SECTION 302 CERTIFICATION

I, Gordon Hunter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Littelfuse Inc.;
2. Based on my knowledge, this 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 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 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: October 31, 2014

/s/ GORDON HUNTER
Gordon Hunter
Chairman, President and
Chief Executive Officer

SECTION 302 CERTIFICATION

I, Philip G. Franklin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Littelfuse Inc.;
2. Based on my knowledge, this 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 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 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: October 31, 2014

/s/ PHILIP G. FRANKLIN
Philip G. Franklin
Sr. Vice President and Chief Financial Officer

LITTELFUSE, INC.

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of title 18, United States Code), each of the undersigned officers of Littelfuse, Inc. (“the Company”) does hereby certify that to his knowledge:

The Quarterly Report of the Company on Form 10-Q for the fiscal quarter ended September 27, 2014 (“the Report”) fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GORDON HUNTER

Gordon Hunter
Chairman, President and
Chief Executive Officer
Dated: October 31, 2014

/s/ PHILIP G. FRANKLIN

Philip G. Franklin
Senior Vice President and
Chief Financial Officer
Dated: October 31, 2014