Littelfuse®

NEWS

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NEWS RELEASE

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LITTELFUSE REPORTS FOURTH QUARTER AND 2005 RESULTS

DES PLAINES, Illinois, February 8, 2006 - Littelfuse, Inc. (NASDAQ/NMS:LFUS) today reported sales and earnings for the fourth quarter and full year of 2005.

Fourth Quarter Highlights

- In the fourth quarter of 2005, Littelfuse entered into a definitive agreement to sell the Efen electrical switchgear business acquired as part of its acquisition of Heinrich in 2004. Beginning in the fourth quarter Efen is accounted for as a discontinued operation. The Efen sale is expected to close in the first quarter of 2006. Proceeds from the sale will be approximately $14 million, which will generate a book gain of approximately $1.5 million.
- Sales for the fourth quarter of 2005 (which exclude Efen) were $115.4 million, a 1.1% increase from sales of $114.1 million in the fourth quarter of 2004 (which exclude Efen). Sales for the fourth quarter of 2005 were down 5.6% sequentially compared to the third quarter of 2005, due primarily to seasonal factors.
- Diluted earnings per share were $0.23 for the fourth quarter of 2005 compared to earnings of $0.21 per diluted share for the fourth quarter of 2004. Diluted earnings per share from continuing operations were $0.22 for the fourth quarter of 2005 compared to $0.26 per diluted share for the fourth quarter of 2004.
- The fourth quarter of 2005 included approximately $0.8 million of pre-tax restructuring charges, the majority of which are related to the planned move of thin film fuse manufacturing from Des Plaines, Illinois to the Philippines. The fourth quarter of 2004 included approximately $2.3 million of pre-tax asset impairment charges related to write-down of the Semitron investment.

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- Free cash flow (cash from operating activities minus net capital expenditures) was $5.5 million for the fourth quarter of 2005 compared to $1.9 million for the prior year quarter.

- In the Littelfuse third quarter 2005 earnings press release, it was stated that the company had announced a downsizing of its Ireland operation and would be booking related charges over the next several quarters. In addition to the $1.6 million charge booked in the third quarter, the company indicated it expected to book additional charges in the fourth quarter of 2005 and the first half of 2006. This was in accordance with FAS 146 which requires that severance charges be amortized over the period between employee notification and employee termination. On further technical review by the company, it was determined that these charges should more appropriately have been accounted for under FAS 112 which requires all charges be booked at the time of notification. The effect of this change in interpretation is that all severance costs related to the announced Ireland downsizing (the $1.6 million previously booked in the third quarter plus an additional $3.3 million) were pushed back to the third quarter of 2005. A revised third quarter summary income statement has been provided in this press release, and this revision will be reflected in the 2005 Form 10-K.
- By geography, sales for the fourth quarter of 2005 were down 3% in the Americas, down 4% in Europe and up 10% in Asia compared to the fourth quarter of 2004.
- By market, sales for the fourth quarter of 2005 were flat for electronics, up 1% for automotive and up 16% for electrical compared to the prior year period.
- The book to bill ratio for electronics in the fourth quarter was 1.11 to one as bookings accelerated late in the quarter.

Fourth Quarter Operating Results

The increase in Asia sales was driven primarily by strong demand for consumer electronics particularly in Greater China, Korea and Southeast Asia. The decline in the Americas reflected lower electronics demand, primarily for telecom products, partially offset by strong electrical sales. Sales in Europe declined due to weakness in electronics.

“Overall sales for the fourth quarter came in about as expected, with electronics a little stronger and automotive slightly weaker,” said Gordon Hunter, Chief Executive Officer. “Our electrical business finished the year with record sales and earnings and enters 2006 with strong momentum.”

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"Our operating margin improved to 7.9% in what is normally a difficult quarter," said Phil Franklin, Chief Financial Officer. "This gives us confidence that, with the expected 2006 cost reductions and leverage from higher sales, a 10% operating margin is achievable this year (excluding stock compensation expense)."

Full Year Results

For the full year 2005, sales were $467.1 million (excluding Efen), down 2% compared to the full year 2004 due to weakness in electronics, primarily in North America, partially offset by increased electrical and automotive sales. Diluted earnings per share were $0.78 for 2005, compared to earnings of $1.59 per diluted share for the prior year period. Earnings from continuing operations were $0.73 per diluted share for 2005 compared to $1.61 per diluted share for 2004. The most significant items contributing to lower earnings in 2005 were a large drop in Teccor sales with the associated negative operating leverage, approximately $8 million in severance related to the Ireland downsizing and other restructurings and a higher effective tax rate.

The effective tax rate for 2005 was 41% compared to 34% for 2004. The high 2005 tax rate reflects several factors, including the limited tax shield on Ireland restructuring charges and the repatriation of foreign earnings from lower tax jurisdictions. The tax rate for 2006 is expected to average 35-37%, but with significant variability from quarter to quarter. In future years, the effective tax rate is expected to be below 35%.

Current Outlook

"Demand for electronic products accelerated in December and so far this strength has continued into 2006," said Hunter. "We now believe our electronics sales in the first quarter will be up 5-10% sequentially and increase over 10% versus prior year. The electrical business continues its strong performance while automotive is trending up slightly versus last year."

Conference Call Webcast Information

Littelfuse will host a conference call today, Wednesday, February 8, 2006 at 12:00 p.m. Eastern/11:00 a.m. Central time to discuss the fourth quarter results. The call will be broadcast live over the Internet and can be accessed through the company's Web site: www.littelfuse.com. Listeners should go to the Web site at least 15 minutes prior to the call to download and install any necessary audio software. The call will be available for replay through March 31, 2006 and can be accessed through the Web site listed above.

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About Littelfuse

As the worldwide leader in circuit protection products and solutions with annual sales of $467.1 million in 2005, the Littelfuse portfolio is backed by industry leading technical support, design and manufacturing expertise. Littelfuse products are vital components in virtually every product that uses electrical energy, including automobiles, computers, consumer electronics, handheld devices, industrial equipment, and telecom/datacom circuits. Littelfuse offers Teccor®, Wickmann® and Pudenz® brand circuit protection products. In addition to its Des Plaines, Illinois, world headquarters, Littelfuse has sales, distribution, manufacturing and engineering facilities in Brazil, China, England, Germany, Hong Kong, India, Ireland, Japan, Korea, Mexico, the Netherlands, the Philippines, Singapore, Taiwan and the U.S.

For more information, please visit Littelfuse's web site at www.littelfuse.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995.
Any forward looking statements contained herein involve risks and uncertainties, including, but not limited to, product demand and market acceptance risks, the effect of economic conditions, the impact of competitive products and pricing, product development and patent protection, commercialization and technological difficulties, capacity and supply constraints or difficulties, exchange rate fluctuations, actual purchases under agreements, the effect of the company's accounting policies, labor disputes, restructuring costs in excess of expectations and other risks which may be detailed in the company's Securities and Exchange Commission filings.

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LITTELFUSE, INC.

Sales by Geography and Market*

(Dollars in millions)

	Fourth Quarter			Year-to-Date		
	2005	**2004**	**% Change**	**2005**	**2004**	**% Change**

Geography						
Americas	$ 49.0	$ 50.6	-3.2%	$ 199.9	$ 216.5	-7.7%
Europe	23.3	24.3	-4.1%	98.3	98.3	-
Asia Pacific	43.1	39.2	9.9%	168.9	162.0	4.3%
Total	**$ 115.4**	**$ 114.1**	**1.1%**	**$ 467.1**	**$ 476.8**	**-2.0%**

	Fourth Quarter			Year-to-Date		
	2005	**2004**	**% Change**	**2005**	**2004**	**% Change**
Market						
Electronics	$ 77.3	$ 77.6	-0.4%	$ 305.9	$ 325.6	-6.1%
Automotive	27.8	27.6	0.7%	118.6	113.7	4.3%
Electrical	10.3	8.9	15.7%	42.6	37.5	13.6%
Total	**$ 115.4**	**$ 114.1**	**1.1%**	**$ 467.1**	**$ 476.8**	**-2.0%**

* Certain prior year amounts have been reclassified to conform to the current year presentation. Amounts exclude Efen.

LITTELFUSE, INC.
Condensed Consolidated Statements of Income
(in thousands, except per share data, unaudited)

	For the Three Months Ended		For the Twelve Months Ended	
	Dec 31, 2005	Jan 1, 2005	**Dec 31, 2005**	Jan 1, 2005
Net sales	**$ 115,373**	$ 114,124	**$ 467,089**	$ 476,833
Cost of sales	**77,468**	74,228	**322,537**	303,036
Gross profit	**37,905**	39,896	**144,552**	173,797
Selling, general and administrative expenses	**24,024**	23,617	**98,536**	96,102
Research and development expenses	**3,890**	4,803	**16,672**	16,079
Impairment of investments	–	2,277	–	2,277
Amortization of intangibles	**877**	1,041	**2,378**	2,336
Operating income	**9,114**	8,158	**26,966**	57,003
Interest expense	**470**	147	**2,098**	1,475
Other (income) expense	**147**	256	**(3,068)**	47
Earnings from continuing operations before taxes and minority interest and income taxes	**8,497**	7,755	**27,936**	55,481
Minority interest	**(48)**	15	**(86)**	143
Earnings from continuing operations before income taxes	**8,545**	7,740	**28,022**	55,338
Income taxes	**3,684**	1,789	**11,440**	18,977
Earnings from continuing operations	**4,861**	5,951	**16,582**	36,361
Discontinued operations (net of tax)	**382**	(1,123)	**1,128**	(333)
Net Income	**$ 5,243**	$ 4,828	**$ 17,710**	$ 36,028
Income (loss) per share:				
Basic:				
Continuing operations	**0.22**	0.27	**0.74**	1.64
Discontinued operations	**0.01**	(0.06)	**0.05**	(0.02)
Net income	**$ 0.23**	$ 0.21	**$ 0.79**	$ 1.62
Diluted:				
Continuing operations	**0.22**	0.26	**0.73**	1.61
Discontinued operations	**0.01**	(0.05)	**0.05**	(0.02)
Net income	**$ 0.23**	$ 0.21	**$ 0.78**	$ 1.59
Weighted average shares and equivalent shares outstanding:				
Basic	**22,305**	22,395	**22,413**	22,239
Diluted	**22,415**	22,818	**22,582**	22,604

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LITTELFUSE, INC.
Condensed Consolidated Balance Sheets
(in thousands, unaudited)

	December 31, 2005	January 1, 2005
Assets:		
Cash and cash equivalents	**$ 21,354**	$ 28,091
Receivables	**79,884**	74,824
Inventories	**62,581**	72,697
Assets of discontinued operations (Efen)	**18,134**	19,061
Other current assets	**24,681**	22,503
Total current assets	**206,634**	217,176
Property, plant, and equipment, net	**124,680**	129,196
Intangible assets, net	**14,668**	18,427
Goodwill	**56,765**	55,249
Investments	**5,590**	4,886
Other assets	**490**	375
Total assets	**$ 408,827**	$ 425,309
Liabilities and Shareholders' Equity:		
Current liabilities excluding current portion of long-term debt	**$ 64,552**	$ 77,160
Liabilities of discontinued operations (Efen)	**7,703**	6,770
Current portion of long-term debt	**26,682**	32,958
Total current liabilities	**98,937**	116,888
Long-term debt	**–**	1,364
Accrued post-retirement benefits	**19,646**	19,111
Other long-term liabilities	**13,109**	15,654
Minority interest	**69**	2,208
Shareholders' equity	**277,066**	270,084
Total liabilities and shareholders' equity	**$ 408,827**	$ 425,309

Common shares issued and outstanding of 22,229,288 and 22,549,595, at December 31, 2005, and January 1, 2005, respectively.

LITTELFUSE, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands, unaudited)

	For the Three Months Ended		For the Twelve Months Ended	
	Dec 31, 2005	Jan 1, 2005	**Dec 31, 2005**	Jan 1, 2005
Operating activities:				
Net Income	**$ 5,243**	$ 4,828	**$ 17,709**	$ 36,028
Adjustments to reconcile net income to net Cash provided by operating activities:				
Depreciation	**7,039**	6,215	**28,738**	23,859
Amortization	**905**	1,152	**2,495**	2,441
Provision for bad debts	**(25)**	225	**2,403**	802
Impairment of investments	–	2,277	–	2,277
Changes in operating assets and liabilities:				
Accounts receivable	**(223)**	7,834	**(11,704)**	(6,582)
Inventories	**1,749**	3,790	**8,594**	(4,277)
Accounts payable and accrued expenses	**(2,238)**	(10,728)	**(8,235)**	(7,709)
Prepaid and other, net	**(1,679)**	(5,297)	**(1,897)**	6,145
Net cash provided by operating activities	**10,771**	10,296	**38,103**	52,984
Cash used in investing activities:				
Purchases of property, plant and equipment	**(5,385)**	(8,369)	**(27,328)**	(24,763)
Acquisitions, net of cash acquired	**(1,602)**	(6,342)	**(3,019)**	(41,661)
Sale of property, plant and equipment	**89**	–	**89**	2,684
Net cash used in investing activities	**(6,898)**	(14,711)	**(30,258)**	(63,740)
Cash provided by (used in) financing activities:				
Proceeds from long-term debt	**2,139**	9,500	**48,819**	42,200
Payments of long-term debt	**(15,502)**	(15,752)	**(55,616)**	(38,402)
Proceeds from repayment of notes receivable, common stock	–	–	**3,533**	–
Proceeds from exercise of stock options	**94**	6,185	**3,844**	16,520
Purchase of treasury stock	**(2,872)**	–	**(12,832)**	(5,604)
Net cash provided by (used in) financing activities	**(16,141)**	(67)	**(12,252)**	14,714
Effect of exchange rate changes on cash	**(118)**	5,740	**(2,229)**	2,497
Increase (decrease) in cash and cash equivalents	**(12,386)**	1,258	**(6,636)**	6,455
Cash and cash equivalents at beginning of period	**34,333**	27,325	**28,583**	22,128
Cash and cash equivalents at end of period	**$ 21,947**	$ 28,583	**$ 21,947**	$ 28,583

LITTELFUSE, INC.
Condensed Consolidated Statements of Income
(in thousands, except per share data, unaudited)

	For the Three Months Ended	
	Oct 1, 2005*	Dec 31, 2005
Net sales	**$ 122,266**	$ 115,373
Cost of sales	**87,957**	77,468
Gross profit	**34,309**	37,905
Selling, general and administrative	**25,513**	24,024
Research and development expenses	**4,257**	3,890
Amortization of intangibles	**436**	877
Operating income	**4,103**	9,114
Interest expense	**587**	470
Other (income) expense	**(2,988)**	147
Earnings from continuing operations before taxes and minority interest	**6,504**	8,497
Minority interest	**(40)**	(48)
Earnings from continuing operations before income taxes	**6,544**	8,545
Income taxes	**3,423**	3,684
Earnings from continuing operations	**3,121**	4,861
Discontinued operations (net of tax)	**650**	382
Net Income	**$ 3,771**	$ 5,243
Income per share:		
Basic:		
Continuing operations	**0.14**	0.22
Discontinued operations	**0.03**	0.01
Net income	**$ 0.17**	$ 0.23
Diluted:		
Continuing operations	**0.14**	0.22
Discontinued operations	**0.03**	0.01
Net income	**$ 0.17**	$ 0.23
Weighted average shares and equivalent shares outstanding:		
Basic	**22,441**	22,305
Diluted	**22,626**	22,415

* Revised for Ireland severance costs

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