

Securities and Exchange Commission
Washington, D.C. 20549
FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
(Mark One) for the fiscal year ended January 3, 1998
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 36-3795742
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

800 East Northwest Highway,
Des Plaines, Illinois 60016
(Address of principal executive offices) (Zip Code)

847/824-1188
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act: Common Stock, \$.01
par value, and Warrants to purchase shares of Common Stock, \$.01 par value

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to
Item 405 of Regulation S-K is not contained herein, and will not be contained,
to the best of registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any
amendment to this Form 10-K. []

The aggregate market value of 19,734,809 shares of voting stock held by
non-affiliates of the registrant was approximately \$520,505,587 based on the
last reported sale price of the registrant's Common Stock, \$.01 par value, as
reported on the Nasdaq stock market on March 13, 1998.

As of March 13, 1998, the registrant had outstanding 20,932,212 shares
of Common Stock, \$.01 par value, and Warrants to purchase 2,789,663 shares of
Common Stock, \$.01 par value.

Portions of the following documents have been incorporated herein by
reference to the extent indicated herein:

Littelfuse, Inc. Proxy Statement dated March 24, 1998 (the "Proxy
Statement") --Part III.

Littelfuse, Inc. Annual Report to Stockholders for the year ended January
3, 1998 (the "Annual Report") -- Parts II and III.

Part I

ITEM 1. BUSINESS

General

Littelfuse, Inc. (the "Company" or "Littelfuse") is a leading
manufacturer and seller of fuses and other circuit protection devices for use in
the electronic, automotive and general industrial markets. Management believes
the Company is ranked first in market share in the electronic market, first in
the automotive market and third in the power fuse market in North America.
Management believes that the Company, together with its licensees, is also first
in market share in the electronic market and first in the automotive market
worldwide.

In the electronic market, leading manufacturers such as 3Com, Canon,
Compaq, Hewlett Packard, IBM, LG Electronics, Lucent Technologies, Motorola,
Nortel, Panasonic, Samsung, Sharp, Sony, and Toshiba obtain a substantial
portion of their electronic circuit protection requirements from the Company. In
the automotive market, the Company or its licensees have customer relationships
with all leading automobile manufacturers throughout the world. Littelfuse
provides substantially all of the automotive fuse requirements for vehicles
manufactured domestically by General Motors Corporation and is the primary
supplier for Ford Motor Company, Chrysler Corporation and all Japanese and most
European auto manufacturer transplants. The Company also competes in the power
fuse market selling to companies such as the Allen Bradley division of Rockwell
International and Reliance Electric. In addition to fuses, the Company
manufactures and supplies switches, circuit breakers and indicator lights to the
automotive industry and to appliance and general electronics manufacturers. See
"Business Environment: Circuit Protection Market."

The Company manufactures its products on fully integrated manufacturing and assembly equipment, much of which is designed and built by its own engineers. The Company fabricates and assembles a majority of its products and maintains product quality through a rigorous quality assurance program with all sites (except the Philippines) certified under ISO 9000 standards and its world headquarters now certified under the QS9000 standards.

The Company's products are sold worldwide through a direct sales force and manufacturers' representatives. In Asia Pacific, the Company has licensed its automotive fuse technology to a Japanese firm that supplies automotive fuses to Pacific Rim customers. For the year ended January 3, 1998, approximately 41% of the Company's net sales were to customers outside the United States (exports and foreign operations).

The Company was incorporated under the laws of the State of Delaware on November 25, 1991. The Company is the successor to the business and assets of a corporation of the same name ("Old Littelfuse"), which was originally formed in 1927 and subsequently acquired by Tracor, Inc. ("Tracor") in 1968. Any references to performance, financial results or other aspects of the Company prior to December 27, 1991, relate to Old Littelfuse.

References herein to "1995" or "fiscal 1995" refer to the calendar year ended December 31, 1995. References herein to "1996" or "fiscal 1996" refer to the fiscal year ended December 28, 1996. References herein to "1997" or "fiscal 1997" refer to the fiscal year ended January 3, 1998. Business Environment: Circuit Protection Market

The circuit protection market can be broadly categorized into five major product areas: electronic, automotive, industrial (power), high voltage and residential. The Company sells products designed for the electronic, automotive and industrial areas. The Company entered the circuit protection market in 1927 with the development and introduction of the first small, fast-acting fuse capable of protecting sensitive test meters. Since that time, the Company has diversified its involvement in the circuit protection market to become a leader in the production of electronic and automotive fuses. The Company also entered the power fuse market in 1983 with a broad line of fuses, including several proprietary products. The Company believes it is the circuit protection leader because it designs and produces almost all the products it sells in all three markets including the two markets where it holds the number one market share position. See "Littelfuse Products."

Electronic Products. Electronic circuit protection products are used to protect power circuits in a multitude of electronic systems. Electronics products fall into three major categories: (1) fuses, (2) protectors and (3) resettables. Electronics fuses generally are of two types - miniature and subminiature. Miniature fuses are generally tubular in shape with glass, ceramic and composition bodies. Subminiature devices are used where space is at a premium. Protectors are fuses produced to a less rigorous specification. Resettables are polymer PTC devices that limit the current when an overcurrent condition exists and let current pass again after the cause of the overcurrent is removed. Applications for electronic products include telecommunications equipment, computers and computer peripherals, power supplies, test and medical instrumentation, and consumer electronic products. There is also a special segment of the electronic circuit protection market directed toward the aerospace industry. These special high-reliability fuses are manufactured in small quantities under extremely high quality control standards.

Automotive Products. Fuses are extensively used in automobiles, trucks, buses and off-road equipment to protect electrical circuits and wiring harnesses supplying electrical power to operate lights, heating, air conditioning, windshield wipers, radios, windows and controls. Currently, a typical automobile contains 30 to 70 fuses, depending upon the options installed. The market for automotive fuses is expected to grow in the coming years as more electronic features are included in automobiles and as larger amperage fuses replace existing low technology fuses in wiring harnesses. Certain new vehicles, such as the Cadillac Seville, Ford 150 series truck, Chrysler Concorde and the Jaguar, contain as many as 50 to 90 fuses and this higher fuse count is expected to spread to other vehicles.

Power Products. Power fuses include both current limiting and non-current limiting devices used to protect electrical systems against overcurrents. Power fuses are rated and listed under one of many Underwriters' Laboratories fuse classifications. The three main end user market segments for power fuses include original equipment manufacturers ("OEMs"), industrial maintenance and repair operations ("MROs") and new commercial and industrial construction. Major applications for power fuses include protection from over-load and short-circuit currents in motor branch circuits, heating and cooling systems, control systems, lighting circuits and electrical distribution networks. Other applications include the protection of semiconductor devices such as SCRs, diodes, thyristors, triacs and similar solid state devices.

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Littelfuse Products

General. The Company is a leading manufacturer and seller of fuses and other circuit protection devices for use in the electronic, automotive and general industrial markets. The Company's products are marketed under the general trademarked names of Littelfuse(R) and, where appropriate, Slo-Blo(R) Fuse as well as the trademarked names of certain of its products listed below in the description of the Company's electronic, automotive and power fuse products.

Product Sales. Net sales of the Company's products by industry category for the periods indicated are as follows:

Fiscal Year
(in thousands)

| | 1997 | 1996 | 1995 |
|--------------------|-----------|-----------|-----------|
| Electronics | \$135,344 | \$112,667 | \$103,809 |
| Automotive | 102,774 | 94,391 | 83,372 |
| Industrial (Power) | 37,047 | 34,388 | 32,354 |
| Total | \$275,165 | \$241,446 | \$219,535 |

Electronic Products. The Company manufactures and sells a wide range of electronic circuit protection products, including miniature and subminiature fuses, protectors and resettables. Electronic miniature and subminiature fuses are designed to provide circuit protection in the limited space requirements of electronic equipment. The Company entered the protector market in late 1994 and the resettable polymer PTC device market in late 1996. While the Company continues to develop its own resettable fuse products, the Company also entered into agreements with Raychem Corp. in 1996 which allows the Company to sell resettable fuses using certain of Raychem's technology.

The Company's electronic circuit protection products are marketed under the following trademarked and brand names:

PICO(R) II Fuse is a very fast-acting subminiature fuse with axial leads which can be automatically inserted into a circuit board. It is used in consumer electronics, computers, medical instruments, power supplies and telecommunication line cards. It was originally developed for the aerospace industry where extremely small size and high reliability were prime requisites. This fuse is encapsulated with an epoxy coating which protects the fuse from adverse environmental conditions. It can stand up under the rough treatment found in high speed automated circuit board assembly processes used by many different manufacturers.

2AG fuses are a miniature version of the standard 1/4" diameter by 1-1/4" long glass bodied fuses manufactured for more than 40 years. The fuse occupies about 1/3 of the space but still provides the performance of the larger sized product. The Company has developed a strong market in the telecommunications industry for a leaded version of the 2AG fuse. These fuses are used in business and personal telephone systems, answering machines and other equipment connected to phone lines. They are used to protect the system from lightning surges and accidental contact with power lines. These fuses also are used extensively in electronic ballasts for lighting.

MICRO(TM) Fuse is a plug-in style fuse about the size of a pencil eraser. It is a very fast acting fuse and, like the PICO(R) Fuse, was originally designed for the emerging aerospace industry. Applications are particularly suited to equipment where the user might "blow" a fuse during testing or by accidental shorting out of the power supply. The "plug-in" feature allows the fuse to be quickly and easily replaced without the need for special de-soldering equipment. The Company also manufactures sockets for the MICRO(TM) Fuse.

NAN02 (R) SMF Fuse represents our fourth generation surface mount fuse product line. The compact size (.240" x .100" x .100") of this rectangular shaped fuse is very attractive to design engineers. In addition, the flat side design permits efficient pick and placement by automated assembly equipment. The NAN02 (R) SMF Fuse is used where space considerations are critical including laptop computers, camcorders and battery chargers.

ALF(TM) II or "1206" SMF is a very fast acting thin film surface mount fuse measuring only .12 inch x .06 inch. The super small subminiature size assures additional space savings in surface mount applications. It is completely compatible with common soldering systems used in surface mount assembly applications and it is available on 8mm reels for use with automatic placement equipment.

"0603" SMF is a very fast acting thin film surface mount fuse measuring only .06 inch x .03 inch. The 0603 is the smallest fuse available and has a very low profile .018 inches. The small physical size along with low values for resistance and voltage drop are significant features of this new fuse for battery and other low voltage applications.

SMTecom is the first surface mount fuse to comply with UL 1459 and UL 1950 third edition power cross requirements for telecommunications. The new SMTecom Fuse protects all phone line connected equipment against current surges resulting from power

cross, power induction and lightning strikes. It is rated for 250 volts with a 600 volt short circuit rating. Four current ratings are offered, from 0.75 to 1.5 amperes. Applications include modems, fax machines, desktop telephones, answering machines and line cards.

Surface Mount PTC is the first in Littelfuse's line of PTC devices. Its dimensions of 0.200" x 0.290" x 0.120" are ideal for circuit board applications where space is at a premium. It also is available in an 0.340" x 0.250" x 0.10" configuration. This polymer surface mount PTC has the ability to reset itself once the fault or overcurrent condition has cleared. This new product is used primarily for computer and peripheral applications such as motherboards, disk drives, PC cards, modems, printers, etc.

Radial Leaded PTC series is a 60-volt radial leaded surface mount product. This series was introduced in early 1997. Radial leaded PTC applications include process and industrial controls, test and measurement equipment, security systems, motors and automotive.

Automotive Products. The Company is a primary supplier of automotive fuses to United States, Japanese and European automotive OEMs, automotive component parts manufacturers and automotive parts distributors. The Company also sells its fuses in the replacement parts market, with its products being sold through mass merchandisers, discount stores and service stations, as well as under private label by national firms. Management believes that it currently is the leading worldwide supplier of automotive fuses for new vehicle production and a leader for the aftermarket/replacement market.

The Company invented and owns all of the U.S. patents related to the blade type fuse which is the standard and most commonly used fuse in the automotive industry. The Company believes that, together with its licensees, it supplies substantially all of the blade type fuses used in the North American and Japanese markets and a majority in the European market. The Company's automotive fuse products are marketed under the following trademarked and brand names:

AUTOFUSE(R) or ATO(R), a standard blade type fuse, is used in automobiles produced worldwide and designed to provide superior circuit protection in a small, heat resistant package for low ampere applications.

MINI(R) Fuse, smaller than its predecessor AUTOFUSE(R), is offered in a range from two amps to 30 amps and is designed to permit more fuses in the same amount of space than prior products.

MAXI(TM) Fuse, a larger version of the AUTOFUSE(R), replaces the commonly used low technology fusible wire or fusible links in automobile electrical harnesses and is offered in a range from 20 amps to 80 amps.

MIDI(R) Fuse is a bolt down version of the MAXI(TM) fuse. This style is preferred by some European customers in the 50 to 100 amp range. Its primary use is for heating, air conditioning and motor control circuits.

J-CASE Fuse, is a cartridge version of the Maxi(TM) fuse. This style is popular with Japanese customers in the 40 to 80 amp range. Its primary use is for branch circuit protection and protection of circuits with inductive loads.

MEGA(R)Fuse, a higher current fuse with ratings of 100 to 200 amps, is used for protection of battery cables.

Over half of the Company's North American automotive (blade type) fuse sales are made to wire harness manufacturers that incorporate the fuses into their products. The remaining automotive fuse sales are made directly to automotive manufacturers and through distributors who in turn sell most of their products to automotive product wholesalers, such as warehouse distributors, discount stores and service stations.

The Company believes it currently has adequate production capacity to meet the anticipated increased demand for automotive fuses referred to in "Business Environment: Circuit Protection Market -- Automotive Fuses." Any required expenditures for additional machinery and equipment are expected to be funded by cash flow from operations.

The Company has licensed its patented ATO(R), Mini(R) and Maxi(TM) automotive fuse designs to Bussmann, a division of Cooper Industries. Bussmann is the Company's largest domestic competitor. Additionally, the Company has entered into a licensing agreement with Pacific Engineering Company, Ltd., a Japanese fuse manufacturer, which produces and distributes the Company's patented ATO(R) and Mini(R) automotive fuses to the Pacific Rim manufacturing operations of Pacific Rim-based automobile manufacturers. See "Competition" and "Business -- Patents, Trademarks and Other Intellectual Property."

Power Products. The Company entered the power fuse market in 1983 and manufactures and sells a broad range of low-voltage circuit protection products to electrical distributors and their customers in the construction, OEM and MRO markets. Power fuses are used to protect circuits in various types of industrial equipment and circuits in industrial plants, office buildings and residential units. The Company's power fuse products are marketed under the following classifications:

Class L fuses are commonly used as the first line of electrical protection in building service entrance equipment of high capacity electrical systems. Other applications include switchboard mains and feeders, distribution equipment and branch circuit protection for large motors.

Class R fuses are commonly used downstream from Class L fuses in a variety of branch circuit applications. Both time delay and fast acting versions cover a range of applications including main feeder, motor,

transformer and solenoids. The Company's RK5 INDICATOR fuse series has won numerous product awards and wide recognition by industrial plant personnel. These fuses have an integrated blown fuse indicator that turns from clear to dark once a fuse has blown. This reduces troubleshooting time significantly and helps improve safety.

Class J fuses are less than half the size of Class R to provide substantial space savings. Applications for Class J are similar to Class R. Additional applications include back up protection for circuit breakers and protection for both IEC and NEMA rated devices.

Class CC fuses, Littelfuse's KLDL (for transformer protection) and CCMR (for motor branch circuit protection) provide protection formerly supplied by fuses 10 times larger. Littelfuse was the first to the market with these products and is the only company with a CCMR rated up to 60 amps.

Semiconductor fuses, designed for supplementary protection of semiconducting devices, are used in electronic equipment and power equipment, such as variable speed drives, power rectifiers, UPS systems and DC power suppliers.

Midget fuses, seven different series provide supplementary overcurrent protection in such diverse applications as control circuits, control power transformers, solenoids, street lighting and computers.

Other Products. In addition to the above products, the Company supplies switches, circuit breakers and indicator lights to the automotive industry and to appliance and general electronics manufacturers. The Company is also a supplier of fuse holders (including OMNI-BLOK(R)), fuse blocks (including Powr-Blok(R) power distribution systems) and fuse clips primarily to customers that purchase circuit protection devices from the Company.

The LITTELITES(R) indicating lights product line includes cartridge lamps with miniature and subminiature lampholders and snap-mount plastic lights. These lights come in incandescent, neon and solid state versions. LITTELITES(R) are sold to producers of industrial machinery, office machines, appliances, instruments and computers.

Product Design and Development

The Company employs scientific, engineering and other personnel to improve its existing product lines and to develop new products at its research and engineering facility in Des Plaines, Illinois. The Engineering Department consists of approximately 60 engineers, chemists, metallurgists, fusologists and technicians. This department is primarily responsible for the design and development of new products and consists of eight major groups. Two of the groups are dedicated to the design of certain types of products, specifically electronic fuses, including automotive and general electronic fuses; electrical fuses, including power and industrial fuses.

There are two engineering groups dedicated to materials engineering which brings metallurgy, plating and other technologies to bear on the development of new products. One of the eight groups is responsible for developing the technology for advanced new products. There is one group responsible for manufacturing engineering automation. Finally, the two remaining engineering support groups oversee trademark compliance, drafting rooms and an electronics lab. The electronics lab develops the necessary tooling, hardware and software for testing the standards and tolerances of sample products and maintains the model shop.

Proposals for the development of new products are initiated primarily by marketing managers, members of the sales staff and customers. The entire product development process typically takes between 12 and 18 months. During the fiscal years ended January 3, 1998, December 28, 1996, and December 31, 1995, the Company expended approximately \$7.9 million, \$7.3 million and \$7.9 million, respectively, on product design and development.

Patents, Trademarks and Other Intellectual Property

The Company generally relies on patent and trademark laws and license and nondisclosure agreements to protect its rights in its trade secrets and its proprietary products. In cases where it is deemed necessary by management, key employees are required to sign an agreement that they will maintain the confidentiality of the Company's proprietary information and trade secrets. This is information, which for business reasons, is not disclosed to the public.

As of January 3, 1998, the Company owned 101 patents in North America, 19 patents in the European Economic Community and 27 patents in other foreign countries. The Company has also registered trademark protection for certain of its brand names and logos. The 101 North American patents are in the following categories: 48 Electronic, 5 Resetable, 25 Automotive, 15 Power Fuse and 8 miscellaneous. Of the 25 automotive patents, 7 are article and process patents for the ATO(R) type fuses, 9 are for the MINI(R) and MAXITM type fuses, 3 are for the MEGA(R) and MIDI(R) type fuses and 6 are for other automotive products. Patents expiring in 1998 cover products that accounted for 1% of 1997 sales. Patents covering products that accounted for the balance of 1997 sales expire between 1999 and 2016.

The first article patent covering the AUTO FUSE(R) or ATO(R) fuse expired on September 30, 1992. However, the last improvement patent covering the ATO(R) fuse expires on August 10, 1999. The ATO(R) fuse product is further protected by trademark and trade dress protection which has a remaining indefinite life so long as it is continued to be correctly used by the Company and its licensees.

New products are continually being developed to replace older products. The Company regularly applies for patent protection on such new products. Although in the aggregate the Company's patents are important in the operation of its businesses, the Company believes that the loss by expiration or otherwise of any one patent or group of patents would not materially affect its business.

The Company currently licenses its MINI(R) and MAXI(TM) automotive fuse technology to Bussmann, a division of Cooper Industries and the Company's largest domestic competitor. The license granted in 1987 is nonexclusive and grants the Company the right to receive royalties of 4% of the licensee's revenues from the sale of the licensed products with an annual minimum of \$25,000. Each license expires upon the expiration of the licensed product patents.

The Company currently licenses its ATO(R) automotive fuse technology to Pacific Engineering Company, Ltd., a Japanese manufacturer that produces and distributes the Company's patented automotive fuses to Pacific Rim operations of Pacific Rim-based automotive manufacturers. The license is exclusive as to Japan and non-exclusive as to other specified Pacific Rim territories and provides that the Company will receive royalties of 1.5% of the licensee's revenues from the sales of the licensed products with a \$25,000 annual minimum. This license expires on August 10, 1999. In addition, a second license covering the MINI(R) Fuse technology was granted with similar territory arrangements to Pacific Engineering and grants the Company the right to receive royalties of 2.5% of the licensee's revenues from the sale of the licensed products, with an annual minimum of \$100,000. The second license expires on April 6, 2006.

License royalties amounted to \$332,000, \$266,000 and \$349,000 for 1997, 1996 and 1995 respectively.

Manufacturing

Much of the Company's manufacturing equipment is custom designed by its engineers, and the Company conducts the majority of its own fabrication. The Company stamps most of the metal components used in its fuses, holders and switches from raw metal stock and makes its own contacts and springs. However, the Company does depend upon a single source for a substantial portion of its stamped metal end caps for electronic fuses. The Company believes that alternative stamping sources are available at prices which would not have a material adverse effect on the Company. The Company also performs its own plating (silver, nickel, zinc, tin and oxides). In addition, all thermoplastic molded component requirements used for such products as the AUTOFUSE(R), MINI(R) and MAXI(TM) product lines are met through the Company's in-house molding capabilities.

After components are stamped, molded, plated and readied for assembly, final assembly is accomplished on fully automatic and semi-automatic assembly machines. Quality assurance and operations personnel, using techniques such as Statistical Process Control, perform tests, checks and measurements during the production process to maintain the highest levels of product quality and customer satisfaction.

The principal raw materials for the Company's products include copper and copper alloys, heat resistant plastics, zinc, melamine, glass, silver, solder, sulphate clipboard and linerboard. The Company depends upon a sole source for several heat resistant plastics. The Company believes that suitable alternative heat resistant plastics are available from other sources at prices which would not have a material adverse effect on the Company. All of the other raw materials are purchased from a number of readily available outside sources.

A computer-aided design and manufacturing system (CAD/CAM) expedites product development and machine design, while reliability and high power laboratories test new products, prototype concepts and production run samples. The Company participates in "Just-in-Time" delivery programs with many of its major suppliers and actively promotes the building of strong cooperative relationships with its suppliers by involving them in pre-engineering product and process development. The Company also sponsors an annual major supplier conference and conducts a vendor certification program.

Marketing

The Company's domestic sales staff of approximately 65 people maintains relations with major OEMs and distributors. The Company's sales and engineering personnel interact directly with the OEM engineers to ensure maximum circuit protection and reliability within the parameters of the OEM design. Internationally, the Company maintains a sales staff of approximately 25 people and sales offices in The Netherlands, England, Singapore, Korea and China. The Company also markets its products indirectly through a worldwide organization of approximately 125 manufacturers' representatives and distributes through an extensive network of electronic, automotive and electrical distributors.

In addition to the normal risks associated with the Company's domestic operations, the Company's international operations entail such further risks as currency fluctuations and the effect of international relations or the domestic affairs of foreign countries on the conduct of business. As of January 3, 1998, the Company's operations have been slightly effected by the currency turmoil in Asia Pacific during the fourth quarter of 1997. For information relating to the constant currency effect see "Item 7. Management Discussion and Analysis of Financial Conditions and Results of Operations - 1997 Compared to 1996." For information relating to foreign sales, see note 8 to the Company's consolidated financial statements.

Electronic. The Company has retained 23 manufacturers' representatives to sell its electronic products domestically and additional representatives to sell its electronic products internationally. These representatives call on major OEMs and distributors. Since the manufacturers' representatives do not maintain inventories, the Company distributes approximately 38% of its domestic products directly to OEMs, with the remainder distributed by more than 600 distributors nationwide.

In Asia Pacific, the Company maintains a direct sales staff of five people in Singapore, one in Hong Kong, four in Korea, and one or more manufacturers' representatives in Japan, Singapore, Korea, Hong Kong, Taiwan, China, Malaysia, Thailand, Philippines and Australia. The Company also maintains an engineering facility in Japan. In Europe, the Company's distribution methods differ from its domestic methods in that it maintains a direct sales force of eight people to call on OEMs exclusively and utilizes approximately 15 manufacturers' representatives to approach distributors and smaller OEMs. Unlike its domestic representatives, these manufacturers' representatives purchase inventory from the Company to facilitate delivery and reduce financial risks associated with currency exchange rate fluctuations.

Automotive. The Company sells automotive fuses through a direct sales force in Detroit consisting of four employees. Salespersons service all the major automotive OEMs (including the United States manufacturing operations of foreign-based OEMs) through both the engineering and purchasing departments of these companies. Twenty-eight manufacturers' representatives distribute the Company's products to aftermarket fuse retailers such as Autozone, Pep Boys, K-Mart and NAPA. In Europe, the Company uses both a direct sales force and manufacturers' representatives to distribute its products to Mercedes Benz, BMW, Volvo, Saab, Jaguar and other OEMs, as well as aftermarket distributors. In Asia Pacific, the Company has licensed its automotive fuse technology to a Japanese firm which supplies the majority of the automotive fuses to the Japanese manufacturing operations in the region including Toyota, Honda and Nissan.

Power. The Company markets and sells its power fuses through 42 manufacturers' representatives across North America. These representatives sell power fuse products through an electrical distribution network comprised of approximately 1,200 distributors. These distributors have customers that include electrical contractors, municipalities, utilities and factories (including both MRO and OEM). Some of the manufacturers' representatives have consigned inventory in order to facilitate rapid customer delivery.

The Company's field sales force (including application engineers) and manufacturers' representatives call on both distributors and end-users (consulting engineers, municipalities, utilities and OEMs) in an effort to educate these customers on the capabilities and characteristics of the Company's products.

Customers

The Company sells to over 10,000 customers worldwide. No single customer accounted for more than 10% of net sales during the last three years except for its Japanese stocking representative which accounted for 11% in 1997. The Japanese stocking representative serves over 100 customers in the Asia Pacific electronics market. During the 1997, 1996 and 1995 fiscal years, net sales to customers outside the United States (exports and foreign operations) accounted for approximately 40.6%, 38.5% and 35.3%, respectively, of the Company's total net sales.

Competition

The Company's products compete with similar products of other manufacturers, many of which have substantially greater financial resources than the Company. In the electronic fuse market, the Company's competitors are Bussmann, a division of Cooper Industries, Bel Fuse, Inc., Raychem Corp., San-O Industrial Corp. and Wickmann-Werke GmbH. In the fuseholder portion of this market, the Company's principal competitor is Schurter, Inc. In the automotive fuse market, the Company's major competitor, both in sales to automobile manufacturers and in the aftermarket, is Bussmann. The Company licenses several of its automotive fuse designs to Bussmann. Other auto fuse competitors include Pudenz and MTA. In the power fuse market,

the Company's major competitors include Bussmann, Gould, Inc and Ferraz. The Company believes that it competes primarily on the basis of innovative products, the breadth of available product lines, the quality and design of its products and the responsiveness of its customer service rather than through price competition.

Backlog

The Company does not consider backlog to be a predictive measure of results due to the Company's short delivery time. The Company manufactures high volume products based on its demand forecasts and manufactures low volume products based on customer orders. The Company attempts to ship such products to the customer within five business days of the date of the order. Over 90% of all orders, which request delivery within three weeks of the date of the order, are filled on time from available stock or current production.

Employees

During 1997, the Company employed approximately 2,845 persons. Approximately 50 employees in Des Plaines and 465 employees in Mexico are covered by collective bargaining agreements. The Des Plaines agreement expires March 31, 1999 and the Mexico agreement expires January 31, 1999. The Company has not experienced any work stoppage or other form of labor dispute within the last 20 years. The Company believes that its employee relations are excellent and that its employees, many of whom have long experience with the Company, represent a valuable resource. The Company emphasizes employee training and development and has established Quality Improvement Process (QIP) training for its employees worldwide so as to promote product quality and customer satisfaction.

Environmental Regulation

The Company is subject to numerous federal, state and local regulations relating to air and water quality, the disposal of hazardous waste materials, safety and health. Compliance with applicable environmental regulations has not significantly changed the Company's competitive position, capital spending or earnings in the past and the Company does not presently anticipate that compliance with such regulations will change its competitive position, capital spending or earnings for the foreseeable future. The Company employs an environmental engineer to monitor regulatory matters and believes that it is currently in compliance in all material respects with applicable environmental laws and regulations.

ITEM 2. PROPERTIES

Littelfuse Facilities

The Company's operations are located in 20 owned or leased facilities worldwide, containing approximately 714,000 square feet. The U.S. headquarters and principal fabrication and distribution facility is located in Des Plaines, Illinois, supported by three additional plants in

Illinois and one in Mexico. European headquarters and the primary European distribution center is in Utrecht, The Netherlands, with manufacturing plants in the United Kingdom and Switzerland. Asia Pacific operations include a distribution center located in Singapore, with manufacturing plants in Korea, China and the Philippines. The Company does not believe that it will encounter any difficulty in renewing its existing leases upon the expiration of their current terms. Management believes that the Company's facilities are adequate to meet its requirements for the foreseeable future.

The following table provides certain information concerning the Company's facilities:

| Location | Use | Size (sq.ft.) | Lease/ Own | Lease Expir- Ation Date | Industry Focus |
|----------------------------|---|------------------|---------------|----------------------------------|-------------------------|
| Des Plaines, Illinois | Administrative, Engineering, Manufacturing, Testing and Research | 340,000 | Owned | -- | Auto, Electronic, Power |
| Centralia, Illinois | Manufacturing | 45,200 | Owned | -- | Electronic |
| Arcola, Illinois | Manufacturing | 36,000 | Owned | -- | Power |
| Watseka, Illinois | Manufacturing | 26,000 | Leased(1) | 1999 | Auto, Electronic |
| Watseka, Illinois | Storage | 5,000 | Owned | -- | Other |
| Farmington Hills, Michigan | Administrative | 1,562 | Leased | 1999 | Auto |
| Piedras Negras, Mexico | Manufacturing | 50,300 | Leased | 2000 | Auto, Electronic, Power |
| Piedras Negras, Mexico | Manufacturing | 11,848 | Leased | 1998 | Electronic and Power |
| Washington, England | Manufacturing, Sales and Distribution | 60,000 | Owned | -- | Electronic, Auto, Other |
| Utrecht, The Netherlands | Warehousing | 8,680 | Leased | 1998 | Auto, Electronic, Other |

| | | | | | |
|--------------------------|---|--------|--------|------|-------------------------|
| Utrecht, The Netherlands | Sales, Administrative and Engineering | 12,000 | Owned | -- | Auto, Electronic, Other |
| Grenchen, Switzerland | Manufacturing | 11,000 | Owned | -- | Auto |
| Singapore | Sales and Distribution | 5,845 | Leased | 1998 | Electronic |
| Seoul, Korea | Sales and Manufacturing | 20,000 | Leased | 1998 | Electronic, Auto |
| Seoul, Korea | Sales and Manufacturing | 29,175 | Owned | -- | Electronic |
| Philippines | Manufacturing | 7,530 | Leased | 1998 | Electronic |
| Suzhou, China | Manufacturing | 40,000 | Owned | -- | Electronic |
| Hong Kong, China | Sales | 920 | Leased | 1998 | Electronic |
| Yokohama, Japan | Engineering | 1,815 | Leased | 1999 | Electronic |
| Sao Paulo, Brazil | Sales and Distribution | 1,200 | Leased | 1998 | Electronic, Auto |

(1).....The lease of the manufacturing facility in Watseka, Illinois, provides that the Company may purchase the leased facility upon certain terms and conditions.

ITEM 3. Legal Proceedings

The Company is not a party to any legal proceedings which it believes will have a material adverse effect upon the conduct of its business or its financial position.

ITEM 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to the Company's stockholders during the fourth quarter of fiscal 1997.

Executive Officers of Registrant

The executive officers of the Company are as follows:

| Name | Age | Position |
|-------------------|-----|--|
| Howard B. Witt | 57 | Chairman of the Board, President and Chief Executive Officer |
| Kenneth R. Audino | 54 | Vice President, Quality Assurance and Reliability |
| William S. Barron | 55 | Vice President, Marketing and Sales |
| James F. Brace | 52 | Vice President, Treasurer and Chief Financial Officer |
| David J. Krueger | 60 | Vice President, Engineering |
| Lloyd J. Turner | 54 | Vice President, Operations |
| Hans Ouwehand | 51 | Vice President, European Operations |
| Mary S. Muchoney | 52 | Secretary |

Officers of Littelfuse are elected by the Board of Directors and serve at the discretion of the Board.

Howard B. Witt was elected to the position of Chairman of the Board in May, 1993. He was promoted to President and Chief Executive Officer of Old Littelfuse in February 1990. Prior to his appointment as President and Chief Executive Officer, Mr. Witt served in several other key management positions with Old Littelfuse, including Operations Manager from March 1979 to January 1986, Vice President-Manufacturing from January 1986 to January 1988, and Executive Vice President with full operating responsibilities for all U.S. activities from January 1988 to February 1990. Prior to joining Old Littelfuse, Mr. Witt was a division president of Keene Corporation from 1974 to 1979. Mr. Witt currently serves as a member of the Board of Directors of Franklin Electric Co., Inc. and Material Sciences Corporation. He also is a member of the Electronic Industries Association Board of Governors and is a director of the Artisan Mutual Funds.

Kenneth R. Audino, Vice President, Quality Assurance and Reliability, oversees all product reliability and quality assurance activities corporate-wide. He also directs corporate environmental affairs and serves as the acting human resources department head. Mr. Audino

joined Old Littelfuse as a Control Technician in 1964. From 1964 to 1977, he progressed through several quality and reliability positions to Manager of Reliability and Standards. In 1983, he became Managing Director of the European Headquarters of Old Littelfuse and later was named Corporate Director of Quality Assurance and Reliability. He was promoted to his current position in 1988.

William S. Barron, Vice President, Sales and Marketing, has responsibility for the general direction of all sales, marketing and related support functions. He also is responsible for the Information Services Department. Mr. Barron joined Old Littelfuse in March 1991. From August 1981 to March 1991, Mr. Barron served as Director of Sales and Marketing of Cinch Manufacturing and the General Manager of one of its domestic divisions. Cinch Manufacturing is a subsidiary of Labinal Corporation.

James F. Brace, Vice President, Treasurer and Chief Financial Officer, has responsibility for the treasury, financial control and financial reporting functions of the Company. Mr. Brace joined the Company in May 1992. From April 1987 to May 1992, he was employed by Sanford Corporation, a marker, writing instrument and office supplies manufacturer. At Sanford he was elected Chief Financial Officer in April 1987, Treasurer in April 1988 and Vice President in July 1989. From March 1983 to April 1987 he was Vice President - Finance and Administration of Iroquois Industries Corp., a paper and office supplies distributor.

David J. Krueger, Vice President, Engineering, directs all product feasibility, design, development and testing activities. Joining Old Littelfuse as an Industrial Fuse Engineering Manager in 1982, he was named Manager of Circuit Protection Devices in 1984, promoted to Director of Engineering in January 1986 and promoted to his current position one year later. Prior to joining Old Littelfuse, Mr. Krueger worked for 15 years as an Engineering Manager for the Economy Fuse Division of Federal Electric, and for six years as a Plant Manager for Federal Pacific Reliance Electric.

Lloyd J. Turner, Vice President, Operations, has responsibility for manufacturing operations and related support functions. Mr. Turner joined Old Littelfuse in October 1988, as Director of Manufacturing Operations after having served as an Operations Manager with Texas Instruments from November 1984 to September 1988. He was promoted to his current position in 1991.

Hans Ouwehand, Vice President, European Operations, has complete responsibility for all sales, marketing, research and development, and manufacturing activities covering the entire range of electronic, automotive and aftermarket products sold by the Company in Europe. Mr. Ouwehand joined Old Littelfuse in 1984 as Sales Manager, Europe, Electronics Division. He was later promoted to the position of European Sales and Marketing Manager for all Littelfuse products and in 1986 to the position of General Manager-European Operations. Prior to joining Old Littelfuse, his industrial background included research and development work with Sperry Rand and sales and product management with Lameris Medical Instruments.

Mary S. Muchoney has served as Corporate Secretary since 1991, after joining Old Littelfuse in 1977. She is responsible for providing all secretarial and administrative functions for the President and Littelfuse Board of Directors. Ms. Muchoney is a member of the American Society of Corporate Secretaries.

PART II

ITEM 5. Market for Registrant's Common Equity and Related Stockholder Matters

The information set forth under "Quarterly Stock Price" on page 39 of the Annual Report to Stockholders is incorporated herein by reference. It is also included in Exhibit 13.1 as filed with the SEC. As of March 13, 1997, there were 301 holders of record of the Company's Common Stock and in excess of 2,400 beneficial holders of its Common Stock.

Since September 22, 1992, shares of the Common Stock have been traded in the over-the-counter market and quotations are reported using the symbol "LFUS" on the Nasdaq stock market.

The Company has not paid any cash dividends since reorganization. Future dividend policy will be determined by the Board of Directors based upon their evaluation of earnings, cash availability and general business prospects. Currently, there are restrictions on the payment of dividends contained in the Company's Credit Agreement which relate to the maintenance of certain restricted payment ratios.

ITEM 6. Selected Financial Data

The information set forth under "Selected Financial Data - Six Year Summary" on page 39 of the Annual Report to Stockholders is incorporated herein by reference. It is also included in Exhibit 13.1 as filed with the SEC.

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The information set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 20 through 25 of the Annual Report to Stockholders is incorporated herein by reference. It is also included in Exhibit 13.1 as filed with the SEC.

ITEM 8. Financial Statements and Supplementary Data

The Report of Independent Auditors, and the Consolidated Financial Statements and Notes thereto of the Company set forth on pages 26 through 37 of the Annual Report to Stockholders are incorporated herein by reference. They are also included in Exhibit 13.1 as filed with the SEC.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

ITEM 10. Directors and Executive Officers of the Registrant

The information set forth under "Election of Directors" in the Proxy Statement is incorporated herein by reference. The information set forth under "Executive Officers of the Registrant" in Part I of this Report is incorporated herein by reference.

ITEM 11. Executive Compensation

The information set forth under "Compensation of Executive Officers" in the Proxy Statement is incorporated herein by reference, except for the sections captioned "Reports of the Compensation Committee on Executive Compensation" and "Company Performance."

ITEM 12. Security Ownership of Certain Beneficial Owners and Management

The information set forth under "Ownership of Littelfuse, Inc. Common Stock" in the Proxy Statement is incorporated herein by reference.

ITEM 13. Certain Relationships and Related Transactions

The information set forth under "Certain Relationships and Related Transactions" in the Proxy Statement is incorporated herein by reference.

PART IV

ITEM 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Financial Statements and Schedules

(1) Financial Statements. The following financial statements included in the Annual Report to Stockholders are incorporated herein by reference.

- (i) Report of Independent Auditors (page 38)
- (ii) Consolidated Statements of Financial Condition as of January 3, 1998 and December 28, 1996 (pages 26 and 27).
- (iii) Consolidated Statements of Income for the years ended January 3, 1998, December 28, 1996 and December 31, 1995 (page 28).

(iv) Consolidated Statements of Cash Flows for the years ended January 3, 1998, December 28, 1996 and December 31, 1995 (page 29).

(v) Consolidated Statements of Shareholders' Equity for the years ended January 3, 1998, December 28, 1996 and December 31, 1995. (page 30).

(vi) Notes to Consolidated Financial Statements (pages 30-37).

(2) Financial Statement Schedules. The following financial statement schedules are submitted herewith for the periods indicated therein.

(I) Schedule II-Valuation and Qualifying Accounts and Reserves

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(3) Exhibits

See Exhibit Index on pages 22-24, incorporated herein by reference.

(b) Reports on Form 8-K

There were no reports on Form 8-K during the fourth quarter of 1997.

LITTELFUSE, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(In Thousands)

| Description | Balance at Beginning Of Year | Additions Charged to Costs and Expenses | Deductions (A) | Balance at End of Year |
|--|------------------------------------|--|-------------------|------------------------------|
| | ----- | ----- | ----- | ----- |
| Year ended January 3, 1998 | | | | |
| Allowance for losses on | | | | |
| accounts receivable | \$ 896 | \$ 410 | \$ 188 | \$ 1,118 |
| | ===== | ===== | ===== | ===== |
| Reserves for sales discounts and allowances | \$ 4,161 | \$ 620 | \$ -- | \$ 4,781 |
| | ===== | ===== | ===== | ===== |
| Year ended December 28, 1996 | | | | |
| Allowance for losses on | | | | |
| accounts receivable | \$ 863 | \$ 236 | \$ 203 | \$ 896 |
| | ===== | ===== | ===== | ===== |
| Reserves for sales discounts and allowances | \$ 3,038 | \$ 1,123 | \$ -- | \$ 4,161 |
| | ===== | ===== | ===== | ===== |
| Year ended December 31, 1995 | | | | |
| Allowance for losses on | | | | |
| accounts receivable | \$ 716 | \$ 275 | \$ 128 | \$ 863 |
| | ===== | ===== | ===== | ===== |
| Reserves for sales discounts and allowances | \$ 2,525 | \$ 513 | \$ -- | \$ 3,038 |
| | ===== | ===== | ===== | ===== |

(A) Write-off of uncollectible accounts, net of recoveries and foreign currency translation.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Littelfuse, Inc.

By /s/ Howard B. Witt
Howard B. Witt,
Chairman, President and
Chief Executive Officer

Date: March 24, 1998

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

| | |
|--|---|
| /s/ Howard B. Witt Howard B. Witt | Chairman of the Board, President and Chief Executive Officer |
| /s/ John P. Driscoll John P. Driscoll | Director |
| /s/ Anthony Grillo Anthony Grillo | Director |
| /s/ Bruce A. Karsh Bruce A. Karsh | Director |
| /s/ John E. Major John E. Major | Director |
| /s/ John J. Nevin John J. Nevin | Director |
| /s/ James F. Brace James F. Brace | Vice President, Treasurer and Chief Financial Officer (Principal Financial Officer) |

LITTELFUSE INC.
INDEX TO EXHIBITS

Sequentialc)
Page Number

| Number | Description of Exhibit a) |
|--------|---|
| 2.1 | Plan of Reorganization under Chapter 11 of the Bankruptcy Code of Old Littelfuse. |
| b) 3.1 | Certificate of Incorporation (as amended to date). |
| 3.1A | Certificate of Designations of Series A Preferred Stock (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated December 1, 1995 (1934 Act File No. 0-20388) and incorporated herein by reference.) |
| b)3.2 | Bylaws |
| 4.1 | Credit Agreement among Littelfuse, Inc., as borrower, the lenders named therein and the First National Bank of Chicago, as agent, dated as of August 31, 1993. (filed as exhibit 4.1 to the Company's Form 10K for the year ended December 31, 1993) and incorporated herein by reference. |
| 4.1A | Amendment No. 1 to Credit Agreement, dated as of March 31, 1994. (Filed as Exhibit 4.1A to the Company's Form 10-K for the year ended December 31, 1995.) and incorporated herein by reference). |
| 4.1B | Amendment No. 2 to Credit Agreement, dated as of June 16, 1995. (Filed as Exhibit 4.1A to the Company's Form 10-K for the year ended December 31, 1995.) and incorporated herein by reference). |
| 4.2 | Registration Rights Agreement, dated as of December 27, 1991, between Littelfuse, Inc. and The Toronto-Dominion Bank Trust Company, as agent. |
| 4.3 | Warrant Agreement, dated as of December 27, 1991, between Littelfuse, Inc., and LaSalle National Trust, N.A., as warrant agent, together with form of Warrant. (filed as exhibit 4.3A to the Company's Form 10-Q for the quarterly period ended June 28, 1997 (1934 Act File No. -20388) and incorporated herein by reference). |

- -----

- a) All of the exhibits, (except those filed herewith or specifically noted as being incorporated by reference from a different filing under the Securities act of 1933 or Securities act of 1934) were filed as exhibits to the Company's Form 10 as filed with the Securities and Exchange Commission which became effective on September 16, 1992 (1934 Act File No. 0-20388) and are incorporated herein by reference.
- b) Filed herewith.
- c) This information appears only in the manually signed copy of the report.
- d) Indicates an employee benefit plan, management contract or compensatory plan or arrangement in which a named executive officer participates.

| Number | Description of Exhibit a) |
|--------|---|
| b)4.4 | Stock Plan for Employees and Directors of Littelfuse, Inc. d) |
| 4.5 | Form of Stock Option Agreement |
| 4.6 | Specimen Common Stock certificate. |
| 4.7 | Littelfuse, Inc. Retirement Plan dated January 1, 1992, as amended and restated.d) |
| 4.8 | Littelfuse, Inc. 401(k) Savings Plan.d) |
| 4.9 | Note Purchase Agreement, dated as of August 31, 1993, relating to \$45,000,000 principal amount of Littelfuse, Inc. 6.31% Senior Notes due August 31, 2000. |
| b)4.10 | Littelfuse Rights Plan Agreement, dated as of December 15, 1995, between Littelfuse, Inc. and LaSalle National Bank, as Rights Agent, together with Exhibits thereto. |
| 10.1 | Lease Agreement (with option to purchase), dated December 27, 1991, between Littelfuse, Inc. and Westmark Systems, Inc. |
| 10.2 | Tax Indebtedness Sharing Agreement, dated December 27, 1991, between Littelfuse, Inc., Tracor, Inc. and certain other companies. |
| 10.3 | Patent License Agreement, dated as of July 28, 1995, between Littelfuse, Inc. and Pacific Engineering Company, Ltd.(filed as exhibit 10.3 to the Company's Form 10K for the year ended December 28, 1996) |
| 10.4 | MINI(R) and MAXITM License Agreement, dated as of June 21, 1989, between Littelfuse, Inc. and McGraw-Edison Company. |
| 10.5 | Patent License Agreement, dated as of January 1, 1987, between Littelfuse, Inc. and Cooper Industries, Inc. |
| b)10.6 | 1993 Stock Plan for Employees and Directors of Littelfuse, Inc. d) |

| Number | Description of Exhibit a) |
|--------|--|
| 10.7 | Littelfuse, Inc. Supplemental Executive Retirement Plan.d) |
| 10.8 | Littelfuse Deferred Compensation Plan for Non-employee Directors. (filed as exhibit 10.8A to the Company's Form 10-Q for the quarterly period ended June 28, 1997 (1934 Act File No. 0-20388) and incorporated herein by reference.)d) |
| 10.9 | Littelfuse Executive Loan Program (filed as Exhibit 10.2 to the Company's Form 10Q for the quarterly period ended June 30, 1995 (1934 Act File No. 0-20388) and incorporated herein by reference.)d) |
| 10.10 | Employment Agreement dated as of September 1, 1996 between Littelfuse, Inc. and Howard B. Witt. d) |
| 10.11 | Change of Control Employment Agreement dated as of September 1, 1996 between Littelfuse, Inc. and Howard B. Witt. d) |
| 10.12 | Form of change of Control Employment Agreement dated as of September 1, 1996 between Littelfuse, Inc. and Messrs. Anderson, Audino, Barron, Brace, Krueger and Turner. d) |
| b)13.1 | Portions of Littelfuse Annual Report to Stockholders for the fiscal year ended January 3, 1998. |
| b)22.1 | Subsidiaries. |
| b)23.1 | Consent of Independent Auditors. |

Exhibit 22.1

SUBSIDIARIES

Littelfuse, S.A. de C.V.
Littelfuse FSC
Littelfuse Do Brazil

Littelfuse, B.V.
Littelfuse, A.G.
Littelfuse Limited

Littelfuse Far East PTE Ltd.
Littelfuse HK Limited
Littelfuse Holdings Pte Ltd
Suzhou Littelfuse OVS Ltd
Sam Hwa Littelfuse Inc. (65% owned)
Littelfuse KK
Littelfuse Triad Inc.
Littelfuse Phils Inc

1,000
usd

YEAR

| | Jan-03-1998 | Dec-29-1997 | Jan-03-1998 |
|---------|-------------|-------------|-------------|
| | 1 | | 755 |
| | 0 | | 37,458 |
| | | | 5,899 |
| | | | 39,075 |
| | 83,856 | | 141,230 |
| | | 70,467 | |
| | | 221,885 | |
| 51,725 | | 0 | |
| 0 | | 0 | |
| | | 199 | |
| | | 0 | |
| 221,885 | | | |
| | | 275,165 | |
| | | | 164,034 |
| | 0 | | |
| | 0 | | |
| | 4,103 | | |
| | 40,652 | | |
| | 15,310 | | |
| 0 | | | |
| | 0 | | |
| | 0 | | |
| | | 0 | |
| | | 25,342 | |
| | | 1.28 | |
| | | 1.07 | |

1,000
USD

| YEAR | YEAR | | YEAR | |
|---------|-------------|-------------|-------------|-------------|
| | DEC-28-1996 | | DEC-31-1995 | |
| | JAN-01-1996 | DEC-28-1996 | JAN-01-1995 | DEC-31-1995 |
| | 1 | | 1 | |
| | | 1,427 | | 1,308 |
| | 0 | | 0 | |
| | 35,468 | | 29,722 | |
| | 5,057 | | 3,901 | |
| | 31,586 | | 30,076 | |
| | 73,809 | | 65,023 | |
| | | 121,311 | | 104,764 |
| | 57,422 | | 43,535 | |
| | 209,951 | | 205,186 | |
| 51,044 | | 45,817 | | |
| | 0 | | 0 | |
| 0 | | 0 | | |
| | 0 | | 0 | |
| | | 198 | | 102 |
| | 0 | | | (3,533) |
| 209,951 | | 205,186 | | |
| | | 241,446 | | 219,535 |
| | 241,446 | | 219,535 | |
| | | 143,158 | | 129,663 |
| | 0 | | 0 | |
| | 0 | | 0 | |
| | 0 | | 0 | |
| | 4,235 | | 4,279 | |
| | 34,094 | | 29,880 | |
| | 12,359 | | 10,608 | |
| 0 | | 0 | | |
| | 0 | | 0 | |
| | 0 | | 0 | |
| | | 0 | | 0 |
| | 21,735 | | 19,272 | |
| | 1.09 | | 0.95 | |
| | 0.91 | | 0.78 | |

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
LITTELFUSE, INC.

Pursuant to Section 242 of the General Corporation Law of the State of Delaware, LITTELFUSE, INC., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (hereinafter referred to as the Corporation), does hereby certify:

FIRST: That the original Certificate of Incorporation of the Corporation was filed in the Office of the Secretary of State of Delaware on November 25, 1991.

SECOND: That, pursuant to the affirmative vote of all of the directors of the Corporation at a meeting of the board of directors held on February 7, 1997, and the affirmative vote by stockholders of the Corporation representing more than a majority of the outstanding shares of the Common Stock, par value \$.01 per share, of the Corporation at the annual meeting of the stockholders of the Corporation held on April 25, 1997, all in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware, the board of directors and stockholders of the Corporation duly approved and adopted a resolution providing that Section 1 of Article IV of the Certificate of Incorporation of the Corporation be amended in its entirety to read as follows:

Section 1. The aggregate number of shares of capital stock which the Corporation shall have authority to issue is Thirty-five Million (35,000,000) shares, of which Thirty-four Million (34,000,000) shares shall be designated Common Stock, par value \$.01 per share (Common Stock), and One Million (1,000,000) shares shall be designated Preferred Stock, par value \$.01 per share (Preferred Stock). The shares designated as Common Stock shall have identical rights and privileges in every respect.

THIRD: That said amendment to the Certificate of Incorporation shall become effective upon filing of this Certificate of Amendment in the Office of the Secretary of State of the State of Delaware.

IN WITNESS WHEREOF, LITTELFUSE, INC. has caused this Certificate of Amendment to be executed by its President as of the 25th day of April, 1997.

LITTELFUSE, INC.

By

Howard B. Witt, President

=====

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.

Section 4. Notice of Meeting. Written or printed notice, stating the place, 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 delivered by the Corporation not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, to each stockholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at the address therefor as it appears on the stock transfer books of the Corporation. 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 IV 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 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. 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.

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. Election of directors at all meetings of the stockholders at which directors are to be elected shall be by ballot and, subject to the rights of the holders of any series of Preferred Stock to elect directors under specified circumstances, a plurality of the votes cast thereat shall elect directors. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

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 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 six (6). No directors need be stockholders or residents of the State of Delaware. The directors shall be elected at the annual meeting of the stockholders, except as hereinafter provided, and each director elected shall hold office until his successor is elected and qualified or until his earlier resignation or removal.

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 the number of voting shares owned by him for as many persons as there are directors to be elected and for whose election he 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.

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.

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 telecopier, electronic facsimile or hand delivery, or on three (3) days notice to each director, if by mail or by telegram. 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 a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors or committee, as the case may be. 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 similar 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.

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 of such special meeting, to be given to each committee member at least (i)at twenty-four (24) hours before such special meeting if notice is given by telecopy, electronic facsimile or hand delivery or (ii)at least three days before such special meeting if notice is given by mail or by telegram. 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, personal notice shall not be required, and any such notice may be given (a)in writing, by mail, postage prepaid, addressed to such committee member, director, or stockholder at his address as it appears on the books or (in the case of a stockholder) the stock transfer records of the Corporation, or (b)by any other method permitted by law (including but not limited to overnight courier service, telegram, telex, or telefax). 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, telefax, or telefax shall be deemed to be delivered and given at the time transmitted with all charges prepaid and addressed as aforesaid.

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, 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 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 his 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.

CERTIFICATES REPRESENTING SHARES

Section 1. Certificates. The shares of the Corporation shall be represented by certificates in such form as shall be determined by the Board of Directors. Such certificates shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued. Each certificate shall state on the face thereof the holder's name, the number and class of shares, and the par value of such shares or a statement that such shares are without par value. Each certificate 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.

Section 2. Legends. The Board of Directors shall have the power and authority to provide that certificates representing shares of stock shall bear 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.

Section 3. Lost Certificates. The Corporation may issue a new certificate representing shares in place of any certificate 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 thereof, 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 to the person entitled thereto, cancel the old certificate 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.

STOCK PLAN FOR EMPLOYEES AND DIRECTORS OF
LITTELFUSE, INC.

1. Purpose. Littelfuse, Inc. (the "Corporation") desires to attract and retain Employees and directors of outstanding talent. The Stock Plan for Employees and Directors of Littelfuse, Inc. (the "Plan") affords eligible Employees and directors the opportunity to acquire proprietary interests in the Corporation and thereby encourages their highest levels of performance and interest.

2. Scope and Duration.

a. Awards under the Plan may be granted in the following forms:

(1) incentive stock options ("incentive stock options"), as provided in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and non-qualified stock options ("non-qualified options"; the term "options" includes incentive stock options and non-qualified options);

(2) shares of Common Stock of the Corporation (the "Common Stock") which are restricted as provided in paragraph 10. ("restricted shares"); or

(3) rights to acquire shares of Common Stock which are restricted as provided in paragraph 10. ("units" or "restricted units").

Options may be accompanied by stock appreciation rights ("rights").

b. The maximum aggregate number of shares of Common Stock as to which awards of options, restricted shares, units, or rights may be made from time to time under the Plan is 1,000,000 shares. Shares issued pursuant to this Plan may be in whole or in part, as the Board of Directors of the Corporation (the "Board of Directors") shall from time to time determine, authorized but unissued shares or issued shares reacquired by the Corporation. If for any reason any shares as to which an option has been granted cease to be subject to purchase thereunder or any restricted shares or restricted units are forfeited to the Corporation, or to the extent that any awards under the Plan denominated in shares or units are paid or settled in cash or are surrendered upon the exercise of an option, then (unless the Plan shall have been terminated) such shares or units, and any shares surrendered to the Corporation upon such exercise, shall become available for subsequent awards under the Plan; provided, however, that shares surrendered by the Corporation upon the exercise of an incentive stock option and shares subject to an incentive stock option surrendered upon the exercise of a right shall not be available for subsequent award of additional stock options under the Plan.

c. No incentive stock option shall be granted hereunder after December 15, 2001.

3. Administration.

a. The Plan shall be administered by the Stock Option Committee or any successor thereto of the Board of Directors of the Corporation or by such other committee (the "Committee") as shall be determined by the Board of Directors. The Committee shall consist of not less than two members of the Board of Directors, each of whom shall qualify as a disinterested person to administer the Plan as contemplated by Rule 16b-3, as amended, or other applicable rules under Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

b. The Committee shall have plenary authority in its sole discretion, subject to and not inconsistent with the express provisions of this Plan:

(1) to grant options, to determine the purchase price of the Common Stock covered by each option, the term of each option, the persons to whom, and the time or times at which, options shall be granted and the number of shares to be covered by each option;

(2) to designate options as incentive stock options or non-qualified options and to determine which options shall be accompanied by rights;

(3) to grant rights and to determine the purchase price of the Common Stock covered by each right or related option, the term of each right or related option, the Employees and Eligible Directors (as such terms are defined below) to whom, and the time or times at which, rights or related options shall be granted and the number of shares to be covered by each right or related option;

(4) to grant restricted shares and restricted units and to determine the term of the Restricted Period (as defined in paragraph 10.) and other conditions applicable to such shares or units, the Employees to whom, and the time or times at which, restricted shares or restricted units shall be granted and the number of shares or units to be covered by each grant;

(5) to interpret the Plan;

(6) to prescribe, amend and rescind rules and regulations relating to the Plan;

(7) to determine the terms and provisions of the option and rights agreements (which need not be identical) and the restricted share and restricted unit agreements (which need not be identical) entered into in connection with awards under the Plan;

and to make all other determinations deemed necessary or advisable for the administration of the Plan.

Without limiting the foregoing, the Committee shall have plenary authority in its sole discretion, subject to, and not inconsistent with, the express provisions of the Plan, to:

(1) select Participants (as defined below) for participation in the plan;

(2) determine the timing, price, and amount of any grant or award under the Plan to any Participant; and

(3) either

(a) determine the form in which payment of any right granted or awarded under the Plan will be made (i.e., cash, securities, or any combination thereof), or

(b) approve the election of the Participant to receive cash in whole or in part in settlement of any right granted or awarded under the Plan.

As used in the Plan, the following terms shall have the following meanings: the term "Officer" shall mean an officer (other than an assistant officer) of the Corporation or any of its Subsidiaries and any other person who may be designated as any executive officer by the Board of Directors of the Corporation; the term "Participant" shall mean an Employee or Eligible Director; the term "Employee" shall mean a full-time, non-union, salaried employee of the Corporation or any of its Subsidiaries; the term "Eligible Director" shall mean any individual who is a member of the Board of Directors of the Corporation who is not then an Employee or a beneficial owner, either directly or indirectly, of more than ten percent (10%) of the Common Stock of the Corporation; and the term "Subsidiaries" shall mean all corporations in which the Corporation owns, directly or indirectly, more than fifty percent (50%) of the total voting power of all classes of stock.

(c) The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan; provided, that the Committee may not delegate any duties to a member of the Board of Directors who, if elected to serve on the Committee, would not qualify as a disinterested person to administer the Plan as contemplated by Rule 16b-3, as amended, or other applicable rules under the Exchange Act. The Committee may employ attorneys, consultants, accountants, or other persons, and the Committee, the Corporation, its Subsidiaries, and their respective officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Corporation, its Subsidiaries, and all other interested persons. No member or agent of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or awards made hereunder, and all members and agents of the Committee shall be fully protected by the Corporation in respect of any such action, determination, or interpretation.

4. Eligibility; Factors to be Considered in Making Awards.

a. Persons eligible to participate in this Plan shall include all Employees of the Corporation and all Eligible Directors; provided, however, that Eligible Directors shall only be eligible to receive grants of options pursuant to subparagraph 4.e.

b. In determining the Employees to whom awards shall be granted and the number of shares or units to be covered by each award, the Committee shall take into account the nature of the Employee's duties, his or her present and potential contributions to the success of the Corporation or any of its Subsidiaries and such other factors as it shall deem relevant in connection with accomplishing the purposes of the Plan.

c. Awards may be granted singly, in combination, or in tandem and may be made in combination or in tandem with or in replacement of, or as alternatives to, awards or grants under any other employee plan maintained by the Corporation or any of its Subsidiaries. An award made in the form of a unit or a right may provide, in the discretion of the Committee, for

(1) the crediting to the account of, or the current payment to, each Employee who has such an award of an amount equal to the cash dividends and stock dividends paid by the Corporation upon one share of Common Stock for each restricted unit or share of Common Stock subject to a right included in such award (Dividend Equivalent), or

(2) the deemed reinvestment of such Dividend Equivalents and stock dividends in shares of Common Stock, which deemed reinvestment shall be deemed to be made in accordance with the provisions of paragraph 10., and credited to the Employee's account (Additional Deemed Shares).

Such Additional Deemed Shares shall be subject to the same restrictions (including but not limited to provisions regarding forfeitures) applicable with respect to the unit or right with respect to which such credit is made. Dividend Equivalents not deemed reinvested as stock dividends shall not be subject to forfeiture, and may bear amounts equivalent to interest or cash dividends as the Committee may determine.

d. The Committee, in its sole discretion, may grant to an Employee who has been granted an award under the Plan or any other employee plan maintained by the Corporation or any of its Subsidiaries, or any successor thereto, in exchange for the surrender and cancellation of such award, a new award in the same or a different form and containing such terms, including, without limitation, a price which is different (either higher or lower) than any price provided in the award so surrendered and cancelled, as the Committee may deem appropriate.

e. Each Eligible Director shall be automatically granted a non-qualified option to purchase 4,000 shares of Common Stock, which option shall be granted on the earlier of the January, 1992 meeting of the Committee or the first meeting of the Committee following the date on which the Eligible Director is first elected as a member of the Board of Directors of the Corporation. The purchase price for the Common Stock covered by each such option shall be the fair market value (as defined below) of such Common Stock on the date the option is granted, payable at the time and in the manner provided in subparagraph 5.b. below. Each option granted to an Eligible Director shall be exercisable as follows: with respect to twenty-percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing one (1) year following the date of grant; with respect to an additional twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing two (2) years following the date of grant; with respect to an additional twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing three (3) years following the date of grant; with respect to an additional twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing four (4) years following the date of grant; and with respect to the remaining twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing five (5) years following the date of grant. The foregoing formula can only be amended to the extent permitted by Rule 16b-3, as amended, under the Exchange Act.

5. Option Price.

a. The purchase price of the Common Stock covered by each option awarded to an Employee shall be determined by the Committee; provided, however, that in the case of incentive stock options, the purchase price shall not be less than 100% of the fair market value of the Common Stock on the date the option is granted. Fair market value shall mean,

(1) if the Common Stock is duly listed on a national securities exchange or on the National Association of Securities Dealers Automatic Quotation System/National Market System ("NASDAQ") ("Duly Listed"), the closing price of the Common Stock for the date on which the option is granted, or, if there are no sales on such date, on the next preceding day on which there were sales, or

(2) if the Common Stock is not Duly Listed, the fair market value of the Common Stock for the date on which the option is granted,

as determined by the Committee in good faith. Such price shall be subject to adjustment as provided in paragraph 13.

The price so determined shall also be applicable in connection with the exercise of any related right.

b. The purchase price of the shares as to which an option is exercised shall be paid in full at the time of exercise; payment may be made in cash, which may be paid by check or other instrument acceptable to the Corporation, or, if permitted by the Committee, in shares of the Common Stock, valued at the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date of exercise, or if there were no sales on such date, on the next preceding day on which there were sales (or, if the Common Stock is not Duly Listed, the fair market value of the Common Stock on the date of exercise, as determined by the Committee in good faith), or, if permitted by the Committee and subject to such terms and conditions as it may determine, by surrender of outstanding awards under the Plan. In addition, the Participant shall pay any amount necessary to satisfy applicable federal, state, or local tax requirements promptly upon notification of the amount due. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Participant, or a portion of the shares of Common Stock that otherwise would be distributed to such Participant upon exercise of the option, or a combination of cash and shares of such Common Stock.

6. Term of Options. The term of each incentive stock option granted under the Plan shall be such period of time as the Committee shall determine, but not more than ten years from the date of grant, subject to earlier termination as provided in paragraphs 11. and 12. The term of each non-qualified option granted under the Plan to Employees shall be such period of time as the Committee shall determine, subject to earlier termination as provided in paragraphs 11. and 12.

7. Exercise of Options.

a. Each option shall become exercisable, in whole or in part, as the Committee shall determine; provided, however, that the Committee may also, in its discretion, accelerate the exercisability of any option in whole or in part at any time.

b. Subject to the provisions of the Plan and unless otherwise provided in the option agreement, an option granted under the Plan shall become exercisable in full at the earliest of the Participant's death, Eligible Retirement (as defined below), Total Disability, or a Change in Control (as defined in paragraph 12.). For purposes of this Plan, the term "Eligible Retirement" shall mean (1) the date upon which an Employee, having attained an age of not less than sixty-two, terminates his employment with the Corporation and its Subsidiaries, provided that such Employee has been employed by the Corporation or any of its Subsidiaries or any corporation of which the Corporation or any of its Subsidiaries is the successor for a period of not less than five (5) years prior to such termination, or (2) the date upon which an Eligible Director, having attained the age of not less than sixty-two, terminates his service as a director of the Corporation.

c. An option may be exercised, at any time or from time to time (subject, in the case of an incentive stock option, to such restrictions as may be imposed by the Code), as to any or all full shares as to which the option has become exercisable; provided, however, that an option may not be exercised at any one time as to less than 100 shares or less than the number of shares as to which the option is then exercisable, if that number is less than 100 shares.

d. Subject to the provisions of paragraphs 11. and 12., in the case of incentive stock options, no option may be exercised at any time unless the holder thereof is then an Employee.

e. Upon the exercise of an option or portion thereof in accordance with the Plan, the option agreement and such rules and regulations as may be established by the Committee, the holder thereof shall have the rights of a shareholder with respect to the shares issued as a result of such exercise.

8. Award and Exercise of Rights.

a. A right may be awarded by the Committee in connection with any option granted under the Plan, either at the time the option is granted or thereafter at any time prior to the exercise, termination or expiration of the option ("tandem right"), or separately ("freestanding right"). Each tandem right shall be subject to the same terms and conditions as the related option and shall be exercisable only to the extent the option is exercisable. No right shall be exercisable for cash by a Littelfuse Officer within six (6) months from the date the right is awarded (and then, as to a tandem right, only to the extent the related option is exercisable) or, if the exercise price of the right is not fixed on the date of the award, within six (6) months from the date when the exercise price is so fixed, and in any case only when the Littelfuse Officer's election to receive cash in full or partial satisfaction of the right, as well as the Littelfuse Officer's exercise of the right for cash, is made during a Quarterly Window Period (as defined below); provided, that a right may be exercised by a Littelfuse Officer for cash outside a Quarterly Window Period if the date of exercise is automatic or has been fixed in advance under the Plan and is outside the Littelfuse Officer's control. The term "Quarterly Window Period" shall mean the period beginning on the third business day

following the date of release of each of the Corporation's quarterly and annual summary statements of sales and earnings and ending on the twelfth business day following such release; and the date of any such release shall be deemed to be the date it either:

- (1) appears on a wire service,
- (2) appears on a financial news service,
- (3) appears in a newspaper of general circulation, or

(4) is otherwise made publicly available, for example, by press releases to a wire service, financial news service, or newspapers or general circulation.

b. A right shall entitle the Employee upon exercise in accordance with its terms (subject, in the case of a tandem right, to the surrender unexercised of the related option or any portion or portions thereof which the Employee from time to time determines to surrender for this purpose) to receive, subject to the provisions of the Plan and such rules and regulations as from time to time may be established by the Committee, a payment having an aggregate value equal to the product of

- (1) the excess of
 - (a) the fair market value on the exercise date of one share of Common Stock over
 - (b) the exercise price per share, in the case of a tandem right, or the price per share specified in the terms of the right, in the case of a freestanding right, multiplied by

(2) the number of shares with respect to which the right shall have been exercised.

The payment may be made only in cash, subject to subparagraph 8.a. hereof.

c. The exercise price per share specified in a right shall be as determined by the Committee, provided that, in the case of a tandem right accompanying an incentive stock option, the exercise price shall be not less than fair market value of the Common Stock subject to such option on the date of grant.

d. If upon the exercise of a right the Employee is to receive a portion of the payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the fair market value of a share on the exercise date. The number of shares received may not exceed the number of shares covered by any option or portion thereof surrendered. Cash will be paid in lieu of any fractional share.

e. No payment will be required from an Employee upon exercise of a right, except that any amount necessary to satisfy applicable federal, state, or local tax requirements shall be withheld or paid promptly by the Employee upon notification of the amount due and prior to or concurrently with delivery of cash or a certificate representing shares. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Employee, or a portion of the shares of Common Stock that otherwise would be distributed to such Employee upon exercise of the right, or a combination of cash and shares of such Common Stock.

f. The fair market value of a share shall mean the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date of exercise, or if there are no sales on such date, on the next preceding day on which there were sales; provided, however, that in the case of rights that relate to an incentive stock option, the Committee may prescribe, by rules of general application, such other measure of fair market value as the Committee may in its discretion determine but not in excess of the maximum amount that would be permissible under Section 422 of the Code without disqualifying such option under Section 422.

g. Upon exercise of a tandem right, the number of shares subject to exercise under the related option shall automatically be reduced by the number of shares represented by the option or portion thereof surrendered.

h. A right related to an incentive stock option may only be exercised if the fair market value of a share of Common Stock on the exercise date exceeds the option price.

9. Non-Transferability of Options, Rights, and Units; Holding Periods for Littelfuse Officers and Eligible Directors.

a. Options, rights, and units granted under the Plan shall not be transferable by the grantee thereof otherwise than by will or the laws of descent and distribution; provided, however, that

- (1) the designation of a beneficiary by a Participant shall not constitute a transfer, and
- (2) options and rights may be exercised during the lifetime of the Participant only by the Participant or, unless such exercise would disqualify an option as an incentive stock option, by the Participant's guardian or legal representative.

b. Notwithstanding anything contained in the Plan to the contrary,

(1) any shares of Common Stock awarded hereunder to a Litteluse Officer may not be transferred or disposed of for at least six (6) months from the date of award thereof,

(2) any option, right, or unit awarded hereunder to a Litteluse Officer or Eligible Director, or the shares of Common Stock into which any such option, right or unit is exercised or converted, may not be transferred or disposed of for at least six (6) months following the date of acquisition by the Litteluse Officer or Eligible Director of such option, right, or unit, and

(3) the Committee shall take no action whose effect would cause a Litteluse Officer or Eligible Director to be in violation of clause (1) or (2) above.

c. Notwithstanding the foregoing and anything else contained in the Plan to the contrary, up to 25% of the number of non-qualified options (said percentage to be calculated using as the numerator the sum of the amount of outstanding and unexercised non-qualified options proposed to be transferred plus the number of non-qualified options previously transferred by said Participant within the previous four years and using as the denominator the aggregate number of non-qualified options granted to said Participant within the previous four years) may be transferred (but only on a gift basis) by a Participant to an immediate family member of the Participant or a trust which has as beneficiaries at the time of transfer only the Participant and/or immediate family members of the Participant. As used herein, the term immediate family members shall mean the spouse of the Participant, children of the Participant and their spouses, grandchildren of the Participant and their spouses and great-grandchildren of the Participant and their spouses (hereinafter referred to as a Permitted Transferee). All transferred non-qualified options shall remain subject to all of the provisions of the Plan and any agreement between the Participant and the Corporation pertaining thereto, including, without limitation, all vesting, termination and forfeiture provisions, and the rights and obligations of a transferee with respect to a non-qualified option transferred thereto shall be determined pursuant to the provisions of the Plan and any such agreement as if the Participant remained the holder thereof. In no event shall any transferee of a transferred non-qualified option be entitled to transfer such non-qualified option except pursuant to the laws of descent and distribution. Any transfer of non-qualified options made pursuant to this subsection (c) must be made pursuant to legal documentation provided by the Corporation, which legal documentation may contain such terms and conditions as the Corporation, in its discretion, deems appropriate, and shall be subject to verification by the Corporation or its legal counsel that the proposed transferee is a Permitted Transferee. Notwithstanding the foregoing, the Committee, in its absolute discretion, may restrict or deny the transfer of non-qualified options with respect to one or more Participants. The provisions of this subsection (c) shall be deemed to override and control over any provisions in any Non-Qualified Stock Option Agreement between the Corporation and a Participant which is dated before January 1, 1998, to the extent such provisions would not allow a transfer of non-qualified options pursuant to the provisions of this subsection (c).

10. Award and Delivery of Restricted Shares or Restricted Units.

a. At the time an award of restricted shares or restricted units is made, the Committee shall establish a period of time (the Restricted Period) applicable to such award. Each award of restricted shares or restricted units may have a different Restricted Period. The Committee may, in its sole discretion, at the time an award is made, prescribe conditions for the incremental lapse of restrictions during the Restricted Period and for the lapse or termination of restrictions upon the satisfaction of other conditions in addition to or other than the expiration of the Restricted Period with respect to all or any portion of the restricted shares or restricted units. Subject to paragraph 9., the Committee may also, in its sole discretion shorten, or terminate the Restricted Period, or waive any conditions for the lapse or termination of restrictions with respect to all or any portion of the restricted shares or restricted units. Notwithstanding the foregoing but subject to paragraph 9., all restrictions shall lapse or terminate with respect to all restricted shares or restricted units upon the earliest to occur of an Employee's Eligible Retirement, a Change in Control, death, or Total Disability.

b. (1) Unless such shares are issued as uncertificated shares pursuant to subparagraph 10.b.(2)(a) below, a stock certificate representing the

number of restricted shares granted to an Employee shall be registered in the Employee's name but shall be held in custody by the Corporation or an agent therefor for the Employee's account. The Employee shall generally have the rights and privileges of a shareholder as to such restricted shares, including the right to vote such restricted shares, except that, subject to the provisions of paragraphs 11. and 12., the following restrictions shall apply:

(a) the Employee shall not be entitled to delivery of the certificate until the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee;

(b) none of the restricted shares may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period and until the satisfaction of any other conditions prescribed by the Committee; and

(c) all of the restricted shares shall be forfeited and all rights of the Employee to such restricted shares shall terminate without further obligation on the part of the Corporation unless the Employee has remained an Employee until the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee applicable to such restricted shares. At the discretion of the Committee,

(i) cash and stock dividends with respect to the restricted shares may be either currently paid or withheld by the Corporation for the Employee's account, and interest may be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee, or

(ii) the Committee may require that all cash dividends be applied to the purchase of additional shares of Common Stock, and such purchased shares, together with any stock dividends related to such restricted shares (such purchased shares and stock dividends are hereafter referred to as "Additional Restricted Shares") shall be treated as Additional Shares, subject to forfeiture on the same terms and conditions as the original grant of the restricted shares to the Employee.

(2) The purchase of any such Additional Restricted Shares shall be made either

(a) through a dividend reinvestment plan that may be established by the Corporation which satisfies the requirements of Rule 16b-2 under the Exchange Act, in which event the price of such shares so purchased through the reinvestment of dividends shall be as determined in accordance with the provisions of that plan and no stock certificate representing such Additional Restricted Shares shall be in the Employee's name, or

(b) in accordance with such alternative procedure as is determined by the Committee in which event the price of such purchased shares shall be

(i) if the Common Stock is Duly Listed, the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date on which such purchase is made, or if there were no sales on such date, the next preceding day on which there were sales, or

(ii) if the Common Stock is not Duly Listed, the fair market value of the Common Stock for the date on which such purchase is made, as determined by the Committee in good faith. In the event that the Committee shall not require reinvestment, cash, or stock dividends so withheld by the Committee shall not be subject to forfeiture. Upon the forfeiture of any restricted shares (including any Additional Restricted Shares), such forfeited shares shall be transferred to the Corporation without further action by the Employee. The Employee shall have the same rights and privileges, and be subject to the same restrictions, with respect to any shares received pursuant to paragraph 13.

c. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in paragraphs 11. and 12., the restrictions applicable to the restricted shares (including Additional Restricted Shares) shall lapse and a stock certificate for the number of restricted shares (including any Additional Restricted Shares) with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, except any that may be imposed by law, to the Employee or the Employee's beneficiary or estate, as the case may be. The Corporation shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the fair market value (determined as of the date the restrictions lapse) of such fractional share to the Employee or the Employee's beneficiary or estate, as the case may be. No payment will be required from the Employee upon the issuance or delivery of any restricted shares, except that any amount necessary to

satisfy applicable federal, state, or local tax requirements shall be withheld or paid promptly upon notification of the amount due and prior to or concurrently with the issuance or delivery of a certificate representing such shares. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Employee, or a portion of the shares of Common Stock that otherwise would be distributed to such Employee upon the lapse of the restrictions applicable to the restricted shares, or a combination of cash and shares of such Common Stock.

d. In the case of an award of restricted units, no shares of Common Stock shall be issued at the time the award is made, and the Corporation shall not be required to set aside a fund for the payment of any such award.

e. (1) Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided in paragraphs 11 and 12., the Corporation shall deliver to the Employee or the Employee's beneficiary or estate, as the case may be, one share of Common Stock for each restricted unit with respect to which the restrictions have lapsed ("vested unit").

(2) In addition, if the Committee has not required the deemed reinvestment of such Dividend Equivalents pursuant to paragraph 4., at such time the Corporation shall deliver to the Employee cash equal to any Dividend Equivalents or stock dividends credited with respect to each such vested unit and, to the extent determined by the Committee, the interest thereupon. However, if the Committee has required such deemed reinvestment in connection with such restricted unit, in addition to the stock represented by such vested unit, the Corporation shall deliver the number of Additional Deemed Shares credited to the Employee with respect to such vested unit.

(3) Notwithstanding the foregoing, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only Common Stock for the vested units and related Additional Deemed Shares. If a cash payment is made in lieu of delivering Common Stock, the amount of such cash payment shall be equal to

(a) if the Common Stock is Duly Listed, the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date on which the Restricted Period lapsed with respect to such vested unit and related Additional Deemed Shares (the oLapse Date) or, if there are no sales on such date, on the next preceding day on which there were sales, or

(b) if the Common Stock is not Duly Listed, the fair market value of the Common Stock for the Lapse Date, as determined by the Committee in good faith.

f. No payment will be required from the Employee upon the award of any restricted units, the crediting or payment of any Dividend Equivalents or Additional Deemed Shares, or the delivery of Common Stock or the payment of cash in respect of vested units, except that any amount necessary to satisfy applicable federal, state, or local tax requirements shall be withheld or paid promptly upon notification of the amount due. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Employee, or a portion of the shares of Common Stock that otherwise would be distributed to such Employee in respect of vested units and Additional Deemed Shares, or a combination of cash and shares of such Common Stock.

g. In addition, the Committee shall have the right, in its absolute discretion, upon the vesting of any restricted shares (including Additional Restricted Shares) and restricted units (including Additional Deemed Shares) to award cash compensation to the Employee for the purpose of aiding the Employee in the payment of any and all federal, state, and local income taxes payable as a result of such vesting, if the performance of the Corporation during the Restricted Period meets such criteria as then or theretofore determined by the Committee.

11. Termination of Employment or Service. In the event that the employment of an Employee or the service as a director of an Eligible Director to whom an option or right has been granted under the Plan shall be terminated for any reason other than as set forth in paragraph 12., such option or right may, subject to the provisions of the Plan, be exercised (but only to the extent that the Employee or an Eligible Director was entitled to do so at the termination of his employment or service as a director, as the case may be) at any time within three (3) months after such termination, but in no case later than the date on which the option or right terminates.

Unless otherwise determined by the Committee, if an Employee to whom restricted shares or restricted units have been granted ceases to be an Employee, for any reason other than as set forth in paragraph 12., prior to the end of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the Employee shall immediately forfeit all restricted shares and restricted units, including all Additional Restricted Shares or Additional Deemed Shares related thereto.

Any option, right, restricted share or restricted unit agreement, or any rules and regulations relating to the Plan, may contain such provisions as the Committee shall approve with reference to the determination of the date employment terminates and the effect of leaves of absence. Any such rules and

regulations with reference to any option agreement shall be consistent with the provisions of the Code and any applicable rules and regulations thereunder. Nothing in the Plan or in any award granted pursuant to the Plan shall confer upon any Participant any right to continue in the employ or service of the Corporation or any of its Subsidiaries or interfere in any way with the right of the Corporation or its Subsidiaries to terminate such employment or service at any time.

12. Eligible Retirement, Death, or Total Disability of Employee or Eligible Director, Change in Control. If any Employee or Eligible Director to whom an option, right, restricted share, or restricted unit has been granted under the Plan shall die or suffer a Total Disability while employed by the Corporation or in the service of the Corporation as a director, if any Employee terminates his employment or any Eligible Director terminates his service as a director pursuant to an Eligible Retirement, or if a Change in Control should occur, such option or right may be exercised as set forth herein, or such restricted shares or restricted unit shall be deemed to be vested, whether or not the Participant was otherwise entitled at such time to exercise such option or right, or be treated as vested in such share or unit. Subject to the restrictions otherwise set forth in the Plan, such option or right shall be exercisable by the Participant, a legatee or legatees of the Participant under the Participant's last will, or by the Participant's personal representatives or distributees, whichever is applicable, at the earlier of

- a. the date on which the option or right terminates in accordance with the term of grant, or
- b. any time prior to the expiration of three (3) months after the date of such Participant's Eligible Retirement, his termination due to total disability, or the occurrence of a Change in Control, or, if applicable, within one year of such Participant's death.

For purposes of this paragraph 12., "Total Disability" is defined as the permanent inability of a Participant, as a result of accident or sickness, to perform any and every duty pertaining to such Participant's occupation or employment for which the Participant is suited by reason of the Participant's previous training, education, and experience.

A "Change in Control" shall be deemed to have occurred upon

- a. a business combination, including a merger or consolidation, of the Corporation and the shareholders of the Corporation prior to the combination do not continue to own, directly or indirectly, more than fifty-one percent (51%) of the equity of the combined entity;

- b. a sale, transfer, or other disposition in one or more transactions (other than in transactions in the ordinary course of business or in the nature of a financing) of the assets or earning power aggregating more than forty-five percent (45%) of the assets or operating revenues of the Corporation to any person or affiliated or associated group of persons (as defined by Rule 12b-2 of the Exchange Act in effect as of the date hereof);

- c. the liquidation of the Corporation;

- d. one or more transactions which result in the acquisition by any person or associated group of persons (other than the Corporation, any employee benefit plan whose beneficiaries are Employees of the Corporation or any of its Subsidiaries, or TCW Special Credits or any of its affiliates) of the beneficial ownership (as defined in Rule 13d-3 of the Exchange Act, in effect as of the date hereof) of forty percent (40%) or more of the Common Stock of the Corporation, securities representing forty percent (40%) or more of the combined voting power of the voting securities of the Corporation which affiliated persons owned less than forty percent (40%) prior to such transaction or transactions; or

- e. the election or appointment, within a twelve (12) month period, of any person or affiliated or associated group, or its or their nominees, to the Board of Directors of the Corporation, such that such persons or nominees, when elected or appointed, constitute a majority of the Board of Directors of the Corporation and whose appointment or election was not approved by a majority of those persons who were directors at the beginning of such period or whose election or appointment was made at the request of an Acquiring Person.

An "Acquiring Person" is any person who, or which, together with all affiliates or associates of such person, is the beneficial owner of twenty percent (20%) or more of the Common Stock of the Corporation then outstanding, except that an Acquiring Person does not include the Corporation or any employee benefit plan of the Corporation or any of its Subsidiaries or any person holding Common Stock of the Corporation for or pursuant to such plan. For the purpose of determining who is an Acquiring Person, the percentage of the outstanding shares of the Common Stock of which a person is a beneficial owner shall be calculated in accordance with Rule 13d-e of the Exchange Act.

13. Adjustments Upon Changes in Capitalization, etc. Notwithstanding any other provision of the Plan, the Committee may at any time make or provide for such adjustments to the Plan, to the number and class of shares available thereunder or to any outstanding options, restricted shares, or restricted units as it shall deem appropriate to prevent dilution or enlargement of rights, including adjustments in the event of distributions to holders of Common Stock other than a normal cash dividend, changes in the outstanding Common Stock by reason of stock dividends, split-ups, recapitalizations, mergers, consolidations, combinations, or exchanges of shares, separations, reorganizations, liquidations, and the like. In the event of any offer to holders of Common Stock generally relating to the acquisition of their shares, the Committee may make such adjustment as it deems equitable in respect of outstanding options, rights, and restricted units including in the Committee's discretion revision of outstanding options, rights, and restricted units so that they may be exercisable for or payable in the consideration payable in the acquisition transaction. Any such determination by the Committee shall be conclusive. No adjustment shall be made in the minimum number of shares with respect to which an option may be exercised at any time. Any fractional shares resulting from such adjustments to options, rights, limited rights, or restricted units shall be eliminated.

14. Effective Date. The Plan as theretofore amended shall become effective as of December 16, 1991, provided that the Plan shall be approved by the Corporation's stockholders on or before December 15, 1992. The Committee may, in its discretion, grant awards under the Plan, the grant, exercise, or payment of which shall be expressly subject to the conditions that, to the extent required at the time of grant, exercise, or payment,

- a. the shares of Common Stock covered by such awards shall be Duly Listed, upon official notice of issuance, and
- b. if the Corporation deems it necessary or desirable, a Registration Statement under the Securities Act of 1933 with respect to such shares shall be effective.

15. Termination and Amendment. The Board of Directors of the Corporation may suspend, terminate, modify, or amend the Plan, provided that if any such amendment requires shareholder approval to meet the requirement of the then applicable rules under Section 16(b) of the Exchange Act, such amendment shall be subject to the approval of the Corporation's stockholders. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue to apply to awards granted prior to such termination. In addition, no suspension, termination, modification, or amendment of the Plan may, without the consent of the Employee or Eligible Director to whom an award shall theretofore have been granted, adversely affect the rights of such Employee or Eligible Director under such award.

16. Written Agreements. Each award of options, rights, restricted shares, or restricted units shall be evidenced by a written agreement, executed by the Participant and the Corporation, which shall contain such restrictions, terms and conditions as the Committee may require.

17. Effect on Other Stock Plans. The adoption of the Plan shall have no effect on awards made, or to be made, pursuant to other stock plans covering Employees or Eligible Directors of the Corporation or any successors thereto.

FIRST AMENDMENT
TO
LITTELFUSE RIGHTS PLAN AGREEMENT

THIS FIRST AMENDMENT is made and entered into as of the 1st day of August, 1996, by and between LITTELFUSE, INC., a Delaware corporation (hereinafter referred to as the "Company"), and LASALLE NATIONAL BANK, as Rights Agent (hereinafter referred to as the "Rights Agent");

W I T N E S S E T H:

WHEREAS, the Company and the Rights Agent have heretofore executed that certain Littelfuse Rights Plan Agreement dated as of December 15, 1995 (hereinafter referred to as the "Rights Plan"); and

WHEREAS, the Company and the Rights Agent wish to amend the Rights Plan in certain respects, all in accordance with the terms and provisions hereof;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confessed, the parties hereto hereby agree as follows:

1. The definition of "Acquiring Person" contained in the Rights Plan is hereby amended by adding the following language to the end of the first sentence of Section 1(a) of the Rights Plan:

; provided, however, that for purposes of calculating said 15%, there shall be included in the number of Common Shares of the Company then outstanding the number of Common Shares of the Company into which the then outstanding Warrants to purchase Common Shares of the Company issued pursuant to that certain Warrant Agreement dated December 20, 1991, between the Company and LaSalle National Trust, N.A., as Warrant Agent, are then exercisable.

2. Except as specifically amended hereby the Rights Plan shall remain unchanged and continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Littelfuse Rights Plan Agreement as of the day and year first above written.

LITTELFUSE, INC.

By
Its _____
LASALLE NATIONAL BANK, as Rights Agent

By
Its _____

CERTIFICATE
OF
ADJUSTMENT
FILED WITH
LASALLE NATIONAL BANK
AS (i) RIGHTS AGENT UNDER THAT CERTAIN
LITTELFUSE RIGHTS PLAN AGREEMENT (THE "RIGHTS PLAN")
DATED AS OF DECEMBER 15, 1995,
BETWEEN
LITTELFUSE, INC. ("LITTELFUSE")
AND
LASALLE NATIONAL BANK, AS RIGHTS AGENT,
AND
(ii) AS THE TRANSFER AGENT FOR THE COMMON STOCK,
\$.01 PAR VALUE, OF LITTELFUSE

On April 25, 1997, the Board of Directors of Littelfuse declared a stock dividend of one share of the Littelfuse common stock, \$.01 par value per share (the "Common Stock"), on each issued and outstanding share of the Common Stock, which was paid and distributed on June 10, 1997, to those holders of record of the Common Stock at the close of business on May 20, 1997.

Pursuant to Section 11(n) of the Rights Plan, on June 10, 1997, each Right under the Rights Plan shall entitle the holder thereof to purchase 1/200ths of a Preferred Share for a purchase price of \$67.50. Each Right previously represented a right to purchase 1/100th of a Preferred Share for a purchase price of \$135.00. This adjustment reflects said stock dividend.

IN WITNESS WHEREOF, Littelfuse has caused this Certificate to be duly executed as of the 10th day of June, 1997.

LITTELFUSE, INC.

By _____
Its _____

1993 STOCK PLAN FOR EMPLOYEES AND DIRECTORS OF
LITTELFUSE, INC.

1. Purpose. Littelfuse, Inc. (the "Corporation") desires to attract and retain Employees and directors of outstanding talent. The 1993 Stock Plan for Employees and Directors of Littelfuse, Inc. (the "Plan") affords eligible Employees and directors the opportunity to acquire proprietary interests in the Corporation and thereby encourages their highest levels of performance and interest.

2. Scope and Duration.

a. Awards under the Plan may be granted in the following forms:

(1) incentive stock options ("incentive stock options"), as provided in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), and non-qualified stock options ("non-qualified options"; the term "options" includes incentive stock options and non-qualified options);

(2) shares of Common Stock of the Corporation (the "Common Stock") which are restricted as provided in paragraph 10. ("restricted shares"); or

(3) rights to acquire shares of Common Stock which are restricted as provided in paragraph 10. ("units" or "restricted units").

Options may be accompanied by stock appreciation rights ("rights").

b. The maximum aggregate number of shares of Common Stock as to which awards of options, restricted shares, units, or rights may be made from time to time under the Plan is 1,200,000 shares. Shares issued pursuant to this Plan may be in whole or in part, as the Board of Directors of the Corporation (the "Board of Directors") shall from time to time determine, authorized but unissued shares or issued shares reacquired by the Corporation. If for any reason any shares as to which an option has been granted cease to be subject to purchase thereunder or any restricted shares or restricted units are forfeited to the Corporation, or to the extent that any awards under the Plan denominated in shares or units are paid or settled in cash or are surrendered upon the exercise of an option, then (unless the Plan shall have been terminated) such shares or units, and any shares surrendered to the Corporation upon such exercise, shall become available for subsequent awards under the Plan; provided, however, that shares surrendered by the Corporation upon the exercise of an incentive stock option and shares subject to an incentive stock option surrendered upon the exercise of a right shall not be available for subsequent award of additional stock options under the Plan.

c. No incentive stock option shall be granted hereunder after February 11, 2003.

3. Administration.

a. The Plan shall be administered by the Stock Option Committee or any successor thereto of the Board of Directors of the Corporation or by such other committee (the "Committee") as shall be determined by the Board of Directors. The Committee shall consist of not less than two members of the Board of Directors, each of whom shall qualify as a disinterested person to administer the Plan as contemplated by Rule 16b-3, as amended, or other applicable rules under Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

b. The Committee shall have plenary authority in its sole discretion, subject to and not inconsistent with the express provisions of this Plan:

(1) to grant options, to determine the purchase price of the Common Stock covered by each option, the term of each option, the persons to whom, and the time or times at which, options shall be granted and the number of shares to be covered by each option;

(2) to designate options as incentive stock options or non-qualified options and to determine which options shall be accompanied by rights;

- (3) to grant rights and to determine the purchase price of the Common Stock covered by each right or related option, the term of each right or related option, the Employees and Eligible Directors (as such terms are defined below) to whom, and the time or times at which, rights or related options shall be granted and the number of shares to be covered by each right or related option;
- (4) to grant restricted shares and restricted units and to determine the term of the Restricted Period (as defined in paragraph 10.) and other conditions applicable to such shares or units, the Employees to whom, and the time or times at which, restricted shares or restricted units shall be granted and the number of shares or units to be covered by each grant;
- (5) to interpret the Plan;
- (6) to prescribe, amend and rescind rules and regulations relating to the Plan;
- (7) to determine the terms and provisions of the option and rights agreements (which need not be identical) and the restricted share and restricted unit agreements (which need not be identical) entered into in connection with awards under the Plan;

and to make all other determinations deemed necessary or advisable for the administration of the Plan.

Without limiting the foregoing, the Committee shall have plenary authority in its sole discretion, subject to, and not inconsistent with, the express provisions of the Plan, to:

- (1) select Participants (as defined below) for participation in the Plan;
- (2) determine the timing, price, and amount of any grant or award under the Plan to any Participant; and
- (3) either

(a) determine the form in which payment of any right granted or awarded under the Plan will be made (i.e., cash, securities, or any combination thereof), or

(b) approve the election of the Participant to receive cash in whole or in part in settlement of any right granted or awarded under the Plan.

As used in the Plan, the following terms shall have the following meanings: the term "Littelfuse Officer" shall mean an officer (other than an assistant officer) of the Corporation or any of its Subsidiaries and any other person who may be designated as any executive officer by the Board of Directors of the Corporation; the term "Participant" shall mean an Employee or Eligible Director; the term "Employee" shall mean a full-time, non-union, salaried employee of the Corporation or any of its Subsidiaries; the term "Eligible Director" shall mean any individual who is a member of the Board of Directors of the Corporation who is not then an Employee or a beneficial owner, either directly or indirectly, of more than ten percent (10%) of the Common Stock of the Corporation; and the term "Subsidiaries" shall mean all corporations in which the Corporation owns, directly or indirectly, more than fifty percent (50%) of the total voting power of all classes of stock.

(c) The Committee may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Committee or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Committee or such person may have under the Plan; provided, that the Committee may not delegate any duties to a member of the Board of Directors who, if elected to serve on the Committee, would not qualify as a disinterested person to administer the Plan as contemplated by Rule 16b-3, as amended, or other applicable rules under the Exchange Act. The Committee may employ attorneys, consultants, accountants, or other persons, and the Committee, the Corporation, its Subsidiaries, and their respective officers and directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations

and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Corporation, its Subsidiaries, and all other interested persons. No member or agent of the Committee shall be personally liable for any action, determination, or interpretation made in good faith with respect to the Plan or awards made hereunder, and all members and agents of the Committee shall be fully protected by the Corporation in respect of any such action, determination, or interpretation.

4. Eligibility; Factors to Be Considered in Making Awards.

a. Persons eligible to participate in this Plan shall include all Employees of the Corporation and all Eligible Directors; provided, however, that Eligible Directors shall only be eligible to receive grants of options pursuant to subparagraph 4.e.

b. In determining the Employees to whom awards shall be granted and the number of shares or units to be covered by each award, the Committee shall take into account the nature of the Employee's duties, his or her present and potential contributions to the success of the Corporation or any of its Subsidiaries and such other factors as it shall deem relevant in connection with accomplishing the purposes of the Plan.

c. Awards may be granted singly, in combination, or in tandem and may be made in combination or in tandem with or in replacement of, or as alternatives to, awards or grants under any other employee plan maintained by the Corporation or any of its Subsidiaries. An award made in the form of a unit or a right may provide, in the discretion of the Committee, for

(1) the crediting to the account of, or the current payment to, each Employee who has such an award of an amount equal to the cash dividends and stock dividends paid by the Corporation upon one share of Common Stock for each restricted unit or share of Common Stock subject to a right included in such award ("Dividend Equivalents"), or

(2) the deemed reinvestment of such Dividend Equivalents and stock dividends in shares of Common Stock, which deemed reinvestment shall be deemed to be made in accordance with the provisions of paragraph 10., and credited to the Employee's account ("Additional Deemed Shares").

Such Additional Deemed Shares shall be subject to the same restrictions (including but not limited to provisions regarding forfeitures) applicable with respect to the unit or right with respect to which such credit is made. Dividend Equivalents not deemed reinvested as stock dividends shall not be subject to forfeiture, and may bear amounts equivalent to interest or cash dividends as the Committee may determine.

d. The Committee, in its sole discretion, may grant to an Employee who has been granted an award under the Plan or any other employee plan maintained by the Corporation or any of its Subsidiaries, or any successor thereto, in exchange for the surrender and cancellation of such award, a new award in the same or a different form and containing such terms, including, without limitation, a price which is different (either higher or lower) than any price provided in the award so surrendered and cancelled, as the Committee may deem appropriate.

e. Each Eligible Director shall be automatically granted a non-qualified option to purchase 2,000 shares of Common Stock, which option shall be granted on the effective date of the Plan (hereinafter referred to as the "Initial Eligible Director Stock Options"). Commencing in 1995, each Eligible Director shall be automatically granted a non-qualified option to purchase 2,200 shares of Common Stock, and commencing in 1997, each Eligible Director shall be automatically granted a non-qualified option to purchase 2,500 shares of Common Stock, which option shall be granted on the date of the first meeting of the Board of Directors of the Corporation following each annual meeting of the stockholders of the Corporation (hereinafter sometimes referred to as the "Annual Eligible Director Stock Options" and sometimes, together with the Initial Eligible Director Stock Options, as the "Eligible Director Stock Options"). The number of Annual Eligible Director Stock Options to be granted as of the date of any such meeting of the Board of Directors shall be proportionately adjusted to reflect any stock splits, stock dividends, recapitalizations or similar transactions causing an increase or decrease in the number of issued and outstanding shares of Common Stock which have occurred since the date of the most recent grant of Annual Eligible Director Stock Options. Any Eligible Director may waive his or her right to be granted Eligible Director Stock Options. In the event that the granting of any Annual Eligible Director Stock Options would cause the 1,200,000 share limitation contained in Section 2.b. hereof to be exceeded (after taking into account any waivers by Eligible Directors to accept some or all of the Annual Eligible Director Stock

Options to which he or she would otherwise be entitled), the total number of Annual Eligible Director Stock Options then to be granted shall be reduced to a number which would cause said 1,200,000 share limitation not to be exceeded and the amount of non-qualified options to be granted to each Eligible Director who has not waived his or her right to receive Annual Eligible Director Stock Options shall be proportionately reduced. The purchase price for the Common Stock covered by each Eligible Director Stock Option shall be the fair market value (as defined below) of the Common Stock on the date the Eligible Director Stock Option is granted, payable at the time and in the manner provided in Section 5.b. below. Each Eligible Director Stock Option granted to an Eligible Director shall be exercisable as follows: with respect to twenty-percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing one (1) year following the date of grant; with respect to an additional twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing two (2) years following the date of grant; with respect to an additional twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing three (3) years following the date of grant; with respect to an additional twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing four (4) years following the date of grant; and with respect to the remaining twenty percent (20%) of the Common Stock covered thereby during the ten (10) year period commencing five (5) years following the date of grant. The foregoing formula can only be amended to the extent permitted by Rule 16b-3, as amended, under the Exchange Act.

5. Option Price.

a. The purchase price of the Common Stock covered by each option awarded to an Employee shall be determined by the Committee; provided, however, that in the case of incentive stock options, the purchase price shall not be less than 100% of the fair market value of the Common Stock on the date the option is granted. Fair market value shall mean,

(1)if the Common Stock is duly listed on a national securities exchange or on the National Association of Securities Dealers Automatic Quotation System/National Market System ("NASDAQ") ("Duly Listed"), the closing price of the Common Stock for the date on which the option is granted, or, if there are no sales on such date, on the next preceding day on which there were sales, or

(2)if the Common Stock is not Duly Listed, the fair market value of the Common Stock for the date on which the option is granted, as determined by the Committee in good faith. Such price shall be subject to adjustment as provided in paragraph 13.

The price so determined shall also be applicable in connection with the exercise of any related right.

b. The purchase price of the shares as to which an option is exercised shall be paid in full at the time of exercise; payment may be made in cash, which may be paid by check or other instrument acceptable to the Corporation, or, if permitted by the Committee, in shares of the Common Stock, valued at the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date of exercise, or if there were no sales on such date, on the next preceding day on which there were sales (or, if the Common Stock is not Duly Listed, the fair market value of the Common Stock on the date of exercise, as determined by the Committee in good faith), or, if permitted by the Committee and subject to such terms and conditions as it may determine, by surrender of outstanding awards under the Plan. In addition, the Participant shall pay any amount necessary to satisfy applicable federal, state, or local tax requirements promptly upon notification of the amount due. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Participant, or a portion of the shares of Common Stock that otherwise would be distributed to such Participant upon exercise of the option, or a combination of cash and shares of such Common Stock.

6. Term of Options. The term of each incentive stock option granted under the Plan shall be such period of time as the Committee shall determine, but not more than ten years from the date of grant, subject to earlier termination as provided in paragraphs 11. and 12. The term of each non-qualified option granted under the Plan to Employees shall be such period of time as the Committee shall determine, subject to earlier termination as provided in paragraphs 11. and 12.

7. Exercise of Options.

a. Each option shall become exercisable, in whole or in part, as the Committee shall determine; provided, however, that the Committee may also, in its discretion, accelerate the exercisability of any option in whole or in part at any time.

b. Subject to the provisions of the Plan and unless otherwise

provided in the option agreement, an option granted under the Plan shall become exercisable in full at the earliest of the Participant's death, Eligible Retirement (as defined below), Total Disability, or a Change in Control (as defined in paragraph 12). For purposes of this Plan, the term "Eligible Retirement" shall mean (1) the date upon which an Employee, having attained an age of not less than sixty-two, terminates his employment with the Corporation and its Subsidiaries, provided that such Employee has been employed by the Corporation or any of its Subsidiaries or any corporation of which the Corporation or any of its Subsidiaries is the successor for a period of not less than five (5) years prior to such termination, or (2) the date upon which an Eligible Director, having attained the age of not less than sixty-two, terminates his service as a director of the Corporation.

c. An option may be exercised, at any time or from time to time (subject, in the case of an incentive stock option, to such restrictions as may be imposed by the Code), as to any or all full shares as to which the option has become exercisable; provided, however, that an option may not be exercised at any one time as to less than 100 shares or less than the number of shares as to which the option is then exercisable, if that number is less than 100 shares.

d. Subject to the provisions of paragraphs 11. and 12., in the case of incentive stock options, no option may be exercised at any time unless the holder thereof is then an Employee.

e. Upon the exercise of an option or portion thereof in accordance with the Plan, the option agreement and such rules and regulations as may be established by the Committee, the holder thereof shall have the rights of a shareholder with respect to the shares issued as a result of such exercise.

8. Award and Exercise of Rights.

a. A right may be awarded by the Committee in connection with any option granted under the Plan, either at the time the option is granted or thereafter at any time prior to the exercise, termination or expiration of the option ("tandem right"), or separately ("freestanding right"). Each tandem right shall be subject to the same terms and conditions as the related option and shall be exercisable only to the extent the option is exercisable. No right shall be exercisable for cash by a Littelfuse Officer within six (6) months from the date the right is awarded (and then, as to a tandem right, only to the extent the related option is exercisable) or, if the exercise price of the right is not fixed on the date of the award, within six (6) months from the date when the exercise price is so fixed, and in any case only when the Littelfuse Officer's election to receive cash in full or partial satisfaction of the right, as well as the Littelfuse Officer's exercise of the right for cash, is made during a Quarterly Window Period (as defined below); provided, that a right may be exercised by a Littelfuse Officer for cash outside a Quarterly Window Period if the date of exercise is automatic or has been fixed in advance under the Plan and is outside the Littelfuse Officer's control. The term "Quarterly Window Period" shall mean the period beginning on the third business day following the date of release of each of the Corporation's quarterly and annual summary statements of sales and earnings and ending on the twelfth business day following such release; and the date of any such release shall be deemed to be the date it either:

- (1) appears on a wire service,
- (2) appears on a financial news service,
- (3) appears in a newspaper of general circulation, or
- (4) is otherwise made publicly available, for example, by press releases to a wire service, financial news service, or newspapers or general circulation.

b. A right shall entitle the Employee upon exercise in accordance with its terms (subject, in the case of a tandem right, to the surrender unexercised of the related option or any portion or portions thereof which the Employee from time to time determines to surrender for this purpose) to receive, subject to the provisions of the Plan and such rules and regulations as from time to time may be established by the Committee, a payment having an aggregate value equal to the product of

(1) the excess of

- (a) the fair market value on the exercise date of one share of Common Stock over
- (b) the exercise price per share, in the case of a tandem right, or the price per share specified in the terms of the right, in the case of a freestanding right,

multiplied by

(2) the number of shares with respect to which the right shall have been exercised.

The payment may be made only in cash, subject to subparagraph 8.a. hereof.

c. The exercise price per share specified in a right shall be as determined by the Committee, provided that, in the case of a tandem right accompanying an incentive stock option, the exercise price shall be not less than fair market value of the Common Stock subject to such option on the date of grant.

d. If upon the exercise of a right the Employee is to receive a portion of the payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the fair market value of a share on the exercise date. The number of shares received may not exceed the number of shares covered by any option or portion thereof surrendered. Cash will be paid in lieu of any fractional share.

e. No payment will be required from an Employee upon exercise of a right, except that any amount necessary to satisfy applicable federal, state, or local tax requirements shall be withheld or paid promptly by the Employee upon notification of the amount due and prior to or concurrently with delivery of cash or a certificate representing shares. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Employee, or a portion of the shares of Common Stock that otherwise would be distributed to such Employee upon exercise of the right, or a combination of cash and shares of such Common Stock.

f. The fair market value of a share shall mean the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date of exercise, or if there are no sales on such date, on the next preceding day on which there were sales; provided, however, that in the case of rights that relate to an incentive stock option, the Committee may prescribe, by rules of general application, such other measure of fair market value as the Committee may in its discretion determine but not in excess of the maximum amount that would be permissible under Section 422 of the Code without disqualifying such option under Section 422.

g. Upon exercise of a tandem right, the number of shares subject to exercise under the related option shall automatically be reduced by the number of shares represented by the option or portion thereof surrendered.

h. A right related to an incentive stock option may only be exercised if the fair market value of a share of Common Stock on the exercise date exceeds the option price.

9. Non-Transferability of Options, Rights, and Units; Holding Periods for Littelfuse Officers and Eligible Directors.

a. Options, rights, and units granted under the Plan shall not be transferable by the grantee thereof otherwise than by will or the laws of descent and distribution; provided, however, that

- (1) the designation of a beneficiary by a Participant shall not constitute a transfer, and
- (2) options and rights may be exercised during the lifetime of the Participant only by the Participant or, unless such exercise would disqualify an option as an incentive stock option, by the Participant's guardian or legal representative.

b. Notwithstanding anything contained in the Plan to the contrary,

(1) any shares of Common Stock awarded hereunder to a Littelfuse Officer may not be transferred or disposed of for at least six (6) months from the date of award thereof,

(2) any option, right, or unit awarded hereunder to a Littelfuse Officer or Eligible Director, or the shares of Common Stock into which any such option, right or unit is exercised or converted, may not be transferred or disposed of for at least six (6) months following the date of acquisition by the Littelfuse Officer or Eligible Director of such option, right, or unit, and

(3) the Committee shall take no action whose effect would cause a Littelfuse Officer or Eligible Director to be in violation of clause (1) or (2) above.

c. Notwithstanding the foregoing and anything else contained in the Plan to the contrary, up to 25% of the number of non-qualified options (said percentage to be calculated using as the nominator the sum of the amount of outstanding and unexercised non-qualified options proposed to be transferred plus the number of non-qualified options previously transferred by said Participant within the previous four years and using as the denominator the aggregate number of non-qualified options granted to said Participant within the previous four years) may be transferred (but only on a gift basis) by a Participant to an immediate family member of the Participant or a trust which has as beneficiaries at the time of transfer only the Participant and/or immediate family members of the Participant. As used herein, the term immediate family members shall mean the spouse of the Participant, children of the Participant and their spouses, grandchildren of the Participant and their spouses and great-grandchildren of the Participant and their spouses (hereinafter referred to as a "Permitted Transferee"). All transferred non-qualified options shall remain subject to all of the provisions of the Plan and any agreement between the Participant and the Corporation pertaining thereto, including, without limitation, all vesting, termination and forfeiture provisions, and the rights and obligations of a transferee with respect to a non-qualified option transferred thereto shall be determined pursuant to the provisions of the Plan and any such agreement as if the Participant remained the holder thereof. In no event shall any transferee of a transferred non-qualified option be entitled to transfer such non-qualified option except pursuant to the laws of descent and distribution. Any transfer of non-qualified options made pursuant to this subsection (c) must be made pursuant to legal documentation provided by the Corporation, which legal documentation may contain such terms and conditions as the Corporation, in its discretion, deems appropriate, and shall be subject to verification by the Corporation or its legal counsel that the proposed transferee is a Permitted Transferee. Notwithstanding the foregoing, the Committee, in its absolute discretion, may restrict or deny the transfer of non-qualified options with respect to one or more Participants. The provisions of this subsection (c) shall be deemed to override and control over any provisions in any Non-Qualified Stock Option Agreement between the Corporation and a Participant which is dated before January 1, 1998, to the extent such provisions would not allow a transfer of non-qualified options pursuant to the provisions of this subsection (c).

10. Award and Delivery of Restricted Shares or Restricted Units.

a. At the time an award of restricted shares or restricted units is made, the Committee shall establish a period of time (the "Restricted Period") applicable to such award. Each award of restricted shares or restricted units may have a different Restricted Period. The Committee may, in its sole discretion, at the time an award is made, prescribe conditions for the incremental lapse of restrictions during the Restricted Period and for the lapse or termination of restrictions upon the satisfaction of other conditions in addition to or other than the expiration of the Restricted Period with respect to all or any portion of the restricted shares or restricted units. Subject to paragraph 9., the Committee may also, in its sole discretion shorten, or terminate the Restricted Period, or waive any conditions for the lapse or termination of restrictions with respect to all or any portion of the restricted shares or restricted units. Notwithstanding the foregoing but subject to paragraph 9., all restrictions shall lapse or terminate with respect to all restricted shares or restricted units upon the earliest to occur of an Employee's Eligible Retirement, a Change in Control, death, or Total Disability.

b. (1) Unless such shares are issued as uncertificated shares pursuant to subparagraph 10.b.(2)(a) below, a stock certificate representing the number of restricted shares granted to an Employee shall be registered in the Employee's name but shall be held in custody by the Corporation or an agent therefor for the Employee's account. The Employee shall generally have the rights and privileges of a shareholder as to such restricted shares, including the right to vote such restricted shares, except that, subject to the provisions of paragraphs 11. and 12., the following restrictions shall apply:

(a) the Employee shall not be entitled to delivery of the certificate until the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee;

(b) none of the restricted shares may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restricted Period and until the satisfaction of any other conditions prescribed by the Committee; and

(c) all of the restricted shares shall be forfeited and all rights of the Employee to such restricted shares shall terminate without further obligation on the part of the Corporation unless the Employee has remained an Employee until the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee applicable to such restricted shares. At the discretion of the Committee,

(i) cash and stock dividends with respect to the restricted shares may be either currently paid or withheld by the Corporation for the Employee's account, and interest may be paid on the amount of cash dividends withheld at a rate and subject to such terms as determined by the Committee, or

(ii) the Committee may require that all cash dividends be applied to the purchase of additional shares of Common Stock, and such purchased shares, together with any stock dividends related to such restricted shares (such purchased shares and stock dividends are hereafter referred to as "Additional Restricted Shares") shall be treated as Additional Shares, subject to forfeiture on the same terms and conditions as the original grant of the restricted shares to the Employee.

(2) The purchase of any such Additional Restricted Shares shall be made either

(a) through a dividend reinvestment plan that may be established by the Corporation which satisfies the requirements of Rule 16b-2 under the Exchange Act, in which event the price of such shares so purchased through the reinvestment of dividends shall be as determined in accordance with the provisions of that plan and no stock certificate representing such Additional Restricted Shares shall be in the Employee's name, or

(b) in accordance with such alternative procedure as is determined by the Committee in which event the price of such purchased shares shall be

(i) if the Common Stock is Duly Listed, the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date on which such purchase is made, or if there were no sales on such date, the next preceding day on which there were sales, or

(ii) if the Common Stock is not Duly Listed, the fair market value of the Common Stock for the date on which such purchase is made, as determined by the Committee in good faith. In the event that the Committee shall not require reinvestment, cash, or stock dividends so withheld by the Committee shall not be subject to forfeiture. Upon the forfeiture of any restricted shares (including any Additional Restricted Shares), such forfeited shares shall be transferred to the Corporation without further action by the Employee. The Employee shall have the same rights and privileges, and be subject to the same restrictions, with respect to any shares received pursuant to paragraph 13.

c. Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided for in paragraphs 11. and 12., the restrictions applicable to the restricted shares (including Additional Restricted Shares) shall lapse and a stock certificate for the number of restricted shares (including any Additional Restricted Shares) with respect to which the restrictions have lapsed shall be delivered, free of all such restrictions, except any that may be imposed by law, to the Employee or the Employee's beneficiary or estate, as the case may be. The Corporation shall not be required to deliver any fractional share of Common Stock but will pay, in lieu thereof, the fair market value (determined as of the date the restrictions lapse) of such fractional share to the Employee or the Employee's beneficiary or estate, as the case may be. No payment will be required from the Employee upon the issuance or delivery of any restricted shares, except that any amount necessary to satisfy applicable federal, state, or local tax requirements shall be withheld or paid promptly upon notification of the amount due and prior to or concurrently with the issuance or delivery of a certificate representing such shares. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Employee, or a portion of the shares of Common Stock that otherwise would be distributed to such Employee upon the lapse of the restrictions applicable to the restricted shares, or a combination of cash and shares of such Common Stock.

d. In the case of an award of restricted units, no shares of Common Stock shall be issued at the time the award is made, and the Corporation shall not be required to set aside a fund for the payment of any such award.

e. (1) Upon the expiration or termination of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee or at such earlier time as provided in paragraphs 11. and

12., the Corporation shall deliver to the Employee or the Employee's beneficiary or estate, as the case may be, one share of Common Stock for each restricted unit with respect to which the restrictions have lapsed ("vested unit").

(2) In addition, if the Committee has not required the deemed reinvestment of such Dividend Equivalents pursuant to paragraph 4., at such time the Corporation shall deliver to the Employee cash equal to any Dividend Equivalents or stock dividends credited with respect to each such vested unit and, to the extent determined by the Committee, the interest thereupon. However, if the Committee has required such deemed reinvestment in connection with such restricted unit, in addition to the stock represented by such vested unit, the Corporation shall deliver the number of Additional Deemed Shares credited to the Employee with respect to such vested unit.

(3) Notwithstanding the foregoing, the Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only Common Stock for the vested units and related Additional Deemed Shares. If a cash payment is made in lieu of delivering Common Stock, the amount of such cash payment shall be equal to

(a) if the Common Stock is Duly Listed, the closing price of the Common Stock as reported on either a national securities exchange or NASDAQ for the date on which the Restricted Period lapsed with respect to such vested unit and related Additional Deemed Shares (the "Lapse Date") or, if there are no sales on such date, on the next preceding day on which there were sales, or

(b) if the Common Stock is not Duly Listed, the fair market value of the Common Stock for the Lapse Date, as determined by the Committee in good faith.

f. No payment will be required from the Employee upon the award of any restricted units, the crediting or payment of any Dividend Equivalents or Additional Deemed Shares, or the delivery of Common Stock or the payment of cash in respect of vested units, except that any amount necessary to satisfy applicable federal, state, or local tax requirements shall be withheld or paid promptly upon notification of the amount due. The Committee may permit such amount to be paid in shares of Common Stock previously owned by the Employee, or a portion of the shares of Common Stock that otherwise would be distributed to such Employee in respect of vested units and Additional Deemed Shares, or a combination of cash and shares of such Common Stock.

g. In addition, the Committee shall have the right, in its absolute discretion, upon the vesting of any restricted shares (including Additional Restricted Shares) and restricted units (including Additional Deemed Shares) to award cash compensation to the Employee for the purpose of aiding the Employee in the payment of any and all federal, state, and local income taxes payable as a result of such vesting, if the performance of the Corporation during the Restricted Period meets such criteria as then or theretofore determined by the Committee.

11. Termination of Employment or Service. In the event that the employment of an Employee or the service as a director of an Eligible Director to whom an option or right has been granted under the Plan shall be terminated for any reason other than as set forth in paragraph 12., such option or right may, subject to the provisions of the Plan, be exercised (but only to the extent that the Employee or an Eligible Director was entitled to do so at the termination of his employment or service as a director, as the case may be) at any time within three (3) months after such termination, but in no case later than the date on which the option or right terminates.

Unless otherwise determined by the Committee, if an Employee to whom restricted shares or restricted units have been granted ceases to be an Employee, for any reason other than as set forth in paragraph 12., prior to the end of the Restricted Period and the satisfaction of any other conditions prescribed by the Committee, the Employee shall immediately forfeit all restricted shares and restricted units, including all Additional Restricted Shares or Additional Deemed Shares related thereto.

Any option, right, restricted share or restricted unit agreement, or any rules and regulations relating to the Plan, may contain such provisions as the Committee shall approve with reference to the determination of the date employment terminates and the effect of leaves of absence. Any such rules and regulations with reference to any option agreement shall be consistent with the provisions of the Code and any applicable rules and regulations thereunder. Nothing in the Plan or in any award granted pursuant to the Plan shall confer upon any Participant any right to continue in the employ or service of the Corporation or any of its Subsidiaries or interfere in any way with the right of the Corporation or its Subsidiaries to terminate such employment or service at any time.

12. Eligible Retirement, Death, or Total Disability of Employee or Eligible Director, Change in Control. If any Employee or Eligible Director to whom an option, right, restricted share, or restricted unit has been granted

under the Plan shall die or suffer a Total Disability while employed by the Corporation or in the service of the Corporation as a director, if any Employee terminates his employment or any Eligible Director terminates his service as a director pursuant to an Eligible Retirement, or if a Change in Control should occur, such option or right may be exercised as set forth herein, or such restricted shares or restricted unit shall be deemed to be vested, whether or not the Participant was otherwise entitled at such time to exercise such option or right, or be treated as vested in such share or unit. Subject to the restrictions otherwise set forth in the Plan, such option or right shall be exercisable by the Participant, a legatee or legatees of the Participant under the Participant's last will, or by the Participant's personal representatives or distributees, whichever is applicable, at the earlier of

- a. the date on which the option or right terminates in accordance with the term of grant, or
- b. any time prior to the expiration of three (3) months after the date of such Participant's Eligible Retirement, his termination due to total disability, or the occurrence of a Change in Control, or, if applicable, within one year of such Participant's death.

For purposes of this paragraph 12., "Total Disability" is defined as the permanent inability of a Participant, as a result of accident or sickness, to perform any and every duty pertaining to such Participant's occupation or employment for which the Participant is suited by reason of the Participant's previous training, education, and experience.

A "Change in Control" shall be deemed to have occurred upon

- a. a business combination, including a merger or consolidation, of the Corporation and the shareholders of the Corporation prior to the combination do not continue to own, directly or indirectly, more than fifty-one percent (51%) of the equity of the combined entity;

- b. a sale, transfer, or other disposition in one or more transactions (other than in transactions in the ordinary course of business or in the nature of a financing) of the assets or earning power aggregating more than forty-five percent (45%) of the assets or operating revenues of the Corporation to any person or affiliated or associated group of persons (as defined by Rule 12b-2 of the Exchange Act in effect as of the date hereof);

- c. the liquidation of the Corporation;

- d. one or more transactions which result in the acquisition by any person or associated group of persons (other than the Corporation, any employee benefit plan whose beneficiaries are Employees of the Corporation or any of its Subsidiaries, or TCW Special Credits or any of its affiliates) of the beneficial ownership (as defined in Rule 13d-3 of the Exchange Act, in effect as of the date hereof) of forty percent (40%) or more of the Common Stock of the Corporation, securities representing forty percent (40%) or more of the combined voting power of the voting securities of the Corporation which affiliated persons owned less than forty percent (40%) prior to such transaction or transactions; or

- e. the election or appointment, within a twelve (12) month period, of any person or affiliated or associated group, or its or their nominees, to the Board of Directors of the Corporation, such that such persons or nominees, when elected or appointed, constitute a majority of the Board of Directors of the Corporation and whose appointment or election was not approved by a majority of those persons who were directors at the beginning of such period or whose election or appointment was made at the request of an Acquiring Person.

An "Acquiring Person" is any person who, or which, together with all affiliates or associates of such person, is the beneficial owner of twenty percent (20%) or more of the Common Stock of the Corporation then outstanding, except that an Acquiring Person does not include the Corporation or any employee benefit plan of the Corporation or any of its Subsidiaries or any person holding Common Stock of the Corporation for or pursuant to such plan. For the purpose of determining who is an Acquiring Person, the percentage of the outstanding shares of the Common Stock of which a person is a beneficial owner shall be calculated in accordance with Rule 13d-e of the Exchange Act.

13. Adjustments Upon Changes in Capitalization, etc. Notwithstanding any other provision of the Plan, the Committee may at any time make or provide for such adjustments to the Plan, to the number and class of shares available thereunder or to any outstanding options, restricted shares, or restricted units as it shall deem appropriate to prevent dilution or enlargement of rights, including adjustments in the event of distributions to holders of Common Stock other than a normal cash dividend, changes in the outstanding Common Stock by reason of stock dividends, split-ups, recapitalizations, mergers, consolidations, combinations, or exchanges of shares, separations, reorganizations, liquidations, and the like. In the event of any offer to holders of Common Stock generally relating to the acquisition of their shares, the Committee may make such adjustment as it deems equitable in respect of

outstanding options, rights, and restricted units including in the Committee's discretion revision of outstanding options, rights, and restricted units so that they may be exercisable for or payable in the consideration payable in the acquisition transaction. Any such determination by the Committee shall be conclusive. No adjustment shall be made in the minimum number of shares with respect to which an option may be exercised at any time. Any fractional shares resulting from such adjustments to options, rights, limited rights, or restricted units shall be eliminated.

14. Effective Date. The Plan as theretofore amended shall become effective as of February 12, 1993, provided that the Plan shall be approved by the Corporation's stockholders on or before February 11, 1994. The Committee may, in its discretion, grant awards under the Plan, the grant, exercise, or payment of which shall be expressly subject to the conditions that, to the extent required at the time of grant, exercise, or payment,

- a. the shares of Common Stock covered by such awards shall be Duly Listed, upon official notice of issuance, and
- b. if the Corporation deems it necessary or desirable, a Registration Statement under the Securities Act of 1933 with respect to such shares shall be effective.

15. Termination and Amendment. The Board of Directors of the Corporation may suspend, terminate, modify, or amend the Plan, provided that if any such amendment requires shareholder approval to meet the requirement of the then applicable rules under Section 16(b) of the Exchange Act, such amendment shall be subject to the approval of the Corporation's stockholders. If the Plan is terminated, the terms of the Plan shall, notwithstanding such termination, continue to apply to awards granted prior to such termination. In addition, no suspension, termination, modification, or amendment of the Plan may, without the consent of the Employee or Eligible Director to whom an award shall theretofore have been granted, adversely affect the rights of such Employee or Eligible Director under such award.

16. Written Agreements. Each award of options, rights, restricted shares, or restricted units shall be evidenced by a written agreement, executed by the Participant and the Corporation, which shall contain such restrictions, terms and conditions as the Committee may require.

17. Effect on Other Stock Plans. The adoption of the Plan shall have no effect on awards made, or to be made, pursuant to other stock plans covering Employees or Eligible Directors of the Corporation or any successors thereto.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion provides an analysis of the information contained in the consolidated financial statements and accompanying notes beginning on page 26 for the three years ended January 3, 1998.

Highlights

The engine of our sales growth in 1997 again was electronics. Electronics sales increased 20% in US dollars and 22% in constant currency. Over the last five years, electronics sales have grown at a compounded annual rate of 15%. Automotive sales in 1997 increased 9% in US dollars and 13% in constant currency. Europe's automotive sales were very strong in local currencies. Over the last five years, automotive sales have grown at a compounded annual rate of 12%. Power fuse sales in 1997 increased 8% both in US dollars and in constant currency. Over the last five years, power fuse sales have grown at a compounded annual rate of 10%. The company's focus on international sales and marketing produced significant results in 1997 as sales outside North America grew 20% compared to 11% sales growth in North America.

Sales increased 14 percent during 1997 compared to 1996. Operating income for 1997 increased 16 percent compared to the prior year and net income increased by 17 percent. Earnings before interest, taxes, depreciation and amortization (EBITDA) increased 10 percent in 1997 compared to the prior year. The company repurchased 210,000 warrants and 205,000 shares of its common stock for \$8.6 million during the year and our debt decreased \$4.0 million. The company reduced its total debt to equity ratio to .40 to 1 at the end of 1997 from .50 to 1 at the end of 1996.

The company made significant new product introductions and international facility expansions during 1997. In the spring, we introduced a new alarm indicating fuse for use in the electronics industry and a new JCASE cartridge style fuse for 20 to 60 amp applications in the automotive market. In the fall, we introduced an expanded line of indicating fuses in the electrical market and a surface mount polymeric PTC device for use in the electronics industry. This latest device is our downsized SMD entry into the conductive polymeric resettable market.

The company also made significant investments for the future, completing a facility addition in Switzerland for molding equipment and auto MAXI fuse production and substantially completing a small facility addition in Des Plaines to increase thin-film production capacity. The company also made a significant investment in equipment and tooling to add capacity for auto MINI fuses and for electronic PICO fuses and to support our new electronic surface mount resettable PTC device production.

Results of Operations 1997 Compared with 1996

Littelfuse had record sales and earnings for the sixth straight year. Sales increased 14 percent to \$275.2 million in 1997 from \$241.4 million in 1996. The gross margin was 40.4% compared to 40.7% the prior year and operating income was 15.9% of net sales compared to 15.6% the prior year. EBITDA was \$65.1 million compared to \$59.4 million in 1996. As a result, the company during 1997 was able to invest \$18.9 million in capital improvements and to repurchase \$8.6 million of its warrants and common stock, while decreasing its debt \$4.0 million.

Sales increased \$33.8 million during 1997. The sales growth was strongest in the electronics segment, followed by automotive and power fuses. Electronic sales increased \$22.7 million or 20 percent to \$135.3 million in 1997 compared to \$112.7 million in 1996. The electronics business was very strong in personal computers, tele- and data-communications as well as consumer electronics throughout the year. Electronics sales enjoyed significant growth Asia-Pacific, Europe and North America in 1997. Automotive sales increased \$8.4 million or 9 percent to \$102.8 million in 1997 compared to \$94.4 million in 1996. Automotive sales were very strong in the OEM markets, while they declined slightly in the automotive aftermarket on a worldwide basis. Power fuse sales increased \$2.7 million or 8 percent to \$37.0 million in 1997 compared to \$34.4 million in 1996. The company believes that its power fuse business grew twice as fast as the underlying markets for capital equipment and construction spending during 1997.

The company's business is dependent on general economic conditions in North America, Europe and Asia-Pacific. The company's electronic and automotive product sales fluctuate with the trends in their respective end-product markets, while power fuse sales are dependent on conditions within the construction and capital equipment markets. North American and Asia-Pacific sales are denominated primarily in US dollars, while European sales generally are denominated in Dutch guilders or British pounds. On a constant currency basis, our European sales growth would have been 16 percent rather than the 5 percent reported, our Asia-Pacific sales growth would have been 36 percent rather than the 32 percent reported, and our consolidated sales growth would have been 16 percent rather than the 14 percent reported.

Gross profit was 40.4% at \$111.1 million for 1997 compared to 40.7% at \$98.3 million in 1996. The gross margin decline of 32 basis points was primarily caused by the lower margins of our new China and Korean operations having a greater impact than our margin improvements due to cost reductions and spreading our fixed costs over higher sales in North America and Europe. Margins for both the automotive and power fuse product segments improved during 1997, while the

margins for the electronic segment declined slightly primarily due to lower Asia-Pacific margins. Auto margins improved due to favorable mix as the fuse portion of automotive OEM sales grew to about 94 percent of sales in 1997 compared to about 90 percent of sales in 1996.

Selling, general and administrative expenses were 21.9% of sales for 1997 compared to 22.2% for 1996, with selling expenses accounting for approximately three-fifths of the expenses. The 34 basis point decrease was due primarily to fixed selling expenses being spread over higher sales. The increase in general and administrative expense was due primarily to the installation of new information systems. The decrease in research and development was due to lower legal patent expense. Amortization of reorganization value and other intangibles was 2.6% of sales for 1997 compared to 2.9% the prior year. The total operating expenses including intangible amortization were 24.5% of sales for 1997 compared to 25.1% of sales for 1996.

Operating income for 1997 after the intangible amortization was \$43.7 million or 15.9% of sales compared to \$37.7 million or 15.6% of sales the prior year. On a constant currency basis, Europe's operating income was unchanged since the currency translation losses were offset by currency translation gains on intercompany transactions with the US. On a constant currency basis, Asia-Pacific's operating income was reduced since the currency translation losses were additive to the translation losses on the intercompany transactions. The Asia-Pacific operating income would have been \$0.5 million more and taxes would have been \$0.3 million less on a constant currency basis.

Interest expense was \$4.1 million for 1997 compared to \$4.2 million for 1996 due to declining debt levels during the year. Other income, net, consisting of royalties, minority interest adjustments, revaluation of the Korean non-compete agreement and government grants, was \$1.0 million compared to \$0.7 million the prior year.

Income before taxes was \$40.7 million in 1997 compared to \$34.1 million in 1996. Income tax expense was \$15.3 million in 1997 compared to \$12.4 million the prior year. The company's effective tax rate was 37 2/3% in 1997 compared to 36 1/4% in 1996. Net income for the year was \$25.3 million in 1997 compared to \$21.7 million the prior year. Diluted earnings per share (split adjusted) increased to \$1.07 in 1997 compared to \$0.91 in 1996.

EBITDA grew \$5.7 million or 10% to \$65.1 million in 1997 compared to \$59.4 million in 1996. EBITDA was 23.7% of sales in 1997 compared to 24.6% of sales in 1996. EBITDA for 1997 consisted of the reported operating income of \$43.8 million plus other income of \$1.0 million, depreciation of \$13.2 million, and amortization of intangibles of \$7.2 million.

1996 Compared with 1995

Sales increased 10 percent to \$241.4 million in 1996 from \$219.5 million in 1995. The gross margin was 40.7% compared to 40.9% the prior year and operating income was 15.6% of net sales compared to 15.4% the prior year. EBITDA was \$59.4 million compared to \$52.4 million in 1995. As a result, the company during 1996 was able to invest \$17.1 million in capital improvements and to repurchase \$26.8 million of its warrants and common stock, while only increasing its debt \$3.7 million.

Sales increased \$21.9 million during 1996. The sales growth was strongest in the automotive segment, followed by electronics and power fuses. Electronic sales increased \$8.9 million or 9 percent to \$112.7 million in 1996 compared to \$103.8 million in 1995. The electronics business was very strong in consumer electronics and datacommunications all year. This resulted in very strong sales growth in Japan for the year. However, the electronics business was relatively weak in personal computers, telecommunications and general industrial until late in the year. Automotive sales increased \$11.0 million or 13 percent to \$94.4 million in 1996 compared to \$83.4 million in 1995. Automotive sales were very strong in Europe for the year and automotive OEM markets were relatively stronger than automotive aftermarkets all year in North America and Europe. Power fuse sales increased \$2.0 million or 6 percent to \$34.4 million in 1996 compared to \$32.4 million in 1995. The company believes that its power fuse business grew slightly faster than the underlying markets for capital equipment and construction spending during 1996. The company's reported sales in North America increased 6 percent during 1996, while its sales in Europe increased 11 percent, and its sales in Asia-Pacific increased 28 percent. On a constant currency basis our European sales growth would have been 15 percent rather than the 11 percent reported and our consolidated sales growth would have been 11 percent rather than the 10 percent reported.

Gross profit was 40.7% at \$98.3 million for 1996 compared to 40.9% at \$89.9 million in 1995. The gross margin decline of 20 basis points was primarily caused by the relatively low margins of our new China and Korean operations having a greater impact than our margin improvements due to cost reductions and spreading our fixed costs over higher sales in North America and Europe. Margins for both the automotive and power fuse product segments improved during 1996, while the margins for the electronic segment declined slightly primarily due to lower volume than planned. Auto margins improved due to favorable mix as the fuse portion of automotive OEM sales grew to about 90 percent of sales in 1996 compared to about 80 percent of sales in 1995.

Selling, general and administrative expenses were 22.2% of sales for 1996 compared to 22.6% for 1995, with selling expenses accounting for approximately three-fifths of the expenses. The 40 basis point decrease was due to the general and administrative expense increase of 20 basis points being more than offset by the research and development decrease of 60 basis points. The increase in general and administrative expense was due primarily to the installation of new information systems. The decrease in research and development was due to lower project and patent expenses. Amortization of reorganization value and other intangibles was 2.9% of sales for 1996 compared to 3.0% the prior year. The total operating expenses including intangible amortization were 25.1% of sales for 1996 compared to 25.6% of sales for 1995.

Operating income for 1996 after the intangible amortization was \$37.7 million or 15.6% of sales compared to \$33.7 million or 15.4% of sales the prior year. On a constant currency basis, Europe's increase in operating income would have been \$0.5 million higher. Therefore, currency changes reduced Europe's operating income about 4 percent and reduced consolidated operating income about 1 percent.

Interest expense was \$4.2 million for 1996 compared to \$4.3 million for 1995. Interest rates declined slightly and debt increased slightly year over year due to the stock and warrant repurchase program. Other income, net, consisting primarily of minority interest adjustments and royalties, was \$0.7 million compared to \$0.4 million the prior year.

Income before taxes was \$34.1 million in 1996 compared to \$29.9 million in 1995. Income tax expense was \$12.4 million in 1996 compared to \$10.6 million the prior year. The company's effective tax rate was 36 1/4% in 1996 compared to 35 1/2% in 1995. Net income for the year was \$21.7 million in 1996 compared to \$19.3 million the prior year. Diluted earnings per share (split adjusted) increased to \$0.91 in 1996 compared to \$0.78 in 1995, in part because the company's stock and warrant repurchase program reduced the number of shares outstanding.

EBITDA grew \$7.0 million or 13 1/2% to \$59.4 million in 1996 compared to \$52.4 million in 1995. EBITDA was 24.6% of sales in 1996 compared to 23.8% of sales in 1995 -- an improvement of 80 basis points. EBITDA for 1996 consisted of the reported operating income of \$37.7 million plus other income of \$0.7 million, depreciation of \$14.0 million, and amortization of intangibles of \$7.0 million.

Geographical Business Segments

During the last five years, the company's international sales have grown dramatically as a result of increased Asia-Pacific and European sales efforts, new product introductions, and generally strong Asia-Pacific and European economies. International sales increased 20% in 1997 compared to 20% in 1996, 32% in 1995 and 35% in 1994. USA sales growth was 10 percent in 1997 compared to 5 percent in 1996, 5 percent in 1995 and 16 percent in 1994. Over the last five years international sales have increased at a compounded annual rate of 23% versus a USA sales compounded annual growth rate of 8 1/4%.

The geographic area of greatest sales growth during the past five years has been the Asia Pacific region. Sales growth in Europe has averaged higher than in the U.S.A. International sales grew to 40.6% of net sales in 1997 compared to 38.5 % of net sales in 1996, 35.3% of net sales in 1995 and 30.1% of net sales in 1994.

The following table summarizes sales based upon destination and total international sales compared to total company net sales (in thousands):

| | 1997 | 1996 | 1995 | 1994 |
|-----------------------------------|-----------|-----------|-----------|-----------|
| USA Destinations | \$163,539 | \$148,588 | \$142,070 | \$135,865 |
| Other Americas | 9,775 | 8,009 | 6,398 | 6,144 |
| Europe | 39,949 | 38,077 | 34,448 | 25,017 |
| Asia-Pacific & other | 61,902 | 46,772 | 36,619 | 27,428 |
| Total company sales | \$275,165 | \$241,446 | \$219,535 | \$194,454 |
| Total international sales | \$111,626 | \$92,858 | \$77,465 | \$58,589 |
| As percent of total company sales | 40.6% | 38.5% | 35.3% | 30.1% |

Liquidity and Capital Resources

Assuming no material adverse changes in market conditions, management expects that the company will have sufficient cash from operations to support both its operations and its debt obligations for the foreseeable future. Approximately eighty percent of the company's sales are denominated in US dollars with the balance primarily in two European currencies, Dutch guilders and British pounds, and in one Asian currency, Korean won. Since over seventy percent of European costs also are in European currencies and the rest of Europe's and the company's costs predominately are denominated in US dollars, the company has decided not to hedge its monetary assets, liabilities or commitments at this time. The company did not have any foreign exchange derivative positions at year end 1997.

Littelfuse started 1997 with \$1.4 million of cash. Net cash provided by operations was \$36.8 million for the year. Cash used to invest in net property, plant and equipment was \$18.9 million, to invest in a new Korean acquisition called Samjoo was \$5.3 million and to make a non-compete payment was \$0.4 million. Cash used in financing activities included net payments of long term debt of \$5.2 million. The purchase of the company's warrants and common stock for \$8.6 million was partially offset by cash proceeds from the exercise of stock options of \$1.0 million. The effect of exchange rate changes decreased cash by \$0.1 million. The net of cash provided by operations, less investing activities, less financing activities, plus the effect of exchange rates

resulted in an \$0.6 million net decrease in cash. This left the company with a cash balance of \$0.8 million at the end of 1997.

Net working capital used \$9.4 million of cash flow from operations for 1997. All asset categories used working capital. Accounts receivable increased \$3.3 million and inventory increased \$8.3 million. Most accruals provided working capital for the year. Accounts payable, accrued payroll, and accrued and deferred taxes each increased by a little less than \$1 million and provided funds over \$2.5 million. Accrued expenses declined \$0.6 million using funds of that amount. Net working capital changes in 1998 probably will result in a small use of cash, as the company expects current asset increases to exceed current liability increases in 1998.

Littelfuse started 1996 with \$1.3 million of cash. Net cash provided by operations was \$40.3 million for the year, a significant improvement over 1995. Cash used to invest in net property, plant and equipment was \$17.1 million and to make a non-compete payment was \$0.3 million. Cash used in financing activities included net borrowings of long term debt of \$4.2 million. The purchase of the company's warrants and common stock for \$26.8 million was partially offset by cash proceeds from the exercise of stock options of \$0.3 million. The effect of exchange rate changes decreased cash by \$0.4 million. The net of cash provided by operations, less investing activities, less financing activities, plus the effect of exchange rates resulted in an \$0.1 million net increase in cash. This left the company with a cash balance of \$1.4 million at the end of 1996.

Net working capital used only \$1.3 million of cash flow from operations for 1996. All asset categories used working capital, except prepaid expenses, which declined \$0.4 million. Accounts receivable increased \$5.6 million and inventory increased \$1.8 million. All accruals provided working capital for the year. The greatest benefit in 1996 compared to 1995 came from large increases in accrued taxes of \$2.4 million. Accounts payable, accrued payroll, and accrued expenses each increased by about \$1.0 million and provided funds of almost \$2.9 million.

The company's capital expenditures were \$18.9 million in 1997, \$17.1 million in 1996 and \$14.6 million in 1995. The company expects that capital expenditures will be approximately \$22 million or 7.3% of sales in 1998 compared to 6.9% of sales in 1997, 7.1% in 1996 and 6.7% in 1995. The primary purposes for capital expenditures are for capacity expansion and new product tooling and production equipment. As in 1996, capital expenditures in 1997 are expected to be financed by cash flow from operations.

The company decreased total debt \$5.2 million in 1997, after increasing debt by \$4.2 million in 1996 and increasing debt by \$17.1 million in 1995. The company is required to repay \$9.0 million of long-term debt in 1998. The company also repurchased 210,000 warrants and 205,000 common shares for \$8.6 million in 1997, 1,342,000 warrants and 570,000 common shares for \$26.8 million in 1996, and 220,000 common shares for \$3.5 million in 1995.

Net working capital (working capital less cash and the current portion of long-term debt), as a percent of sales was 15.1% at year-end 1997 compared to 13.0% at year-end 1996 and to 12.7% at year-end 1995. The days sales in receivables was approximately 52 days at year-end 1997 compared to 52 days at year-end 1996 and 51 days at year-end 1995. This was excellent performance as our international sales increased but our days sales outstanding did not increase. The days inventory outstanding was approximately 89 days at year-end 1997 compared to 79 days at year-end 1996 and 89 days at year-end 1995. The days inventory outstanding increase in 1997 of 10 days or about \$4.0 million was due to new products such as electronic resettables and power fuse indicator product.

The ratio of current assets to current liabilities was 1.6 to 1 at year-end 1997 compared to 1.4 to 1 at year-end 1996 and 1.4 to 1 at year-end 1995. The ratio of long-term debt to equity was 0.3 to 1 at year-end 1997 compared to 0.4 to 1 at year-end 1996 and 1995.

Long-term debt at year-end 1997 consisted of five types of debt totaling \$50.6 million. They are as follows: (1) senior notes due August 2000, totaling \$27.0 million, (2) US revolver borrowings totaling \$20.0 million, (3) foreign revolver borrowings totaling \$2.3 million, (4) notes payable relating to an agreement not to compete totaling \$0.5 million, and (5) mortgage notes totaling \$0.8 million. These five items include \$10.2 million of senior notes, non-compete notes and mortgage notes, which are considered to be current liabilities, resulting in net long-term debt totaling \$40.4 million at the end of the year. The revolver carried an interest rate of LIBOR + 0.5% during 1997 or approximately 6.4%. The company expects the interest rate paid on the bank debt to be approximately the same during the first half of 1998. The company at the end of 1997 had unused revolver availability of \$45.0 million. In addition, the company had outstanding letters of credit totaling \$1.8 million at year-end 1997.

On April 25, 1997 the company announced that its Board of Directors had authorized the company to repurchase up to 2,000,000 shares of its common stock or 2,000,000 of its warrants, or any combination not to exceed 2,000,000 shares of common stock and warrants, from time to time depending on market conditions. The company repurchased 105,000 common shares since the April 25, 1997, authorization through year-end 1997.

On April 25, 1997, the Company's Board of Directors approved a two-for-one stock split to stockholders of record on May 20, 1997, payable June 10, 1997, in the form of a stock dividend. All prior year number of share and per share amounts have been restated to reflect the stock split.

Recently Issued Accounting Pronouncements

In June 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income" (SFAS 130). SFAS 130 establishes standards for reporting and display of comprehensive income and its components in the financial statements. SFAS 130 is effective for fiscal years beginning after December 15, 1997. The company is in the process of evaluating the specific requirements of SFAS 130. However, it

believes the adoption of SFAS 130 will have no impact on the company's consolidated results of operations, financial position, or cash flows.

In June 1997, the FASB issued SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). SFAS 131 establishes standards for the way in which public business enterprises report information about operating segments in annual financial statements and interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. SFAS 131 is effective for financial statements for fiscal years beginning after December 15, 1997. Management has evaluated the disclosure requirements of SFAS 131 and believes that its adoption will not have a significant impact on the company's reported segments.

Year 2000 Issues

Many currently installed computer systems and software programs, including many of those used by the company, are coded to accept only two digit entries into the date code field. Beginning in the year 2000, these date code fields will need to accept four digit entries to distinguish 21st century dates from 20th century dates. Therefore, the company's date critical functions related to the year 2000 and beyond, such as sales, distribution, purchasing, inventory control, planning and replenishment, facilities, and financial systems may be adversely affected unless these computer systems are or become year 2000 compliant.

The company has hired two outside consulting firms to assess the systems and procedures and to inform us what actions will be needed to address our year 2000 issues. The company expects that the results of the assessment will indicate that the company will have to replace or modify certain portions of its software so that the company's computer systems will function properly with respect to dates in the year 2000 and after. Certain software used by the company is licensed from third party vendors who have planned releases addressing this issue. Other software has been internally generated by the company.

We currently have in excess of one million dollars in our total planned expenditures for the next two years to address the year 2000 issues. The company has the cash resources to increase this investment if our circumstances call for a higher level of expenditure.

Outlook

Littelfuse has enjoyed compounded annual sales growth of 13% for the last five years. Although Littelfuse expects to increase market share during 1998 - particularly in the electronics segment in South Asia and Europe, in the automotive segment in Europe, and in the power fuse segment in North America - the company expects the sales increases in 1998 to be lower than our last five year average. We expect sales growth to be slower in the first and fourth quarter and stronger in the second and third quarter.

Littelfuse expects costs to increase modestly in 1998. Although costs and expenses will rise with inflationary pressures, the company's productivity gains and continued control of spending should help to offset this pressure as we have previously succeeded in doing. The company does expect modest gross margin pressure from expenses related to the consolidation of the Korean operations and the launching of new products including the downsized surface mount resettable PTC devices, the automotive JCASE, and the electronic SMT fuse and chip protector.

The development of new products, global expansion, and reinvestment for the future are the cornerstones of Littelfuse's growth strategy. Accordingly, the company intends to continue its commitment to funding research and development, international sales and marketing activity, and investments in capital equipment and operations improvements.

Littelfuse has significantly improved its return on net assets and its return on capital employed the last five years. The company's return on net tangible assets was 25.8% in 1997 compared to 25.0% in 1996 and 23.8% in 1995, or over 50 percent better than the S&P 500 return on net tangible assets. The company's return on capital employed was 14.6% in 1997 compared to 13.3% in 1996 and 11.8% in 1995, or over 25 percent better than the S&P 500 return on capital employed. These two comparisons demonstrate the company's ability to deliver above-average returns on investment for its shareholders.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995 The statements under "Outlook" and the other statements which are not historical facts contained in this report are forward-looking statements that 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, commercialization and technological difficulties, capacity and supply constraints or difficulties, the results of financing efforts, actual purchases under agreements, the effect of the company's accounting policies, and other risks which may be detailed in the company's Securities and Exchange Commission filings.

Report of Independent Auditors

The Board of Directors and Shareholders
Littelfuse, Inc.

We have audited the consolidated statements of financial condition of Littelfuse, Inc. and subsidiaries as of January 3, 1998 and December 28, 1996,

and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended January 3, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Littelfuse, Inc. and subsidiaries as of January 3, 1998 and December 28, 1996, and the consolidated results of their operations and their cash flows for each of the three years in the period ended January 3, 1998, in conformity with generally accepted accounting principles.

January 23, 1998

Littelfuse, Inc. and Subsidiaries
Consolidated Statements of Financial Condition

| | January 3 1998 | December 28 1996 |
|---|----------------|------------------|
| ----- (In Thousands) ----- | | |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 755 | \$ 1,427 |
| Accounts receivable, less allowances (1997 - \$5,899; 1996 - \$5,057) | 37,458 | 35,468 |
| Inventories | 39,075 | 31,586 |
| Deferred income taxes | 3,672 | 3,100 |
| Prepaid expenses and other current assets | 2,896 | 2,228 |
| ----- | | |
| Total current assets | 83,856 | 73,809 |
| Property, plant, and equipment: | | |
| Land | 6,355 | 5,383 |
| Buildings | 23,152 | 19,271 |
| Equipment | 111,723 | 96,657 |
| ----- | | |
| | 141,230 | 121,311 |
| Less: Allowances for depreciation and amortization | 70,467 | 57,422 |
| ----- | | |
| | 70,763 | 63,889 |
| Intangible assets, net of amortization: | | |
| Reorganization value in excess of amounts allocable to identifiable assets | 41,202 | 44,635 |
| Patents and licenses | 8,785 | 11,102 |
| Distribution network | 7,126 | 7,935 |
| Trademarks | 3,527 | 3,784 |
| Other | 3,348 | 1,157 |
| ----- | | |
| | 63,988 | 68,613 |
| Other assets | 3,278 | 3,640 |
| ----- | | |
| | \$221,885 | \$209,951 |
| ===== | | |

Littelfuse, Inc. and Subsidiaries

Consolidated Statements of Financial Condition (continued)

| | January 3 1998 | December 28 1996 |
|--|----------------------------------|------------------|
| | ----- (In Thousands) ----- | |
| Liabilities and shareholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 13,858 | \$ 12,775 |
| Accrued payroll | 10,316 | 9,330 |
| Accrued expenses | 7,427 | 8,159 |
| Accrued income taxes | 9,952 | 10,775 |
| Current portion of long-term debt | 10,172 | 10,005 |
| | ----- | |
| Total current liabilities | 51,725 | 51,044 |
| Long-term debt, less current portion | 40,385 | 44,556 |
| Deferred income taxes | 6,205 | 5,417 |
| Minority interest in subsidiary | 65 | 312 |
| Shareholders' equity: | | |
| Preferred stock, par value \$.01 per share: 1,000,000 shares authorized; no shares issued and outstanding | - | - |
| Common stock, par value \$.01 per share: 38,000,000 shares authorized; shares issued and outstanding, 1997 - 19,873,140; 1996 - 19,775,358 | 199 | 198 |
| Additional paid-in capital | 52,540 | 54,569 |
| Notes receivable - Common stock | (1,960) | (1,470) |
| Cumulative foreign currency translation adjustment | (4,767) | (870) |
| Retained earnings | 77,493 | 56,195 |
| | ----- | |
| | 123,505 | 108,622 |
| | ----- | |
| | \$221,885 | \$209,951 |
| | ===== | |

See accompanying notes.

Littelfuse, Inc. and Subsidiaries

Consolidated Statements of Income

| | Year ended January 3 1998 | Year ended December 28 1996 | Year ended December 31 1995 |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| (In Thousands, Except Per Share Amounts) | | | |
| Net sales | \$275,165 | \$241,446 | \$219,535 |
| Cost of sales | 164,034 | 143,158 | 129,663 |
| Gross profit | 111,131 | 98,288 | 89,872 |
| Selling expenses | 38,266 | 34,369 | 31,278 |
| Research and development expenses | 7,927 | 7,330 | 7,901 |
| General and administrative expenses | 13,960 | 11,912 | 10,334 |
| Amortization of intangibles | 7,210 | 7,008 | 6,630 |
| Operating income | 43,768 | 37,669 | 33,729 |
| Interest expense | 4,103 | 4,235 | 4,279 |
| Other income, net | (987) | (660) | (430) |
| Income before income taxes | 40,652 | 34,094 | 29,880 |
| Income taxes | 15,310 | 12,359 | 10,608 |
| Net income | \$ 25,342 | \$ 21,735 | \$ 19,272 |
| Net income per share: | | | |
| Basic | \$ 1.28 | \$ 1.09 | \$ 0.95 |
| Diluted | \$ 1.07 | \$ 0.91 | \$ 0.78 |

See accompanying notes.

Littelfuse, Inc. and Subsidiaries
Consolidated Statements of Cash Flows

| | Year ended January 3 1998 | Year ended December 28 1996 | Year ended December 31 1995 |
|---|---------------------------------|-----------------------------------|-----------------------------------|
| ----- | | | |
| (In Thousands) | | | |
| Operating activities | | | |
| Net income | \$25,342 | \$21,735 | \$19,272 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation | 13,184 | 14,057 | 11,569 |
| Amortization of intangibles | 7,210 | 7,008 | 6,630 |
| Provision for bad debts | 410 | 236 | 160 |
| Deferred income taxes | 215 | (962) | (78) |
| Minority interest | (159) | (411) | (61) |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | (3,331) | (5,630) | (3,303) |
| Inventories | (8,281) | (1,816) | (1,782) |
| Accounts payable and accrued expenses | 1,950 | 6,550 | 1,408 |
| Other, net | 217 | (424) | 1,086 |
| | ----- | ----- | ----- |
| Net cash provided by operating activities | 36,757 | 40,343 | 34,901 |
| Investing activities | | | |
| Purchases of property, plant, and equipment, net | (18,936) | (17,094) | (14,636) |
| Purchase of business | (5,268) | - | - |
| Other | (357) | (341) | (276) |
| | ----- | ----- | ----- |
| Net cash used in investing activities | (24,561) | (17,435) | (14,912) |
| Financing activities | | | |
| Proceeds (payments) of long-term debt, net | (5,192) | 4,196 | (17,028) |
| Proceeds from exercise of stock options and warrants | 1,055 | 276 | 570 |
| Purchases of common stock and redemption of warrants | (8,642) | (26,845) | (3,533) |
| | ----- | ----- | ----- |
| Net cash used in financing activities | (12,779) | (22,373) | (19,991) |
| Effect of exchange rate changes on cash | (89) | (416) | 48 |
| | ----- | ----- | ----- |
| Increase (decrease) in cash and cash equivalents | (672) | 119 | 46 |
| Cash and cash equivalents at beginning of year | 1,427 | 1,308 | 1,262 |
| | ===== | ===== | ===== |
| Cash and cash equivalents at end of year | \$ 755 | \$ 1,427 | \$ 1,308 |
| | ===== | ===== | ===== |

See accompanying notes.

Littelfuse, Inc. and Subsidiaries

Consolidated Statements of Shareholders' Equity

Period from January 1, 1995 to January 3, 1998

| | Common Stock | Additional Paid-in Capital | Notes Receivable - Common Stock | Cumulative Foreign Currency Translation Adjustment | Retained Earnings | Total |
|--|-----------------|----------------------------------|---------------------------------------|---|----------------------|-----------|
| (In Thousands) | | | | | | |
| Balance at January 1, 1995 | \$202 | \$70,484 | \$ - | \$ (855) | \$25,868 | \$ 95,699 |
| Stock options and warrants exercised | 2 | 1,778 | (571) | - | - | 1,209 |
| Purchase of 220,000 shares of common stock | (2) | (768) | - | - | (2,763) | (3,533) |
| Translation adjustment | - | - | - | 735 | - | 735 |
| Net income for the year | - | - | - | - | 19,272 | 19,272 |
| Balance at December 31, 1995 | 202 | 71,494 | (571) | (120) | 42,377 | 113,382 |
| Stock options and warrants exercised | 2 | 1,997 | (899) | - | - | 1,100 |
| Purchase of 570,260 shares of common stock | (6) | (1,986) | - | - | (7,917) | (9,909) |
| Redemption of 1,342,120 warrants | - | (16,936) | - | - | - | (16,936) |
| Translation adjustment | - | - | - | (750) | - | (750) |
| Net income for the year | - | - | - | - | 21,735 | 21,735 |
| Balance at December 28, 1996 | 198 | 54,569 | (1,470) | (870) | 56,195 | 108,622 |
| Stock options and warrants exercised | 3 | 2,567 | (490) | - | - | 2,080 |
| Purchase of 205,000 shares of common stock | (2) | (720) | - | - | (4,044) | (4,766) |
| Redemption of 210,250 warrants | - | (3,876) | - | - | - | (3,876) |
| Translation adjustment | - | - | - | (3,897) | - | (3,897) |
| Net income for the year | - | - | - | - | 25,342 | 25,342 |
| Balance at January 3, 1998 | \$199 | \$52,540 | \$(1,960) | \$(4,767) | \$77,493 | \$123,505 |

See accompanying notes.

Littelfuse, Inc. and Subsidiaries

Notes to Consolidated Financial Statements

January 3, 1998 and December 28, 1996

1. Summary of Significant Accounting Policies and Other Information

Nature of Operations

Littelfuse, Inc. and its subsidiaries (the Company) design, manufacture, and sell fuses and other circuit protection devices for use in the automotive, electronic, and general industrial markets throughout the world. The Company also manufactures and supplies relays, switches, circuit breakers, and indicator lights to the automotive industry and to appliance and general electronics manufacturers. The Company's operations represent a single industry segment for accounting purposes.

Fiscal Year

Effective January 1, 1996, the Company changed its fiscal year end from December 31 to a 52-53-week year ending on the Saturday nearest December 31. The Company's 1997 fiscal year ended January 3, 1998 contained 53 weeks. The Company's 1996 fiscal year ended December 28, 1996 contained 52 weeks.

Principles of Consolidation

The consolidated financial statements include the accounts of Littelfuse, Inc. and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Cash Equivalents

All highly liquid investments, with a maturity of three months or less when purchased, are considered to be cash equivalents.

Accounts Receivable

The Company performs credit evaluations of customers' financial condition and generally does not require collateral. Credit losses are provided for in the financial statements and consistently have been within management's expectations.

Inventories

Inventories are stated at the lower of cost (first in, first out method) or market, which approximates current replacement cost.

Property, Plant, and Equipment

Land, buildings, and equipment are carried at cost. Depreciation is provided under accelerated methods using useful lives of 21 years for buildings, 7 to 9 years for equipment, and 7 years for furniture and fixtures. Tooling and computer software are depreciated using the straight-line method over 5 years and 3 years, respectively.

Intangible Assets

Reorganization value in excess of amounts allocable to identifiable assets and trademarks are amortized using the straight-line method over 20 years. Patents are amortized using the straight-line method over their estimated useful lives, which average approximately 10 years. The distribution network is amortized using an accelerated method over 20 years. Licenses are amortized using an accelerated method over their estimated useful lives, which average approximately nine years. Other intangible assets consist principally of an agreement not to compete that is being amortized over the three-year term of the agreement and goodwill that is being amortized over 20 years. Accumulated amortization of these intangible assets was \$39.9 million at January 3, 1998, and \$34.3 million at December 28, 1996.

Revenue Recognition

Sales and associated costs are recognized when products are shipped to customers.

Advertising Costs

The Company expenses advertising costs as incurred which amounted to \$2.8 million in 1997, \$2.7 million in 1996, and \$3.1 million in 1995.

Foreign Currency Translation

The financial statements of foreign entities have been translated in accordance with Statement of Financial Accounting Standards No. 52 and, accordingly, unrealized foreign currency translation adjustments are reflected as a component of shareholders' equity.

Per-Share Data

In February 1997, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share" (SFAS 128). SFAS 128 simplifies the standards for computing earnings per share and is effective for financial statements for both interim and annual periods ending after December 15, 1997. The Company has adopted SFAS 128, and has restated all prior periods presented to conform with the requirements of SFAS 128.

Stock-Based Compensation

The Company accounts for stock option grants to employees and directors in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB No. 25). The Company grants stock options for a fixed number of shares with an exercise price equal to the market price of the underlying stock at the date of grant and, accordingly, does not recognize compensation expense.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In June 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income" (SFAS 130). SFAS 130 establishes standards for reporting and display of comprehensive income and its components in the financial statements. SFAS 130 is effective for fiscal years beginning after December 15, 1997. The Company is in the process of evaluating the specific requirements of SFAS 130. However, it believes the adoption of SFAS 130 will have no impact on the Company's consolidated results of operations, financial position, or cash flows.

In June 1997, the FASB issued SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131). SFAS 131 establishes standards for the way in which public business enterprises report information about operating segments in annual financial statements and interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. SFAS 131 is effective for financial statements for fiscal years beginning after December 15, 1997. Management has evaluated the disclosure requirements of SFAS 131 and believes that its adoption will not have a significant impact on the Company's reported segments.

Reclassifications

Certain amounts in the 1996 and 1995 financial statements have been reclassified to conform with the 1997 financial statement presentation.

2. Acquisition of Business

On May 30, 1997, the Company invested \$5.3 million in exchange for a 97% interest in Samjoo Elec. Ind. Co. Ltd., a Korean fuse manufacturer, now doing business as Littelfuse Triad. This acquisition has been accounted for through the use of the purchase method of accounting. Accordingly, the accompanying financial statements include the results of its operations since the acquisition date. Goodwill arising from this acquisition of approximately \$2.9 million is being amortized over twenty years. Pro forma results of operations, assuming this acquisition had occurred as of January 1, 1996, would not differ materially from reported results of operations.

3. Inventories

The components of inventories are as follows at January 3, 1998 and December 28, 1996 (in thousands):

| | 1997 | 1996 |
|-----------------|----------|----------|
| Raw materials | \$ 8,788 | \$ 8,411 |
| Work in process | 3,556 | 3,263 |
| Finished goods | 26,731 | 19,912 |
| | \$39,075 | \$31,586 |

4. Long-Term Debt

The carrying amounts of long-term debt, which approximate fair value, are as follows at January 3, 1998 and December 28, 1996 (in thousands):

| | 1997 | 1996 |
|--------------------------|----------|----------|
| Senior Notes | \$27,000 | \$36,000 |
| Revolver | 20,000 | 16,500 |
| Other | 3,557 | 2,061 |
| | 50,557 | 54,561 |
| Less: Current maturities | 10,172 | 10,005 |
| | \$40,385 | \$44,556 |

The Company has an unsecured financing arrangement consisting of Senior Notes with insurance companies and a Credit Agreement with banks that provides a \$65,000,000 revolving loan facility. The Senior Notes require a minimum principal payment of \$9,000,000 annually. The first payment was made August 30, 1996. Additional principal payments will be made each year through 2000. No principal payments are required for borrowings against the revolving line of credit until the line matures on August 31, 2000. A commitment fee on the daily unborrowed portion of the revolving credit line is based on the Company's debt-to-capital ratio, and is payable quarterly. The Company can make additional prepayments under the Credit Agreement at any time without penalty.

Interest is payable semiannually on the Senior Notes at 6.31%. Interest is payable quarterly under the Credit Agreement borrowings at LIBOR plus a Eurodollar margin. The Eurodollar margin, which is based on the Company's debt to capital ratio, amounted to .5% at January 3, 1998. The Company's interest rate under the Credit Agreement was 6.41% at January 3, 1998.

The Credit Agreement provides for letters of credit of up to \$3 million as part of the available credit under the revolving line of credit. At January 3, 1998, the Company had \$1.9 million of outstanding letters of credit. The Company is required to pay a fee of .625% of the face amount of each letter of credit issued.

The Senior Notes and Credit Agreement contain 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 addition, the Company is required to satisfy certain financial covenants and tests relating to, among other matters, interest coverage, working capital, leverage, and net worth.

4. Long-Term Debt (continued)

Aggregate maturities of long-term debt at January 3, 1998, are as follows (in thousands):

| | |
|---------------------|----------|
| 1998 | \$10,172 |
| 1999 | 10,002 |
| 2000 | 29,372 |
| 2001 | 244 |
| 2002 and thereafter | 767 |
| | ===== |
| | \$50,557 |
| | ===== |

Interest paid on long-term debt approximated \$4.0 million in 1997, 1996, and 1995.

5. Benefit Plans

The Company has a defined-benefit pension plan (the Plan) covering substantially all of its North American employees. The amount of the retirement benefit is based on years of service and final average monthly pay. The Plan also provides postretirement medical benefits to retirees and their spouses if the retiree has reached age 62 and has provided at least ten years of service prior to retirement. Such benefits generally cease once the retiree attains age 65. The Company's contributions are made in amounts sufficient to satisfy ERISA funding requirements.

The components of pension cost are as follows (in thousands):

| | 1997 | 1996 | 1995 |
|--|---------|---------|---------|
| | ----- | ----- | ----- |
| Service cost - Benefits earned during the period | \$1,657 | \$1,669 | \$1,056 |
| Interest cost on projected benefit obligation | 2,654 | 2,558 | 2,055 |
| Actual return on plan assets | (6,365) | (3,810) | (6,512) |
| Net amortization and deferral | 3,832 | 1,705 | 4,933 |
| | ----- | ----- | ----- |
| Total pension cost | \$1,778 | \$2,122 | \$1,532 |
| | ===== | ===== | ===== |

5. Benefit Plans (continued)

Substantially all Plan assets are invested in listed stocks and bonds. The funded status and amounts recognized in the consolidated statements of financial condition at January 3, 1998 and December 28, 1996, are as follows (in thousands):

| | 1997 | 1996 |
|--|------------|------------|
| ----- | | |
| Actuarial present value of benefit obligations: | | |
| Vested benefit obligation | \$ 29,754 | \$ 26,267 |
| ===== | | |
| Accumulated benefit obligation | \$ 32,426 | \$ 29,366 |
| ===== | | |
| Projected benefit obligation | \$(41,649) | \$(37,385) |
| Plan assets at fair value | 39,703 | 34,381 |
| Unrecognized net experience loss | 4,094 | 5,866 |
| Unrecognized prior service cost | 311 | 377 |
| ----- | | |
| ===== | | |
| Pension asset recognized in the consolidated statements of financial condition | \$ 2,459 | \$ 3,239 |
| ===== | | |

The following significant assumptions were used in determining pension cost for the years ended January 3, 1998, December 28, 1996, and December 31, 1995:

| | 1997 | 1996 | 1995 |
|---|------|------|------|
| ----- | | | |
| Discount rate | 7.0% | 7.5% | 7.0% |
| Rate of increase in compensation levels | 4.5 | 4.5 | 4.5 |
| Expected long-term rate of return on assets | 9.0 | 9.0 | 9.0 |

The Company provides additional retirement benefits for certain key executives through its unfunded Supplemental Executive Retirement Plan. The charge to expense for this plan approximated \$832,000, \$747,000 and \$640,000 in 1997, 1996, and 1995, respectively.

The Company also maintains a 401(k) savings plan covering substantially all U.S. employees. The Company matches 50% of the employee's annual contributions for the first 4% of the employee's gross wages. Employees vest in the Company contributions after two years of service. Company matching contributions amounted to \$523,000, \$457,000 and \$472,000 in 1997, 1996 and 1995, respectively.

6. Shareholders' Equity

Stock Split

On April 29, 1997, the Company's Board of Directors approved a two-for-one stock split to stockholders of record on May 20, 1997, payable June 10, 1997, in the form of a stock dividend. All prior year number of share and per share amounts have been restated to reflect the stock split.

Stock Purchase Warrants

Warrants to purchase 3,815,582 shares of common stock at \$4.18 per share are outstanding at January 3, 1998. The warrants are exercisable at the option of the holder at any time prior to December 27, 2001, and are not callable by the Company.

Stock Options

The Company has stock option plans authorizing the granting of both incentive and nonqualified options and other stock of up to 2,200,000 shares to employees and directors. The stock options vest over a five-year period and are exercisable over a ten-year period commencing from the date of vesting. A summary of stock option information follows:

| | 1997 | | 1996 | | 1995 | |
|---|------------------------------------|---------|------------------------------------|---------|------------------------------------|---------|
| | Weighted-Average Exercise Price | | Weighted-Average Exercise Price | | Weighted-Average Exercise Price | |
| | Options | | Options | | Options | |
| Outstanding at | | | | | | |
| beginning of year | 1,257,380 | \$10.95 | 1,236,800 | \$ 8.76 | 1,207,000 | \$ 6.54 |
| Granted | 274,300 | 25.29 | 251,400 | 18.40 | 237,600 | 16.35 |
| Exercised | (156,170) | 6.70 | (174,900) | 5.81 | (197,200) | 4.30 |
| Forfeited | (14,200) | 15.69 | (55,920) | 10.43 | (10,600) | 9.59 |
| Outstanding at end of year | 1,361,310 | 14.28 | 1,257,380 | \$10.95 | 1,236,800 | \$ 8.76 |
| Exercisable at end of year | 671,126 | | 461,820 | | 332,100 | |
| Available for future grant | 138,420 | | 398,520 | | 594,000 | |
| Weighted-average value of options granted | | \$11.16 | | \$ 9.31 | | \$ 8.04 |

6. Shareholders' Equity (continued)

As of January 3, 1998, the Company had the following outstanding options:

| Exercise Price | Options Outstanding | Weighted-Average Exercise Price | Weighted-Average Remaining Life | Options Exercisable |
|----------------------|---------------------|---------------------------------|---------------------------------|---------------------|
| \$3.688 to \$5.532 | 306,400 | \$ 3.86 | 4.2 | 303,600 |
| \$7.50 to \$11.25 | 228,200 | 10.18 | 5.9 | 157,440 |
| \$11.625 to \$12.625 | 121,350 | 11.94 | 6.3 | 82,330 |
| \$16.125 to \$23.00 | 597,060 | 19.01 | 6.8 | 127,756 |
| \$28.875 to \$34.125 | 108,300 | 28.95 | 9.6 | - |

Disclosure of pro forma information regarding net income and net income per share is required by Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, and has been determined as if the Company had accounted for its stock options granted in 1997, 1996, and 1995 under the fair value method using the Black-Scholes option pricing model. The following assumptions were utilized in the valuation:

| | 1997 | 1996 | 1995 |
|---------------------------------|---------|---------|---------|
| Risk-free interest rate | 6.63% | 6.76% | 6.67% |
| Expected dividend yield | 0% | 0% | 0% |
| Expected stock price volatility | .195% | .265% | .273% |
| Expected life of options | 8 years | 8 years | 8 years |

Had compensation cost for the Company's stock options granted in 1997, 1996 and 1995 been determined based on the fair value at the dates of grant, the Company's net income and net income per share would have been reduced to the pro forma amounts indicated:

| | 1997 | 1996 | 1995 |
|--|----------|----------|----------|
| Pro forma net income (in thousands of dollars) | \$24,621 | \$21,340 | \$19,132 |
| Pro forma basic net income per share | \$ 1.24 | \$ 1.08 | \$ 0.95 |
| Pro forma diluted net income per share | \$ 1.04 | \$ 0.90 | \$ 0.78 |

6. Shareholders' Equity (continued)

The pro forma effect on net income for 1997, 1996, and 1995 is not representative of the pro forma effect on net income in future years as the pro forma disclosures reflect only the fair value of stock options granted in 1997, 1996, and 1995 and do not reflect the fair value of outstanding options granted prior to 1995.

Restricted Stock Plan

In 1997, the Company established a Restricted Stock Plan for certain management employees. Under terms of the plan, up to 120,000 shares and equivalent shares of the Company's common stock may be awarded in 1999 based on the attainment of certain financial performance targets. The awarded shares vest over various dates through 2002. The charge to expense for the plan during 1997 was \$340,000.

Notes Receivable - Common Stock

In 1995, the Company established the Executive Loan Program under which certain management employees may obtain interest-free loans from the Company to facilitate their exercise of stock options and payment of the related income tax liabilities. Such loans, limited to 90% of the exercise price plus related tax liabilities, have a five-year maturity, subject to acceleration for termination or death of the employee. Such loans are classified as a reduction of shareholder's equity.

Preferred Stock

The Board of Directors may authorize the issuance from time to time of Preferred Stock in one or more series with such designations, preferences, qualifications, limitations, restrictions, and optional or other special rights as the Board may fix by resolution. In connection with the Rights Plan, the Board of Directors has reserved, but not issued, 200,000 shares of preferred stock.

Treasury Shares

During 1997, the Company elected to constructively retire shares of common stock held in treasury. For financial statement presentation, the constructive retirement has been retroactively applied.

6. Shareholders' Equity (continued)

Rights Plan

In December 1995, the Company adopted a shareholder rights plan providing for a dividend distribution of one preferred share purchase right for each share of common stock outstanding on and after December 15, 1995. The rights can be exercised only if an individual or group acquires or announces a tender offer for 15% or more of the Company's common stock and warrants. If the rights first become exercisable as a result of an announced tender offer, each right would entitle the holder to buy 1/200th of a share of a new series of preferred stock at an exercise price of \$67.50. Once an individual or group acquires 15% or more of the Company's common stock, each right held by such individual or group becomes void and the remaining rights will then entitle the holder to purchase a number of common shares having a market value of twice the exercise price of the right. If the attempted takeover succeeds, each right will then entitle the holder to purchase a number of the acquiring Company's common shares having a market value of twice the exercise price of the right. After an individual or group acquires 15% of the Company's common stock and before they acquire 50%, the Company's Board of Directors may exchange the rights in whole or in part, at an exchange ratio of one share of common stock or 1/200th of a share of a new series of preferred stock per right. Before an individual or group acquires 15% of the Company's common stock, or a majority of the Company's Board of Directors are removed by written consent, whichever occurs first, the rights are redeemable for \$.01 per right at the option of the Company's Board of Directors. The Company's Board of Directors is authorized to reduce the 15% threshold to no less than 10%. Each right will expire on December 15, 2005, unless earlier redeemed by the Company.

7. Income Taxes

Federal, state, and foreign income tax expense consists of the following (in thousands):

| | 1997 | 1996 | 1995 |
|--------------------|----------|----------|----------|
| ----- | | | |
| Current: | | | |
| Federal | \$ 7,845 | \$7,091 | \$ 5,552 |
| State | 1,859 | 1,440 | 815 |
| Foreign | 5,391 | 4,790 | 4,319 |
| | ----- | | |
| | 15,095 | 13,321 | 10,686 |
| Deferred (credit): | | | |
| Federal | 5 | (872) | 21 |
| Foreign | 210 | (90) | (99) |
| | ----- | | |
| | 215 | (962) | (78) |
| | ===== | | |
| | \$15,310 | \$12,359 | \$10,608 |
| | ===== | | |

7. Income Taxes (continued)

Domestic and foreign income before income taxes is as follows (in thousands):

| | 1997 | 1996 | 1995 |
|----------|----------|----------|----------|
| Domestic | \$26,494 | \$21,299 | \$15,908 |
| Foreign | 14,158 | 12,795 | 13,972 |
| | ===== | ===== | ===== |
| | \$40,652 | \$34,094 | \$29,880 |
| | ===== | ===== | ===== |

A reconciliation between income taxes computed on income before income taxes at the federal statutory rate and the provision for income taxes is provided below (in thousands):

| | 1997 | 1996 | 1995 |
|--|----------|----------|----------|
| Tax expense at statutory rate of 35% | \$14,228 | \$11,933 | \$10,458 |
| State and local taxes, net of federal tax benefit | 1,208 | 936 | 530 |
| Foreign income taxes | (705) | (181) | (482) |
| Foreign losses for which no tax benefit is available | 974 | 703 | - |
| Other, net | (395) | (1,032) | 102 |
| | ===== | ===== | ===== |
| | \$15,310 | \$12,359 | \$10,608 |
| | ===== | ===== | ===== |

Deferred income taxes are provided for the tax effects of temporary differences between the financial reporting bases and the tax bases of the Company's assets and liabilities. Significant components of the Company's deferred tax assets and liabilities at January 3, 1998 and December 28, 1996, are as follows (in thousands):

| | 1997 | 1996 |
|---|---------|---------|
| Deferred tax liabilities | | |
| Tax over book depreciation and amortization | \$4,740 | \$3,200 |
| Prepaid expenses | 1,346 | 1,588 |
| Other | 639 | 632 |
| | ----- | ----- |
| Total deferred tax liabilities | 6,725 | 5,420 |
| Deferred tax assets | | |
| Accrued expenses | 3,146 | 2,373 |
| Foreign net operating loss carryforwards | 1,820 | 703 |
| Other | 1,045 | 730 |
| | ----- | ----- |
| Total deferred tax assets | 6,011 | 3,806 |
| Less: Valuation allowance | (1,820) | (703) |
| | ----- | ----- |
| Net deferred tax assets | 4,191 | 3,103 |
| | ===== | ===== |
| Net deferred tax liabilities | \$2,534 | \$2,317 |
| | ===== | ===== |

7. Income Taxes (continued)

The deferred tax asset valuation allowance is related to deferred tax assets from foreign net operating losses. The net operating loss carryforwards will expire at various dates through the year 2002. The Company paid income taxes of \$14.0 million in 1997, \$9.0 million in 1996, and \$9.3 million in 1995.

8. Business Segment and Geographical Information

The Company operates in one business segment, circuit protection. Products include electronic, automotive and power fuses which serve customers worldwide.

The Company operates in three principal geographic areas: North America, Europe and Asia Pacific. A summary of the Company's operations by area is presented below:

| | 1997 | 1996 | 1995 |
|----------------------------------|-----------|-----------|-----------|
| ----- (In Thousands) ----- | | | |
| Net sales: | | | |
| North America | \$174,097 | \$158,049 | \$147,973 |
| Europe | 40,096 | 38,243 | 34,784 |
| Asia Pacific | 60,972 | 45,154 | 36,778 |
| | ===== | ===== | ===== |
| | \$275,165 | \$241,446 | \$219,535 |
| | ===== | ===== | ===== |
| Operating income: | | | |
| North America | \$ 33,227 | \$ 28,553 | \$ 24,516 |
| Europe | 11,352 | 9,210 | 8,956 |
| Asia Pacific | 6,399 | 6,914 | 6,887 |
| Corporate | (7,210) | (7,008) | (6,630) |
| | ===== | ===== | ===== |
| | \$ 43,768 | \$ 37,669 | \$ 33,729 |
| | ===== | ===== | ===== |
| Identifiable assets: | | | |
| North America | \$112,462 | \$100,537 | \$ 98,588 |
| Europe | 23,442 | 23,310 | 17,800 |
| Asia Pacific | 17,960 | 12,424 | 7,242 |
| Corporate | 68,021 | 73,680 | 80,242 |
| | ===== | ===== | ===== |
| | \$221,885 | \$209,951 | \$203,872 |
| | ===== | ===== | ===== |

Corporate assets consist primarily of cash, intangible assets, and prepaid pension costs. Corporate operating expense consists of the amortization of intangible assets.

The Company's Asia Pacific sales and operating income include export sales from the United States and Europe into the region. The Company's export sales from the United States amounted to approximately \$22.0 million in 1997, \$19.6 million in 1996, and \$11.7 million in 1995.

9. Lease Commitments

The Company leases certain office and warehouse space under noncancelable operating leases, as well as certain machinery and equipment. Rental expense under these leases was approximately \$1.3 million in 1997 and 1996 and \$1.0 in 1995. Future minimum payments for all noncancelable operating leases with initial terms of one year or more at January 3, 1998, are as follows (in thousands):

| | |
|---------------------|-------|
| 1998 | \$509 |
| 1999 | 365 |
| 2000 | 93 |
| 2001 | 2 |
| 2002 and thereafter | - |
| | ----- |
| | \$969 |
| | ===== |

10. Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

| | 1997 | 1996 | 1995 |
|---|----------------|----------|----------|
| | ----- | | |
| | (In Thousands) | | |
| Numerator: | | | |
| Net income | \$25,342 | \$21,735 | \$19,272 |
| Denominator: | | | |
| Denominator for basic earnings per share - Weighted average shares | 19,824 | 19,888 | 20,207 |
| Effect of dilutive securities: | | | |
| Warrants | 3,335 | 3,520 | 4,081 |
| Employee stock options and restricted shares | 464 | 393 | 642 |
| | ===== | | |
| Denominator for diluted earnings per share - Adjusted weighted average shares and assumed conversions | \$23,623 | \$23,801 | \$24,930 |
| | ===== | | |
| Basic earnings per share | \$ 1.28 | \$ 1.09 | \$ 0.95 |
| | ===== | | |
| Diluted earnings per share | \$ 1.07 | \$ 0.91 | \$ 0.78 |
| | ===== | | |

Selected Financial Data

Six Year Summary

(\$ In Thousands, Except Per-Share Data)

| | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Net sales | \$275,165 | \$241,446 | \$219,535 | \$194,454 | \$160,712 | \$149,832 |
| Gross profit | 111,131 | 98,288 | 89,872 | 77,416 | 62,588 | 51,485 |
| Operating income | 43,768 | 37,669 | 33,729 | 27,846 | 19,359 | 10,756 |
| Net income | 25,342 | 21,735 | 19,272 | 15,227 | 9,987 | 654 |
| Net income per share- Diluted | 1.07 | 0.91 | 0.78 | 0.63 | 0.42 | 0.03 |
| Net working capital | \$ 41,548 | \$ 31,343 | \$ 27,963 | \$ 25,061 | \$ 17,641 | \$ 21,855 |
| Total assets | 221,885 | 209,951 | 205,186 | 199,328 | 193,294 | 197,749 |
| Long-term debt | 40,385 | 44,556 | 40,804 | 60,344 | 80,906 | 100,965 |

Quarterly Results of Operations (Unaudited)

(\$ In Thousands, Except Per-Share Data)

| | 1997 | | | 1996 | | | | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| Net sales | \$ 70,761 | \$ 68,993 | \$ 69,828 | \$ 65,583 | \$ 61,042 | \$ 60,483 | \$ 60,843 | \$ 59,078 |
| Gross profit | 27,843 | 27,860 | 28,609 | 26,819 | 24,794 | 24,535 | 24,847 | 24,112 |
| Operating income | 10,196 | 11,220 | 11,770 | 10,582 | 9,576 | 9,633 | 9,574 | 8,886 |
| Net income | 5,767 | 6,412 | 6,896 | 6,267 | 5,499 | 5,575 | 5,436 | 5,225 |
| Net income per share: | | | | | | | | |
| Basic | 0.29 | 0.32 | 0.35 | 0.32 | 0.28 | 0.28 | 0.27 | 0.26 |
| Diluted | 0.24 | 0.27 | 0.29 | 0.27 | 0.23 | 0.24 | 0.23 | 0.21 |

Quarterly Stock Price

| | 1997 | | | 1996 | | | | |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 4Q | 3Q | 2Q | 1Q | 4Q | 3Q | 2Q | 1Q |
| High | 35 1/2 | 34 1/2 | 28 1/2 | 25 | 24 1/3 | 19 7/8 | 20 | 19 1/4 |
| Low | 21 3/4 | 27 1/4 | 22 | 22 1/8 | 19 1/2 | 16 3/8 | 18 | 16 3/8 |
| Close | 25 1/2 | 33 7/8 | 27 | 23 1/8 | 24 1/4 | 19 3/8 | 18 3/4 | 18 7/8 |

Consent of Independent Auditors

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Littelfuse, Inc. of our report dated January 23, 1998, included in the 1997 annual Report to Stockholders of Littelfuse, Inc.

Our audit also included the financial statement schedule of Littelfuse, Inc. listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statements (No. 33-55943, 33-64442, 33-95020, and 333-03260) on Form S-8 of our report dated January 23, 1998, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of Littelfuse, Inc.

Chicago, Illinois
March 24, 1998

/S/ Ernst & Young LLP