
Littelfuse, Inc.

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NEWS RELEASE

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LITTELFUSE REPORTS FOURTH QUARTER RESULTS AT THE HIGH END OF GUIDANCE

DES PLAINES, Illinois, February 6, 2007 - Littelfuse, Inc. (NASDAQ/NGS:LFUS) today reported sales and earnings for the fourth quarter and full year of 2006.

Fourth Quarter Highlights

- Sales for the fourth quarter of 2006 were \$127.8 million, up \$12.5 million or 10.8% compared to the fourth quarter of 2005. This increase reflects acquisitions (\$5.2 million), favorable currency effects (\$2.7 million) and higher sales in Asia resulting from growth in both the electronics and automotive markets.
- Sales in the fourth quarter of 2006 were down 10.9% compared to the third quarter of 2006. This was within the range of the company's previous guidance, which called for a 10-15% sequential sales decrease. This sales decrease reflected seasonal factors and an inventory correction in the electronics markets.
- Diluted earnings per share for the fourth quarter of 2006 were \$0.21 compared to diluted earnings per share of \$0.23 for the fourth quarter of 2005. Earnings for the fourth quarter of 2006 included \$2.7 million of pre-tax restructuring charges related primarily to the previously announced move of the Texas wafer fabrication facility to China and a \$1.4 million one-time benefit from a favorable tax law change in Germany.
- Adjusted diluted earnings per share for the fourth quarter of 2006 (see Supplemental Schedule) were \$0.25. This excludes the restructuring charges mentioned above and normalizes the tax rate to 32%, which is the company's best estimate of the average tax rate going forward. Adjusted earnings per share of \$0.25 were at the upper end of the company's previous guidance, which called for earnings in the range of \$0.18 to \$0.25 per share, reflecting sales at the higher end of guidance and a lower-than-expected tax rate.

- Cash flow from operating activities was a record \$26.0 million for the fourth quarter of 2006 compared to \$10.8 million for the prior year quarter. The increase in cash flow was primarily the result of a \$16.9 million reduction in accounts receivable.
- The book-to-bill ratio for electronics for the fourth quarter of 2006 was .88. This is down from .91 for the third quarter of 2006 and consistent with the expectation of an inventory correction that carries into the first quarter of 2007.
- As expected, overall capacity utilization for electronics dropped from about 85% in the third quarter to approximately 80% in the fourth quarter of 2006.

Full Year Highlights

- Sales for 2006 were a record \$534.9 million, up \$67.8 million or 14.5% compared to the prior year primarily reflecting strong growth in the electronics business across all regions. Also contributing to the 2006 sales increase were revenue from recent acquisitions (\$11.8 million), automotive growth outside of North America and continued steady growth in the electrical business.
- Diluted earnings per share for 2006 were \$1.06, up 36% from \$0.78 in the prior year due primarily to increased sales, cost reductions and a lower effective tax rate partially offset by higher restructuring charges in 2006.
- Cash from operating activities was a record \$81.4 million for 2006, compared to \$38.1 million for 2005 reflecting stronger profitability and improved working capital performance. This enabled the company to fund \$19.6 million of capital expenditures, \$37.8 million of acquisitions and \$10.3 million of stock repurchases and still increase its cash balance.

“2006 was a year of great progress on many fronts,” said Gordon Hunter, Chief Executive Officer. “We ramped up our organic growth initiatives. We closed four acquisitions and reached a definitive agreement on a fifth. We successfully completed the Swindon, England and Witten, Germany plant moves to China and the move of the thin film fuse back-end from Des Plaines, Illinois to the Philippines. In addition, we announced and have begun to execute plans to move manufacturing out of Ireland and Irving, Texas to China. Throughout 2006, we were busy building the foundation for improved future financial performance, and in the process we significantly increased earnings and set a new Littelfuse record for cash flow.”

Current Outlook

- Sales for the first quarter of 2007 are expected to be at a similar level to sales for the fourth quarter of 2006.
- Earnings for the first quarter of 2007 are expected to be in the range of \$0.32 to \$0.37 per share.

“It appears as if the electronics inventory correction will be with us through the first quarter, but for the year we expect the overall business to grow approximately 3-5%,” said Hunter. “Even with this modest growth, our cost reduction initiatives should drive margin improvement as the year progresses. We still believe that earnings of \$2.00 per share is achievable in 2007.”

Conference Call Webcast Information

Littelfuse will host a conference call today, Tuesday, February 6, 2007 at 11:00 a.m. Eastern/10:00 a.m. Central time to discuss the fourth quarter results. The call will be broadcast live over the Internet and can be accessed through the company’s Web site: www.littelfuse.com. Listeners should go to the Web site at least 15 minutes prior to the call to download and install any necessary audio software. The call will be available for replay through March 31, 2007 and can be accessed through the Web site listed above.

About Littelfuse

As the worldwide leader in circuit protection products and solutions with annual sales of \$534.9 million in 2006, the Littelfuse portfolio is backed by industry leading technical support, design and manufacturing expertise. Littelfuse products are vital components in virtually every product that uses electrical energy, including automobiles, computers, consumer electronics, handheld devices, industrial equipment, and telecom/datacom circuits. Littelfuse offers Teccor[®], Wickmann[®] and Pudenz[®] brand circuit protection products. In addition to its Des Plaines, Illinois, world headquarters, Littelfuse has sales, distribution, manufacturing and engineering facilities in Brazil, China, England, Germany, Hong Kong, India, Ireland, Japan, Korea, Mexico, the Netherlands, the Philippines, Singapore, Taiwan and the U.S.

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

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

LITTELFUSE, INC.
Sales by Geography and Market*
(Dollars in millions)

	Fourth Quarter			Year-to-Date		
	<u>2006</u>	<u>2005</u>	<u>% Change</u>	<u>2006</u>	<u>2005</u>	<u>% Change</u>
<u>Geography</u>						
Americas	\$ 48.0	\$ 49.0	-1.9%	\$ 216.0	\$ 199.9	8.0%
Europe	26.9	23.3	15.3%	111.6	98.3	13.5%
Asia Pacific	52.9	43.1	22.8%	207.3	168.9	22.7%
Total	\$ 127.8	\$ 115.4	10.8%	\$ 534.9	\$ 467.1	14.5%

	Fourth Quarter			Year-to-Date		
	<u>2006</u>	<u>2005</u>	<u>% Change</u>	<u>2006</u>	<u>2005</u>	<u>% Change</u>
<u>Market</u>						
Electronics	\$ 85.5	\$ 77.3	10.7%	\$ 365.5	\$ 305.9	19.5%
Automotive	30.8	27.8	10.9%	123.6	118.6	4.2%
Electrical	11.5	10.3	11.4%	45.8	42.6	7.5%
Total	\$ 127.8	\$ 115.4	10.8%	\$ 534.9	\$ 467.1	14.5%

* Amounts exclude Efen.

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

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>Dec 30,</u> <u>2006</u>	<u>Dec 31,</u> <u>2005</u>	<u>Dec 30,</u> <u>2006</u>	<u>Dec 31,</u> <u>2005</u>
Net sales	\$ 127,836	\$ 115,373	\$ 534,859	\$ 467,089
Cost of sales.....	<u>89,747</u>	<u>77,468</u>	<u>373,596</u>	<u>322,537</u>
Gross profit.....	38,089	37,905	161,263	144,552
Selling, general and administrative expenses	26,986	24,024	110,581	98,536
Research and development expenses	4,609	3,890	18,708	16,672
Amortization of intangibles	<u>1,096</u>	<u>877</u>	<u>3,116</u>	<u>2,378</u>
Operating income	5,398	9,114	28,858	26,966
Interest expense.....	374	470	1,626	2,098
Other (income) expense.....	<u>(547)</u>	<u>147</u>	<u>(2,174)</u>	<u>(3,068)</u>
Earnings from continuing operations before minority interest and income taxes.....	5,571	8,497	29,406	27,936
Minority interest	-	(48)	-	(86)
Income taxes	<u>927</u>	<u>3,684</u>	<u>6,170</u>	<u>11,440</u>
Earnings from continuing operations.....	4,644	4,861	23,236	16,582
Discontinued operations (net of tax).....	<u>-</u>	<u>382</u>	<u>588</u>	<u>1,128</u>
Net income	<u>\$ 4,644</u>	<u>\$ 5,243</u>	<u>\$ 23,824</u>	<u>\$ 17,710</u>
Net income per share:				
Basic:				
Continuing operations.....	<u>\$ 0.21</u>	<u>\$ 0.22</u>	<u>\$ 1.04</u>	<u>\$ 0.74</u>
Discontinued operations	<u>\$ -</u>	<u>\$ 0.01</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>
Net income.....	<u>\$ 0.21</u>	<u>\$ 0.23</u>	<u>\$ 1.07</u>	<u>\$ 0.79</u>
Diluted:				
Continuing operations.....	<u>\$ 0.21</u>	<u>\$ 0.22</u>	<u>\$ 1.03</u>	<u>\$ 0.73</u>
Discontinued operations	<u>\$ -</u>	<u>\$ 0.01</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>
Net income.....	<u>\$ 0.21</u>	<u>\$ 0.23</u>	<u>\$ 1.06</u>	<u>\$ 0.78</u>
Weighted average shares and equivalent shares outstanding:				
Basic.....	<u>22,296</u>	<u>22,305</u>	<u>22,305</u>	<u>22,413</u>
Diluted	<u>22,424</u>	<u>22,415</u>	<u>22,434</u>	<u>22,582</u>

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

	<u>December 30, 2006</u>	<u>December 31, 2005</u>
Assets:		
Cash and cash equivalents.....	\$ 56,704	\$ 21,947
Accounts receivable, net.....	83,901	80,303
Inventories.....	65,961	63,423
Deferred income taxes.....	12,382	11,927
Assets held for sale (Efen).....	—	17,633
Other current assets	<u>9,821</u>	<u>7,936</u>
 Total current assets	 228,769	 203,169
Property, plant, and equipment, net.....	125,516	125,493
Intangible assets, net	26,648	14,742
Goodwill	67,500	54,440
Investments.....	5,231	5,590
Deferred income taxes.....	9,746	—
Other assets.....	<u>1,556</u>	<u>497</u>
 Total assets	 <u>\$ 464,966</u>	 <u>\$ 403,931</u>
Liabilities and Shareholders' Equity:		
Accounts payable.....	\$ 23,334	\$ 20,457
Accrued payroll	22,468	20,128
Accrued expenses	12,579	8,141
Accrued severance	10,670	7,866
Accrued income tax	12,657	9,920
Liabilities held for sale (Efen).....	—	6,722
Current portion of long-term debt.....	<u>24,328</u>	<u>26,682</u>
 Total current liabilities	 106,036	 99,916
Long-term debt.....	1,785	—
Accrued severance	18,879	—
Deferred income taxes.....	—	1,879
Accrued post-retirement benefits.....	28,931	19,268
Other long-term liabilities	5,527	5,658
Minority interest.....	143	144
Shareholders' equity	<u>303,665</u>	<u>277,066</u>
 Total liabilities and shareholders' equity	 <u>\$ 464,966</u>	 <u>\$ 403,931</u>

Common shares issued and outstanding
of 22,110,674 and 22,229,288,
at December 30, 2006, and December 31,
2005, respectively

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

	<u>For the Three Months Ended</u>		<u>For the Twelve Months Ended</u>	
	<u>Dec 30,</u> <u>2006</u>	<u>Dec 31,</u> <u>2005</u>	<u>Dec 30,</u> <u>2006</u>	<u>Dec 31,</u> <u>2005</u>
Operating activities:				
Net Income.....	\$ 4,644	\$ 5,243	\$ 23,824	\$ 17,710
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation.....	6,550	7,039	29,749	28,738
Amortization.....	1,096	905	3,116	2,495
Gain on sale of LC Fab.....	-	(1,400)	-	(1,400)
Stock-based compensation.....	1,284	-	5,187	-
Changes in operating assets and liabilities:				
Accounts receivable, net.....	16,884	(248)	2,970	(9,301)
Inventories.....	848	(251)	1,240	6,594
Accounts payable and accrued expenses.....	(5,006)	4,864	19,969	(1,134)
Accrued and deferred taxes.....	(1,229)	(5,020)	(6,491)	(5,590)
Prepaid expenses and other.....	451	(322)	1,351	30
Net cash provided by operating activities.....	<u>25,522</u>	<u>10,810</u>	<u>80,915</u>	<u>38,142</u>
Cash used in investing activities:				
Purchases of property, plant and equipment.....	(5,497)	(5,385)	(19,613)	(27,328)
Purchase of businesses, net of cash acquired.....	(199)	(2,241)	(37,841)	(3,658)
Sale of property, plant and equipment.....	2,827	89	14,401	89
Sale of LC Fab.....	500	600	500	600
Net cash used in investing activities	<u>(2,369)</u>	<u>(6,937)</u>	<u>(42,553)</u>	<u>(30,297)</u>
Cash used in financing activities:				
Proceeds from debt.....	8,000	2,139	43,273	48,819
Payments of debt.....	(9,691)	(15,502)	(45,626)	(55,616)
Notes receivable, common stock.....	-	-	7	3,533
Proceeds from exercise of stock options.....	777	94	5,734	3,844
Purchases of common stock.....	(9,610)	(2,872)	(10,262)	(12,832)
Excess tax benefit on share-based compensation	60	-	468	-
Net cash used in financing activities	<u>(10,464)</u>	<u>(16,141)</u>	<u>(6,406)</u>	<u>(12,252)</u>
Effect of exchange rate changes on cash	<u>1,126</u>	<u>(118)</u>	<u>2,801</u>	<u>(2,229)</u>
Increase (decrease) in cash and cash equivalents.....	13,815	(12,386)	34,757	(6,636)
Cash and cash equivalents at beginning of period..	<u>42,889</u>	<u>34,333</u>	<u>21,947</u>	<u>28,583</u>
Cash and cash equivalents at end of period.....	<u>\$ 56,704</u>	<u>\$ 21,947</u>	<u>\$ 56,704</u>	<u>\$ 21,947</u>

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LITTELFUSE, INC.
Supplemental Information
(in thousands, except per share data, unaudited)

	<u>For the Three</u> <u>Months Ended</u>
	<u>Dec 30, 2006</u>
Net sales.....	\$ 127,836
Cost of sales.....	89,747
Special charges (1).....	<u>(2,714)</u>
Adjusted cost of sales.....	87,033
Adjusted gross profit.....	40,803
% of sales.....	31.9%
Selling, general and administrative expenses*.....	26,986
Operating expenses.....	<u>32,691</u>
% of sales.....	25.6%
Adjusted operating income.....	8,112
% of sales.....	6.3%
Interest/other.....	<u>(173)</u>
Adjusted income before tax.....	8,285
Adjusted income tax expense.....	<u>2,651</u>
Effective rate.....	32.0%
Adjusted net income.....	<u>\$ 5,634</u>
Adjusted earnings per share.....	<u>\$ 0.25</u>
Diluted shares.....	<u>22,424</u>

Note: The company believes that adjusted net income is more indicative of the company's ongoing operating performance than GAAP net income since it excludes charges that are related to the closure of legacy operations and estimates an average tax rate going forward.

* Selling, general and administrative expenses includes stock-based compensation expense of \$1,283 and \$5,187 for the three and twelve months ended December 30, 2006, respectively.

Special Charges:

(1) Special charges relate primarily to expenses related to the closure of the Irving, Texas location.

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