

Securities and Exchange Commission
Washington, D.C. 20549

FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the fiscal year ended December 30, 2006 or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

for the transition period from _____ to _____

Commission file number 0-20388

LITTELFUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-3795742

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

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

60016
(Zip Code)

847/824-1188

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange On Which Registered -----
Common Stock, \$.01 par value	The Nasdaq Stock Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark 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.

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

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

The aggregate market value of 22,335,039 shares of voting stock held by non-affiliates of the registrant was approximately \$767,878,641 based on the last reported sale price of the registrant's Common Stock as reported on The Nasdaq Stock Market on July 1, 2006.

As of February 16, 2007, the registrant had outstanding 22,487,280 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

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

Littelfuse, Inc. Proxy Statement for the 2007 Annual Meeting of

Stockholders (the "Proxy Statement") is incorporated into Part III of this Form 10-K. Littelfuse, Inc. Annual Report to Stockholders for the year ended December 30, 2006 (the "Annual Report to Stockholders") is incorporated into Parts II and III of this Form 10-K.

PART I

The statements in this Annual Report on Form 10-K, which are not historical facts are intended to constitute "forward-looking statements" entitled to the safe-harbor provisions of the Private Securities Litigation Reform Act ("PSRLA") and that involve risks and uncertainties, including, but not limited to, product demand and market acceptance, economic conditions, the impact of competitive products and pricing, product quality problems or product recalls, capacity and supply difficulties or constraints, coal mining exposures in excess of reserves, failure of an indemnification for environmental liability, exchange rate fluctuations, commodity price fluctuations, the effect of the Company's accounting policies, labor disputes, restructuring costs in excess of expectations, pension plan asset returns less than assumed, integration of acquisitions and other risks which may be detailed in the Company's Securities and Exchange Commission filings.

ITEM 1. BUSINESS

GENERAL

Littelfuse Inc. (the "Company" or "Littelfuse") is the world's leading supplier of circuit protection products for the electronics industry. The Company provides the broadest line of circuit protection solutions to worldwide customers. The Company is also the leading provider of circuit protection for the automotive industry and the third largest producer of electrical fuses in North America. The Company operates in three geographic segments which are the Americas, Europe and Asia-Pacific. The Company manufactures products and sells to customers in all three segments. There has been and continues to be a shift in the Company's revenues, and consequently manufacturing, to the Asia-Pacific segment. Net sales by geographic segment, based upon the origination of the sales, are as follows:

	FISCAL YEAR (IN THOUSANDS)		
	2006	2005	2004
Americas	\$213,564	\$195,974	\$234,835
Europe	112,193	114,943	105,278
Asia-Pacific	209,192	156,172	136,270
Total	\$534,859	\$467,089	\$476,833

The Company serves customers in three major product areas of the circuit protection market: electronic, automotive and electrical. In the electronic market, the Company supplies leading manufacturers such as Alcatel, Celestica, Compaq, Delta, Flextronics, Fuji, GE, HP, Huawei, Hughes, IBM, Intel, Jabil, Legend, LG, Matsushita, Motorola, Nokia, Palm, Quanta, Samsung, Sanmina-SCI, Sanyo, Selectron, Siemens, Sony and Toshiba. In the automotive market, the Company's end customers include major automotive manufacturers in North America, Europe and Asia such as BMW, DaimlerChrysler, Ford Motor, General Motors, Honda Motor, Hyundai and Toyota. The Company also supplies wiring harness manufacturers and auto parts suppliers worldwide, including Alcoa, Auto Zone, Delphi, Lear, Pep Boys, Siemens VDO, Sumitomo, Valeo and Yazaki. In the electrical market, the Company supplies representative customers such as Abbott, Carrier, Dow Chemical, DuPont, GE, General Motors, Heinz, International Paper, John Deere, Lithonia Lighting, Marconi, Merck, Otis Elevator, Poland Springs, Procter & Gamble, Rockwell and 3M. See "Business Environment: Circuit Protection Market."

The Company manufactures many of its products on fully integrated manufacturing and assembly equipment. The Company maintains product quality through a Global Quality Management System with all manufacturing sites certified under ISO 9001:2000. In addition, several of the Littelfuse manufacturing sites are also certified under TS 16949 and ISO 14001.

The Company's products are sold worldwide through a direct sales force and manufacturers' representatives. For the year ended December 30, 2006, approximately 61.1% of the Company's net sales were to customers outside the United States (exports and foreign operations).

References herein to "2004" or "fiscal 2004" refer to the fiscal year ended January 1, 2005. References herein to "2005" or "fiscal 2005" refer to the fiscal year ended December 31, 2005. References herein to "2006" or "fiscal 2006" refer to the fiscal year ended December 30, 2006.

The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are currently available free of charge through the "Investor Relations" section of the Company's Internet website (<http://www.littelfuse.com>) as soon as practicable after such material is electronically filed with, or furnished to, the Securities and Exchange Commission as well as on the website maintained by the SEC at <http://www.sec.gov>. Except as otherwise provided herein, such information is not incorporated by reference into this annual report on Form 10-K.

BUSINESS ENVIRONMENT: CIRCUIT PROTECTION MARKET

The Company serves customers in three major product areas of the circuit protection market: electronic, automotive and electrical. Net sales by product area for the periods indicated are as follows:

	FISCAL YEAR (IN THOUSANDS)		
	2006	2005	2004
Electronic	\$365,418	\$305,870	\$325,617
Automotive	123,620	118,595	113,690
Electrical	45,821	42,624	37,526
Total	\$534,859	\$467,089	\$476,833

ELECTRONIC PRODUCTS

Electronic circuit protection products are used to protect circuits in a multitude of electronic systems. The Company's product offering includes a complete line of overcurrent and overvoltage solutions including: (1) fuses and protectors, (2) positive temperature coefficient, (PTC) resettable fuses, (3) varistors, (4) polymer electrostatic discharge (ESD) suppressors, (5) discrete transient voltage suppression (TVS) diodes, TVS diode arrays and protection thyristors, (6) gas discharge tubes, (7) power switching components, and (8) fuseholders, blocks and related accessories.

Electronic fuses and protectors are devices that contain an element which melts in an overcurrent condition. Electronic miniature and subminiature fuses are designed to provide circuit protection in the limited space requirements of electronic equipment. The Company's fuses are used in a wide variety of electronic products, including wireless telephones, consumer electronics, computers, modems and telecommunications equipment. The Company markets these products under the following trademarked and brand names: PICO(R) II and NANO2 (R) SMF.

Resettables are positive temperature coefficient (PTC) polymer devices that limit the current when an overcurrent condition exists and then reset themselves once the overcurrent condition has cleared. The Company's product line offers both radial leaded and surface mount products.

Varistors are ceramic-based high-energy absorption devices that provide transient overvoltage and surge suppression for automotive, telecommunication, consumer electronics and industrial applications. The Company's product line offers both radial leaded and multilayer surface mount products.

Polymer electrostatic discharge (ESD) suppressors are polymer-based devices that protect an electronic system from failure due to rapid transfer of electrostatic charge to the circuit. The Company's PulseGuard(R) line of ESD suppressors is used in PC and PC peripherals, digital consumer electronics and wireless applications.

Discrete diodes, diode arrays and protection thyristors are fast switching silicon semiconductor structures. Discrete diodes protect a wide variety of applications from overvoltage transients such as ESD, inductive load switching or lightning, while diode arrays are used primarily as ESD suppressors. Protection thyristors are commonly used to protect telecommunications circuits from overvoltage transients such as those resulting from lightning. Applications include telephones, modems, data transmission lines and alarm systems. The Company markets these products under the following trademarked brand names: TECCOR(R), SIDACTor(R) and Battrax(R).

Gas discharge tubes are very low capacitance devices designed to suppress any transient voltage event that is greater than the breakover voltage of the device. These devices are primarily used in telecom interface and conversion equipment applications as protection from overvoltage transients such as lightning.

Power switching components are used to regulate energy to various type loads most commonly found in industrial and home equipment. These components are easily activated from simple control circuits or interfaced to computers for more complex load control. Typical applications include heating, cooling, battery chargers and lighting.

In addition to the above products, the Company is also a supplier of fuse holders (including OMNI-BLOK(R)), fuse blocks and fuse clips primarily to customers that purchase circuit protection devices from the Company.

AUTOMOTIVE PRODUCTS

Fuses are extensively used in automobiles, trucks, buses and off-road equipment to protect electrical circuits and the wires that supply electrical power to operate lights, heating, air conditioning, radios, windows and other controls. Currently, a typical automobile contains 30 to 100 fuses, depending upon the options installed. The fuse content per vehicle is expected to continue to grow as more electronic features are included in automobiles. The Company also supplies fuses for the protection of electric and hybrid vehicles.

The Company is a primary supplier of automotive fuses to United States, Asian 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 merchandisers, discount stores and service stations, as well as under private label by national firms. The Company invented and owns most 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's automotive fuse products are marketed under the following trademarked brand names: ATO(R), MINI(R), MAXI(TM), MIDI(R), MEGA(TM) and CablePro(TM).

A majority of the Company's North American automotive 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.

ELECTRICAL PRODUCTS

The Company entered the electrical market in 1983 and manufactures and sells a broad range of low-voltage and medium-voltage circuit protection products to electrical distributors and their customers in the construction, original equipment manufacturers ("OEM") and industrial maintenance and repair operations ("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. They are rated and listed under one of many Underwriters' Laboratories fuse classifications. 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.

The Company's POWR-GARD(R) product line features the Indicator(TM) series power fuse used in both the OEM and MRO markets. The Indicator(TM) technology provides visual blown fuse indication at a glance, reducing maintenance and downtime on production equipment. The Indicator(TM) product offering is widely used in motor protection and industrial control panel applications.

PRODUCT DESIGN AND DEVELOPMENT

The Company employs scientific, engineering and other personnel to continually improve its existing product lines and to develop new products at its research and engineering facilities in Des Plaines, Illinois, Irving, Texas, Swindon, UK, Dunsen, Germany and Dundalk, Ireland. The Product Technology Department maintains a staff of engineers, chemists, material scientists and technicians whose primary responsibility is the design and development of new products.

Proposals for the development of new products are initiated primarily by sales and marketing personnel with input from customers. The entire product development process ranges from several months to 18 months based on complexity of development with continuous efforts to reduce the development cycle. During fiscal years 2006, 2005 and 2004, the Company expended \$18.7 million, \$16.7 million and \$16.1 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 intellectual property and 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 information, for business reasons, is not disclosed to the public.

As of December 30, 2006, the Company owned 161 patents in North America, 89 patents in the European Economic Community and 42 patents in other foreign countries. The Company has also registered trademark protection for certain of its brand names and logos. The 161 North American patents are in the following product categories: 124 electronic, 22 automotive, 15 electrical fuse.

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 has various patents acquired as part of its acquisition of SurgX during 2006. These patents are licensed to various companies for which it the Company receives royalty income. Income received from the licensing of these patents is not material to the Company's operating results.

License royalties amounted to \$0.4 million, \$0.5 million and \$0.5 million for fiscal 2006, 2005 and 2004, respectively.

MANUFACTURING

The Company performs the majority of its own fabrication and stamps some of the metal components used in its fuses, holders and switches from raw metal stock and makes its own contacts and springs. In addition, the Company fabricates silicon wafers for certain applications and performs its own plating (silver, nickel, zinc, tin and oxides). All thermoplastic molded component requirements used for such products as the ATO(R), MINI(R) and MAXI(TM) fuse 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, raw silicon, solder and various gases. The Company depends upon a sole source for several heat resistant plastics and zinc. The Company believes that suitable alternative heat resistant plastics and zinc are available from other sources at prices that 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 and our laboratories test new products, prototype concepts and production run samples. The Company participates in "Just-in-Time" delivery programs and with many of its major suppliers and actively promotes the building of strong cooperative relationships with its suppliers by utilizing Early Supplier Involvement techniques and involving them in pre-engineering product and process development.

MARKETING

The Company's domestic sales and marketing staff of over 40 people maintains relations with major OEMs and distributors. The Company's sales, marketing and engineering personnel interact directly with the OEM engineers to ensure appropriate circuit protection and reliability within the parameters of the OEM's circuit design. Internationally, the Company maintains a sales and marketing staff of over 96 people and sales offices in The Netherlands, the U.K., France, Germany, Spain, Ireland, Singapore, Taiwan, Japan, Brazil, Hong Kong, Korea, China and India. The Company also markets its products indirectly through a worldwide organization of over 60 manufacturers' representatives and distributes through an extensive network of electronic, automotive and electrical distributors.

ELECTRONIC

The Company retains manufacturers' representatives to sell its electronic products and to call on major domestic and international OEMs and distributors. The Company distributes approximately one-fourth of its domestic products directly to OEMs, with the remainder sold through distributors nationwide.

In the Asia-Pacific region, the Company maintains a direct sales staff and utilizes manufacturers' representatives and distributors in Japan, Singapore, Korea, Taiwan, China, Malaysia, Thailand, Hong Kong, India, Indonesia, Philippines, New Zealand and Australia. In Europe, the Company maintains a direct sales force and utilizes manufacturers' representatives and distributors to support a wide array of customers.

AUTOMOTIVE

The Company maintains a direct sales force to 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-two manufacturers' representatives represent the Company's products to aftermarket fuse retailers such as Autozone and Pep Boys. In Europe, the Company uses both a direct sales force and manufacturers' representatives to distribute its products to BMW, Volvo, Saab, Jaguar, major system suppliers and other OEMs, as well as aftermarket distributors. In the Asia-Pacific region, the Company uses both a direct sales force and distributors to supply to major OEM's and system suppliers.

ELECTRICAL

The Company markets and sells its power fuses through manufacturers' representatives across North America. These representatives sell power fuse products through an electrical distribution network comprised of approximately 1,600 distributor buying locations. These distributors have customers that include electrical contractors, municipalities, utilities and factories (including both MRO and OEM).

The Company's field sales force (including regional sales managers and 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.

BUSINESS SEGMENT INFORMATION

The Company has three reportable geographic business segments: Americas, Europe and Asia-Pacific. For information with respect to the Company's operations in its three geographic areas for the fiscal year ended December 30, 2006, see Business Segment Information included as part of "Item 8. Financial Statements and Supplementary Data" - incorporated herein by reference.

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. During the 2006, 2005 and 2004 fiscal years, net sales to customers outside the United States (exports and foreign operations) accounted for approximately 61.1%, 59.8% and 58.5%, respectively, of the Company's total net sales.

COMPETITION

The Company's products compete with similar products of other manufacturers, some of which have substantially greater financial resources than the Company. In the electronics market, the Company's competitors include AVX, Bel Fuse, Bourns, Cooper Industries, EPCOS, Raychem Division of TYCO International, San-O Industrial Corp., and STMicroelectronics. In the automotive market, the Company's competitors, both in sales to automobile manufacturers and in the aftermarket, include the Bussmann Division of Cooper Industries, Pacific Engineering Company, Ltd. and MTA in Italy. The Company licenses several of its automotive fuse designs to the Bussmann Division of Cooper Industries. In the electrical market, the Company's major competitors include the Bussman Division of Cooper Industries and Ferraz Shawmut. The Company believes that it competes on the basis of innovative products, the breadth of its product line, the quality and design of its products and the responsiveness of its customer service in addition to price.

BACKLOG

The backlog of unfilled orders at December 30, 2006, was approximately \$85.2 million, compared to \$68.5 million at December 31, 2005. Substantially all of the orders currently in backlog are scheduled for delivery in 2006.

EMPLOYEES

As of December 30, 2006, the Company employed 6,550 persons. Approximately 31 employees in the U.S., 1260 employees in Mexico, 97 employees in Ireland and 142 employees in Germany are covered by collective bargaining agreements. The U.S. agreement expires on March 31, 2008 for 31 employees, the Mexico agreements expire February 28, 2007 for 890 employees and February 29, 2008 for 370 employees for Matamoros and Piedras Negras respectively, the Ireland agreement expires March 31, 2009 for 97 employees, and the Germany agreement expires March 31, 2007 for 56 employees and June 30, 2007 for 86 employees. Overall, the Company has historically maintained satisfactory employee relations and many of its employees have long experience with the Company.

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, except with respect to its facilities located in Ireland and Irving, Texas. The Ireland facility was acquired in October 1999 in connection with the acquisition of the Harris suppression products division. Certain containment actions have been ongoing and full disclosure with appropriate agencies in Ireland has been initiated. The Company received an indemnity from Harris Corporation with respect to these matters. The Irving, Texas facility lease was assumed in July 2003 in connection with the acquisition of Teccor Electronics, Inc. The Company is taking the appropriate measures to bring this facility into compliance with Texas environmental laws, and the Company also received an indemnity from Invensys plc with respect to this matter. Heinrich Industries, AG ("Heinrich"), acquired by the Company in May 2004, is responsible for maintaining coal mine shaft entrances and is compliant with German regulations pertaining to the maintenance of the mines.

ITEM 1A. RISK FACTORS

Our business, financial condition and results of operations are subject to various risks and uncertainties, including the risk factors we have identified below. These factors are not necessarily listed in order of importance. We may amend or supplement the risk factors from time to time by other reports that we file with the SEC in the future.

Our Industry is Subject to Intense Competitive Pressures

We operate in markets that are highly competitive. We compete on the basis of price, quality, service and/or brand name across the industries and markets we serve. Competitive pressures could affect prices we charge our customers or demand for our products.

We may not always be able to compete on price, particularly when compared to manufacturers with lower cost structures, especially those with more significant offshore facilities located where labor and other costs are lower than ours. Some of our competitors have substantially greater sales, financial and manufacturing resources and may have greater access to capital than Littelfuse. As other companies enter our markets or develop new products, competition may intensify further. Our failure to compete effectively could materially adversely affect our business, financial condition and results of operations.

We May be Unable to Manufacture and Deliver Products in a Manner that is Responsive to Our Customers' Needs.

The end markets for our products are characterized by technological change, frequent new product introductions and enhancements, changes in customer requirements and emerging industry standards. The introduction of products embodying new technologies and the emergence of new industry standards could render our existing products obsolete and unmarketable before we can recover any or all of our research, development and commercialization expenses on capital investments. Furthermore, the life cycles of our products may change and are difficult to estimate.

Our future success will depend upon our ability to manufacture and deliver products in a manner that is responsive to our customers' needs. We will need to develop and introduce new products and product enhancements on a timely basis that keep pace with technological developments and emerging industry standards and address increasingly sophisticated requirements of our customers. We invest heavily in research and development without knowing that we will recover these costs. Our competitors may develop products or technologies that will render our products non-competitive or obsolete. If we cannot develop and market new products or product enhancements in a timely and cost-effective manner, our business, financial condition and results of operations could be materially adversely affected.

Our Business May be Interrupted by Labor Disputes or Other Interruptions of Supplies

A work stoppage could occur at certain of our facilities, most likely as a result of disputes under existing collective bargaining agreements with labor unions, or in connection with negotiations of new collective bargaining agreements. In addition, we may experience a shortage of supplies for various reasons, such as financial distress, work stoppages, natural disasters or production difficulties that may affect one of our suppliers. A significant work stoppage, or an interruption or shortage of supplies for any reason, if protracted, could substantially adversely affect our business, financial condition and results of operations.

Our Revenues May Vary Significantly from Period to Period

Our revenues may vary significantly from one accounting period to another due to a variety of factors. Some of the principal factors that contribute to these fluctuations may be: changes in our customers' buying decisions; changes in demand for our products; our product mix; our effectiveness in managing manufacturing processes; costs and timing of our component purchases; the effectiveness of our inventory control; the degree to which we are able to utilize our available manufacturing capacity; our ability to meet delivery schedules; general economic and industry conditions; and local conditions and events that may affect our production volumes, such as labor conditions and political instability.

Our Ability to Manage Currency or Commodity Price Fluctuations or Shortages is Limited

As a resource-intensive manufacturing operation, we are exposed to a variety of market and asset risks, including the effects of changes in foreign currency exchange rates, commodity prices and interest rates. We have multiple sources of supply for each of our major commodity requirements. However, significant shortages that disrupt the supply of raw materials or price increases could affect prices we charge our customers, our product costs, and the competitive position of our products and services. We monitor and manage these exposures as an integral part of our overall risk management program, which recognizes the unpredictability of markets and seeks to reduce the potentially adverse effects on our results. Nevertheless, changes in currency exchange rates, commodity prices and interest rates cannot always be predicted. In addition, because of intense price competition and our high level of fixed costs, we may not be able to address such changes even if they are foreseeable. Substantial changes in these rates and prices could have a substantial adverse effect on our results of operations and financial condition. For additional discussion of interest rate, currency or commodity price risk, see "Item 7A. Quantitative and Qualitative Disclosures about Market Risks."

The Bankruptcy or Insolvency of a Major Customer Could Adversely Affect Us

Certain of our major customers, such as those in the automotive industry, are suffering financial hardships. The bankruptcy or insolvency of a major customer could cause a material adverse effect on our business, financial condition and results of operations. In addition, the bankruptcy or insolvency of a major U.S. auto manufacturer likely could lead to substantial disruptions in the automotive supply base, which likely would have a substantial adverse impact on our business, financial condition and results of operations.

Operations and Supply Sources Located Outside the United States, Particularly in Emerging Markets, Are Subject to Increased Risks

Our operating activities outside the United States contribute significantly to our revenues and earnings. Serving a global customer base and remaining competitive in the global market place may require that we place more production in countries other than the United States, including emerging markets, to capitalize on market opportunities and maintain a cost-efficient structure. In addition, we source a significant amount of raw materials and other components from third-party suppliers or joint-venture operations in low-cost countries. Our operations outside the United States could be disrupted by a natural disaster, labor strike, war, political unrest, terrorist activity or public health concerns. Operations outside the United States are also subject to certain regulatory and economic uncertainties including trade barriers and restrictions on the exchange and fluctuations of currency. As a result, we may experience disruptions at these operations that could have a material adverse effect on our business, financial condition and results of operations.

We Engage in Acquisitions and May Encounter Difficulties in Integrating These Businesses

We are a company that, from time to time, seeks to grow through strategic acquisitions. We have in the past acquired a number of businesses or companies and additional product lines and assets. We intend to continue to expand and diversify our operations with additional acquisitions. The success of these transactions depends on our ability to integrate the assets and personnel acquired in these transactions. We may encounter difficulties in integrating acquisitions with our operations and may not realize the degree or timing of the benefits that we anticipated from an acquisition.

We Have Closed, Combined, Sold or Disposed of Certain Subsidiaries, Divisions or Assets, Which in the Past Has Reduced Our Sales Volume and Resulted in Restructuring Costs

We are a company that, from time to time, seeks to optimize its manufacturing capabilities and efficiencies through restructurings, consolidations, plant closings or asset sales. We may make further specific determinations to consolidate, close or sell additional facilities. Possible adverse consequences related to such actions may include various charges such as for idle capacity, disposition costs, severance costs, impairments of goodwill and possibly an immediate loss of revenues, and other items in addition to normal or attendant risks and uncertainties. We may be unsuccessful in any of our current or future efforts to restructure or consolidate our

business. Our plans to minimize or eliminate any loss of revenues during restructuring or consolidation may not be achieved. These activities may have a material adverse effect upon our business, financial condition or results of operations.

Environmental Liabilities Could Adversely Impact Our Financial Position

Federal, state and local laws and regulations impose various restrictions and controls on the discharge of materials, chemicals and gases used in our manufacturing processes or in our finished goods. These environmental regulations have required us to expend a portion of our resources and capital on relevant compliance programs. Under other laws and regulations, we could be held financially responsible for remedial measures if our current or former properties are contaminated or if we send waste to a landfill or recycling facility that becomes contaminated, even if we did not cause the contamination. We may be subject to additional common law claims if we release substances that damage or harm third parties. In addition, future changes in environmental laws or regulations may require additional investments in capital equipment or the implementation of additional compliance programs in the future. Any failure to comply with new or existing environmental laws or regulations could subject us to significant liabilities and could have material adverse effects on our business, financial condition or results of operations.

In the conduct of our manufacturing operations, we have handled and do handle materials that are considered hazardous, toxic or volatile under federal, state and local laws. The risk of accidental release of such materials cannot be completely eliminated. In addition, we operate or own facilities located on or near real property that was formerly owned and operated by others. Certain of these properties were used in ways that involved hazardous materials. Contaminants may migrate from or within or through property. These releases or migrations may give rise to claims. Where third parties are responsible for contamination, the third parties may not have funds, or not make funds available when needed, to pay remediation costs imposed upon us under environmental laws and regulations.

We have an accrual related to coal mine shafts. The accrual is based on an engineering study estimating the cost remediating the dangers (such as a shaft collapse) of abandoned coal mine shafts in Germany. The reserve is calculated based upon the cost of remediating the shafts that the study deems most risky.

We Derive a Substantial Portion of Our Revenues from Customers in the Automotive, Computer and Communications Industries, and We are Susceptible to Trends and Factors Affecting Those Industries as Well as the Success of Our Customers' Products

Net sales to the automotive, consumer electronics and communications industries represent a substantial portion of our revenues. Factors negatively affecting these industries and the demand for products also negatively affect our business, financial condition or results of operations. Any adverse occurrence, including industry slowdown, recession, political instability, costly or constraining regulations, armed hostilities, terrorism, excessive inflation, prolonged disruptions in one or more of our customers' production schedules or labor disturbances, that results in significant decline in the volume of sales in these industries, or in an overall downturn in the business and operations of our customers in these industries, could materially adversely affect our business, financial condition or results of operations. For example, the automotive industry is highly cyclical in nature and sensitive to changes in general economic conditions, consumer preferences and interest rates. In addition, the global automotive industry has overall manufacturing capacity far exceeding demand. To the extent that demand for certain of our customers' products decline, the demand for our products may decline. Reduced demand relating to general economic conditions, consumer preferences, interest rates or industry over capacity may have a material adverse effect upon our business, financial condition or results of operations.

Inability to Maintain Access to Capital Markets May Adversely Affect Our Business and Financial Results

Our ability to invest in our businesses, make strategic acquisitions and refinance maturing debt obligations may require access to the capital markets and sufficient bank credit lines to support short-term borrowings. If we are unable to access the capital markets or bank credit facilities, we could experience a material adverse affect on our business, financial condition and results of operations.

Fixed Costs May Reduce Operating Results if Our Sales Fall Below Expectations

Our expense levels are based, in part, on our expectations for future sales. Many of our expenses, particularly those relating to capital equipment and manufacturing overhead, are relatively fixed. We might be unable to reduce spending quickly enough to compensate for reductions in sales. Accordingly, shortfalls in sales could materially and adversely affect our operating results.

The Volatility of Our Stock Price Could Affect the Value of an Investment in Our Stock and Our Future Financial Position

The market price of our stock has fluctuated widely. Between January 1, 2006 and December 30, 2006, the closing sale price of our common stock ranged between a low of \$26.59 and a high of \$37.26, experiencing greater volatility over that time than most of the market did. The volatility of our stock price may be related to any number of factors, such as general economic conditions, industry conditions, analysts' expectations concerning our results of operations, or the volatility of our revenues as discussed above under "--Our Revenues May Vary Significantly from Period to Period." The historic market price of our common stock may not be indicative of future market prices. We may not be able to sustain or increase the value of our common stock. Declines in the market price of our stock could adversely affect our ability to retain personnel with stock incentives, to acquire businesses or assets in exchange for stock and/or to conduct future financing activities with or involving our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

LITTELFUSE FACILITIES

The Company's operations are located in 37 owned or leased facilities worldwide, representing an aggregate of approximately 1,649,162 square feet. The U.S. headquarters and largest manufacturing facility are located in Des Plaines, Illinois, supported by the Company's North American distribution center in nearby Elk Grove Village, Illinois. The Company has additional North American manufacturing facilities in Arcola, Illinois, Irving, Texas and two locations in Mexico. The European headquarters and primary European distribution center is in the Netherlands, with manufacturing plants in the U.K., Ireland, and Germany. Asian operations include sales and distribution centers located in Singapore, Taiwan, Japan, China and Korea, with manufacturing plants in China, Taiwan 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 EXPIRATION DATE	PRIMARY PRODUCT
Des Plaines, Illinois	Administrative, Engineering, Manufacturing, Testing and Research	340,000	Owned	--	Auto, Electronic, Electrical
Elk Grove Village, Illinois	Warehousing	50,000	Leased	2007	Auto, Electronic, and Electrical
Irving, Texas	Engineering, Manufacturing, Testing and Research	101,000	Leased	2014	Electronic
Brownsville, Texas	Distribution	15,750	Leased	2009	Electronic
Birmingham, Michigan	Sales	2,076	Leased	2011	Auto
Matamoros, Mexico	Manufacturing	77,500	Leased	2008	Electronic
Matamoros, Mexico	Administrative and Manufacturing	14,000	Leased	2008	Electronic
Arcola, Illinois	Manufacturing	36,000	Owned	--	Electrical
Arcola, Illinois	Technical Support	7,000	Leased	2007	Electrical
Piedras Negras, Mexico	Administrative and Manufacturing	99,822	Leased	2015	Auto
Piedras Negras, Mexico	Manufacturing	11,189	Leased	2007	Electrical
Piedras Negras, Mexico	Manufacturing	22,380	Leased	2009	Electrical
Piedras Negras, Mexico	Manufacturing	67,225	Leased	2008	Electrical
Swindon, U.K.	Administrative, Marketing and Sales	6,500	Leased	2012	Electronic

LOCATIONS -----	USE ---	SIZE (SQ. FT.) -----	LEASE/ OWN -----	LEASE EXPIRATION DATE -----	PRIMARY PRODUCT -----
Utrecht, the Netherlands	Sales, Administrative and Distribution	34,642	Owned	--	Auto and Electronic
Essen, Germany	Administrative	8,009	Leased	2011	Electronic and Auto
Eltville, Germany	Leased to third party	88,943	Owned	--	--
Bochum, Germany	Leased to third party	79,650	Owned	--	--
Essen, Germany	Leased to third party	37,670	Owned	--	--
Essen/Dortmund, Germany	Land leased to third party	--	Owned	--	--
Dunsen, Germany	Manufacturing and Sales	43,971	Owned	--	Auto
Singapore	Sales and Distribution	8,663	Leased	2007	Electronic
Seoul, Korea	Sales	4,589	Leased	2007	Electronic and Auto
Lipa City, Philippines	Manufacturing	58,095	Owned	--	Electronic
Lipa City, Philippines	Manufacturing	22,721	Leased	2007	Electronic
Dongguan, China	Administrative and Manufacturing	53,860	Leased	2009	Electronic
Suzhou, China	Manufacturing	80,732	Owned	--	Electronic
Suzhou, China	Manufacturing	12,390	Leased	2007	Electronic
Yang-Mei, Taiwan	Manufacturing, Sales, Distribution & Administrative	40,080	Owned	--	Electronic
Yung-Ping, Taiwan	Manufacturing, Sales, Distribution & Administrative	20,860	Leased	2011	Electronic
Wuxi, China	Manufacturing	49,630	Owned	--	Electronic
Hong Kong	Sales	8,130	Leased	2007	Electronic
Taipei, Taiwan	Sales	1,184	Leased	2007	Electronic
Yokohama, Japan	Sales	6,243	Leased	2009	Electronic
Yokohama, Japan	Distribution	17,858	Leased	2007	Electronic
Sao Paulo, Brazil	Sales	800	Leased	2009	Electronic and Auto
Dundalk, Ireland	Manufacturing	120,000	Owned	--	Electronic and Auto

Properties with lease expirations in 2007 renew at various times throughout the year. At this point, the Company does not anticipate any material impact as a result of such expirations.

ITEM 3. LEGAL PROCEEDINGS

The Company is not a party to any legal proceedings that 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 2006.

EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of the Company are as follows:

NAME -----	AGE ---	POSITION -----
Gordon Hunter	55	Chairman, President and Chief Operating Officer
Philip G. Franklin	55	Vice President, Operations Support and Chief Financial Officer

NAME	AGE	POSITION
- - - - -	---	-----
Dal Ferbert	52	Vice President and General Manager of the Electrical Business Unit
David W. Heinzmann	43	Vice President and General Manager of the Automotive Business Unit
David R. Samyn	46	Vice President and General Manager of the Electronics Business Unit
Ryan Stafford	39	General Counsel and Vice President, Human Resources
Mary S. Muchoney	61	Corporate Secretary

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

Gordon Hunter was elected as the Chairman of the Board of Directors of the Company and President and Chief Executive Officer effective January 1, 2005. Mr. Hunter served as Chief Operating Officer of the Company from November 2003 to January 2005. Mr. Hunter has been a member of the Board of Directors of the Company since June 2002, where he has served as Chairman of the Technology Committee. Prior to joining Littelfuse, Mr. Hunter was employed with Intel Corporation, where he was Vice President, Intel Communications Group, and General Manager, Optical Products Group, responsible for managing the access and optical communications business segments, from 2002 to 2003. Mr. Hunter was CEO for Calmar Optcom during 2001. From 1997 to 2002, he also served as a Vice President for Raychem Corporation. His experience includes 20 years with Raychem Corporation in the United States and Europe, with responsibilities in sales, marketing, engineering and general management.

Philip G. Franklin, Vice President, Operations Support and Chief Financial Officer, has responsibility for investor relations, finance and accounting, information systems and global supply chain functions of the Company. Mr. Franklin joined the Company in 1998 from OmniQuip International, a \$450 million construction equipment manufacturer which he helped take public. Before that, Mr. Franklin served as Vice President and Chief Financial Officer for both Monarch Marketing Systems and Hill Refrigeration and in various roles with FMC Corporation.

Dal Ferbert, Vice President and General Manager, Electrical Business Unit, is responsible for the management of daily operations, sales, marketing and strategic planning efforts of the Electrical Business Unit (POWR-GARD Products). Mr. Ferbert joined the Company in 1976 as a member of the electronic distributor sales team. From 1980 to 1989 he served in the Materials Management Department as a buyer and then Purchasing Manager. In 1990, he was promoted to National Sales Manager of the Electrical Business Unit and then promoted to his current position in 2004.

David W. Heinzmann, Vice President and General Manager, Automotive Business Unit, is responsible for marketing, sales, product development and manufacturing for all automotive customers and products. Mr. Heinzmann began his career at the Company in 1985, and possesses a broad range of experience within the organization. He has held positions as a Manufacturing Manager, Quality Manager, Plant Manager and Product Development Manager. Mr. Heinzmann also served as Director of Global Operations of the Electronics Business Unit from early 2000 through 2003.

David Samyn, Vice President and General Manager, Electronics Business Unit, is responsible for marketing, sales, product development and manufacturing for all electronics customers and products. Mr. Samyn joined the Company's management team in January 2003 as General Manager of the Electronics Business Unit. Prior to joining the Company, Mr. Samyn served as Vice President - Global Sales with Airfiber, Inc., an optical wireless telecom company in San Diego, CA from 2001 to 2003. Before that, Mr. Samyn spent five years with ADC Telecommunications where he had global sales and marketing responsibilities.

Ryan K. Stafford, General Counsel and Vice President, Human Resources., is responsible for recruiting, developing and retaining the global workforce and providing legal expertise. Mr. Stafford joined the Company's management team in January 2007. Prior to joining the Company, Mr. Stafford served as Vice President of China Operations for Tyco Engineered Products & Services from 2005 to 2006 and Vice President and General Counsel of it from 2001 to 2005. He served as Associate General Counsel for Grinnell Corporation from 1998 to 2001. Prior to that he was with the law firm Sulloway & Hollis P.L.L.C.

Mary S. Muchoney has served as Corporate Secretary since 1991, after joining 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, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The information set forth under "Quarterly Stock Prices" on page 32 of the Annual Report to Stockholders is incorporated herein by reference. As of February 16, 2007, there were 149 holders of record of the Company's Common Stock.

Shares of the Company's Common Stock are traded under the symbol "LFUS" on The Nasdaq Stock Market.

The Company has not paid any cash dividends in its history. 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 agreements which relate to the maintenance of a minimum net worth and certain financial ratios.

The table below provides information with respect to purchases by the Company of shares of its common stock during the fourth quarter of fiscal 2006:

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
October 2006	--	--	--	975,000
November 2006	154,000	\$31.60	154,000	821,000
December 2006	150,000	\$31.04	150,000	671,000
Total	304,000	\$31.19	304,000	671,000

The Company's Board of Directors authorized the repurchase of up to 1,000,000 shares under a program for the period May 1, 2006 to April 30, 2007.

ITEM 6. SELECTED FINANCIAL DATA

The information set forth under "Selected Financial Data - Five Year Summary" on page 31-32 of the Annual Report to Stockholders is incorporated herein by reference.

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 1 through 8 of the Annual Report to Stockholders is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The information set forth under "Market Risk" on page 8 of the Annual Report to Stockholders is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Report of Independent Registered Public Accounting Firm and the Consolidated Financial Statements and notes thereto of the Company set forth on pages 11 through 32 of the Annual Report to Stockholders are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Annual Report on Form 10-K for December 30, 2006, the Chief Executive Officer and Chief Financial Officer of the Company evaluated the effectiveness of the disclosure controls and procedures of the Company and concluded that these disclosure controls and procedures are effective to ensure that material information relating to the Company and its consolidated subsidiaries has been made known to them by the employees of the Company and its consolidated subsidiaries during the period preceding the filing of this Report.

Management's Report on Internal Control Over Financial Reporting set forth on page 9 of the Annual Report to Stockholders are incorporated herein by reference.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set forth under "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement is incorporated herein by reference. Please also refer to the information set forth under "Executive Officers of the Registrant" in Part I of this Report. The Company maintains a code of ethics for its chief executive officer and senior financial officers and a code of conduct for all of its directors, officers and associates, which are available for public viewing on the Company's web site (www.littelfuse.com) under the heading "Investors - Corporate Governance." There have been no material changes to the procedures by which security holders may recommend nominees to the Company's Board of Directors in 2006.

ITEM 11. EXECUTIVE COMPENSATION

The information set forth under "Election of Directors - Compensation Committee Interlocks and Insider Participation" and "Executive Compensation" in the Proxy Statement is incorporated herein by reference, except the section captioned "Compensation Committee Report" is hereby "furnished" and not "filed" with this annual report on Form 10-K.

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.

STOCK PLAN DISCLOSURE

The following table represents the Company's equity compensation plans, including both stockholder approved plans and non-stockholder approved plans. The section entitled "Compensation of Directors" in the Proxy Statement contains a summary explanation of the Stock Plan for New Directors of Littelfuse, Inc., which has been adopted without the approval of stockholders and is incorporated herein by reference.

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
Equity compensation plans approved by security holders	1,973,170	\$ 29.56	1,440,970
Equity compensation plans not approved by security holders	10,000	\$ 27.64	--
Total	1,983,170	\$ 29.54	1,440,970

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information set forth under "Certain Relationships and Related Transactions," "Election of Directors - Information Concerning Board of Directors and its Committees - Policy and Procedures with Respect to Related Person Transactions" and "Election of Directors" in the Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information set forth under "Audit and Non-Audit Fees" in the Proxy Statement is incorporated herein by reference.

PART IV

ITEM 15. 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 Registered Public Accounting Firm (page 11).
 - (ii) Consolidated Balance Sheet as of December 30, 2006 and December 31, 2005 (page 12).
 - (iii) Consolidated Statements of Income for the years ended December 30, 2006, December 31, 2005, and January 1, 2005 (page 13).
 - (iv) Consolidated Statements of Cash Flows for the years ended December 30, 2006, December 31, 2005, and January 1, 2005 (page 14).
 - (v) Consolidated Statements of Shareholders' Equity for the years ended December 30, 2006, December 31, 2005, and January 1, 2005 (page 15).
 - (vi) Notes to Consolidated Financial Statements (pages 16-32).

(2) Financial Statement Schedules. The following financial statement schedule is 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 regulations 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 20-21.

(b) Exhibits

See Exhibit Index on pages 20-21.

(c) Financial Statement Schedules

LITTELFUSE, INC.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(IN THOUSANDS)

DESCRIPTION -----	BALANCE AT BEGINNING OF YEAR -----	ADDITIONS CHARGED TO COSTS AND EXPENSES (A) -----	DEDUCTIONS (B) -----	BALANCE AT END OF YEAR -----
Year ended December 30, 2006				
Allowance for losses on accounts receivable	\$2,165 =====	\$ 127 =====	\$1,309 =====	\$ 983 =====
Reserves for sales discounts and allowances	\$9,738 =====	\$6,782 =====	\$ -- =====	\$16,520 =====
Year ended December 31, 2005				
Allowance for losses on accounts receivable	\$1,481 =====	\$1,206 =====	\$ 522 =====	\$ 2,165 =====
Reserves for sales discounts and allowances	\$8,538 =====	\$1,200 =====	\$ -- =====	\$ 9,738 =====
Year ended January 1, 2005				
Allowance for losses on accounts receivable	\$1,042 =====	\$ 591 =====	\$ 152 =====	\$ 1,481 =====
Reserves for sales discounts and allowances	\$6,428 =====	\$2,112 =====	\$ 2 =====	\$ 8,538 =====

(A) Allowance for losses on accounts receivable includes acquired balances of \$123 for Heinrich in fiscal year 2004.

(B) 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/ Gordon Hunter

Gordon Hunter,
Chairman of the Board of Directors,
President and Chief Executive Officer

Date: February 27, 2007

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 indicated on February 27, 2007.

/s/ Gordon Hunter

Gordon Hunter
Chairman of the Board of Directors,
President and Chief Executive Officer
(Principal 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/ William P. Noglows

William P. Noglows
Director

/s/ Ronald L. Schubel

Ronald L. Schubel
Director

/s/ Philip G. Franklin

Philip G. Franklin
Vice President, Operations Support and
Chief Financial Officer (Principal
Financial and Principal Accounting
Officer)

LITTELFUSE, INC.
INDEX TO EXHIBITS

NUMBER	DESCRIPTION OF EXHIBIT -----
3(I)	Certificate of Incorporation, as amended to date (filed as exhibit 3(I) to the Company's Form 10-K for the fiscal year ended January 3, 1998 (1934 Act File No. 0-20388) and incorporated herein by reference).
3(IA)	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).
3(II)	Bylaws, as amended to date (filed as exhibit 3(II) to the Company's Form 8-K dated February 2, 2007 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.1	Employment Agreement dated as of May 1, 2006, between Littelfuse, Inc. and Gordon Hunter (filed as exhibit 99.1 to the Company's Form 8-K dated May 5, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.2	1993 Stock Plan for Employees and Directors of Littelfuse, Inc., as amended (filed as exhibit 10.1 to the Company's Form 10-Q for the quarterly period ended July 2, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.3	Littelfuse, Inc. Supplemental Executive Retirement Plan (filed as exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 1993 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.4	Littelfuse Deferred Compensation Plan for Non-employee Directors, as amended (filed as exhibit 10.4 to the Company's Form 10-Q for the quarterly period ended July 2, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.5	Change of Control Employment Agreement dated as of September 1, 2006, between Littelfuse, Inc. and Gordon Hunter.
10.6	Change of Control Employment Agreement dated as of September 1, 2006, between Littelfuse, Inc. and Philip G. Franklin.
10.7	Change of Control Employment Agreement dated as of September 1, 2006, between Littelfuse, Inc. and David R. Samyn.
10.8	Change of Control Employment Agreement dated as of September 1, 2006, between Littelfuse, Inc. and David W. Heinzmann.
10.9	Change of Control Employment Agreement dated as of September 1, 2006, between Littelfuse, Inc. and Hugh Dalsen Ferbert.
10.10	Stock Plan for New Directors of Littelfuse, Inc. (filed as exhibit 10.2 to the Company's Form 10-Q for the quarterly period ended July 2, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.11	Bank credit agreement among Littelfuse, Inc., as borrower, the lenders named therein and the Bank of America N.A., as agent, dated as of July 21, 2006 (filed as exhibit 10.1 to the Company's Form 10-Q for the quarterly period ended September 30, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.12	Stock Plan for Employees and Directors of Littelfuse, Inc., as amended (filed as exhibit 10.3 to the Company's Form 10-Q for the quarterly period ended July 2, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.13	Littelfuse, Inc. Retirement Plan dated January 1, 1992, as amended and restated (filed as exhibit 4.4 to the Company's Form 10-K for the fiscal year ended December 29, 2001 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.14	First Amendment to the Littelfuse, Inc. Retirement Plan (filed as exhibit 4.5 to the Company's Form 10-K for the fiscal year ended December 28, 2002 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.15	Littelfuse, Inc. 401(k) Savings Plan (filed as exhibit 4.8 to the Company's Form 10-K for the fiscal year ended December 31, 1992 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.16	Form of Non-Qualified Stock Option Agreement under the 1993 Stock Plan for Employees and Directors of

NUMBER -----	DESCRIPTION OF EXHIBIT -----
	Littelfuse, Inc. for employees of the Company (filed as exhibit 99.1 to the Company's Current Report on Form 8-K dated November 8, 2004 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.17	Form of Performance Shares Agreement under the 1993 Stock Plan for Employees and Directors of Littelfuse, Inc. (filed as exhibit 10.23 to the Company's Form 10-K for the annual period ended January 1, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.18	Form of Non-Qualified Stock Option Agreement under the 1993 Stock Plan for Employees and Directors of Littelfuse, Inc. for non-employee directors of the Company (filed as exhibit 10.24 to the Company's Form 10-K for the annual period ended January 1, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.19	Summary of Executive Officer Compensation.
10.20	Summary of Director Compensation.
10.21	Amendment to Non-Qualified Stock Option Agreement and Agreement for Deferred Compensation between Littelfuse, Inc. and Gordon Hunter (filed as exhibit 10.27 to the Company's Form 10-K for the fiscal year ended December 31, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.22	Littelfuse, Inc. Equity Incentive Compensation Plan (filed as exhibit A to Company Proxy Statement for Annual Meeting of Stockholders held on May 5, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.23	Littelfuse, Inc. Outside Directors' Stock Option Plan (filed as exhibit B to Company Proxy Statement for Annual Meeting of Stockholders held on May 5, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.24	Form of Non-Qualified Stock Option Agreement under the Littelfuse, Inc. Outside Directors' Stock Option Plan (filed as exhibit 99.6 to the Company's Form 8-K dated May 5, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.25	Form of Performance Share Agreement under the Littelfuse, Inc. Equity Incentive Compensation Plan (filed as exhibit 99.5 to the Company's Form 8-K dated May 5, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
10.26	Form of Non-Qualified Stock Option Agreement under the Littelfuse, Inc. Equity Incentive Compensation Plan (filed as exhibit 99.4 to the Company's Form 8-K dated May 5, 2006 (1934 Act File No. 0-20388) and incorporated herein by reference).
13.1	Portions of Littelfuse Annual Report to Stockholders for the fiscal year ended December 30, 2006.
14.1	Code of Ethics for Principal Executive and Financial Officers (filed as exhibit 14.1 to the Company's Form 10-K for the annual period ended January 1, 2005 (1934 Act File No. 0-20388) and incorporated herein by reference).
21.1	Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Gordon Hunter, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Philip Franklin, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.

Except for Exhibit 10.11, Exhibits 10.1 through 10.26 are management contracts or compensatory plans or arrangements.

* Furnished, not filed.

CHANGE OF CONTROL
EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of September, 2006, by and between LITTELFUSE, INC., a Delaware corporation (hereinafter referred to as the "Company"), and GORDON HUNTER (hereinafter referred to as the "Executive");

W I T N E S S E T H :

WHEREAS, the Board of Directors of the Company (hereinafter referred to as the "Board") has determined that it is in the best interests of the Company and its stockholders to provide the Executive with certain protections against the uncertainties usually created by a Change of Control (as such term is hereinafter defined); and

WHEREAS, the Board believes that the protections provided to the Executive in connection with a Change of Control will better enable the Executive to devote his full time, attention and energy to the business of the Company prior to and after a Change of Control, thereby benefitting the Company and its stockholders;

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 Company and the Executive hereby agree as follows:

Section 1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b) hereof) on which a Change of Control (as defined in Section 2 hereof) occurs. Notwithstanding anything to the contrary contained in this Agreement, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the direct or indirect request of a third party who theretofore had taken any steps intended to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on January 1, 2009.

Section 2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition in one or more transactions by any individual, entity or group (hereinafter referred to collectively as a "Person") within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (hereinafter referred

to as the "Exchange Act"), of beneficial ownership (within the meaning of, and calculated in accordance with, Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (hereinafter referred to as the "Outstanding Company stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (hereinafter referred to as the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2 or (v) any acquisition by Oaktree Capital Management, LLC, a California limited liability company, or any of its Affiliates or Associates (as used herein, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act); or

(b) Individuals who, as of the date hereof, constitute the Board (hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (hereinafter referred to as a "Business Combination") unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of

common stock of the corporation resulting from such Business Combination, or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company within one year after a Business Combination.

Section 3. Employment Period. The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to remain as an employee of the Company, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

Section 4. Terms of Employment.

(a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 20 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary (hereinafter referred to as the "Annual Base Salary"), which shall be paid at a monthly rate, equal to at least twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the

Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to the Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (hereinafter referred to as the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's incentive bonus program or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (hereinafter referred to as the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the fifteenth day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus. Any such deferral election shall be made not later than the first day of the fiscal year for which the Annual Bonus is paid, and shall be made in accordance with policies adopted by the Company in compliance with Section 409A of the Internal Revenue Code (the "Code") and any final regulations issued pursuant thereto.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the

120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

Section 5. Termination of Employment.

(a) Disability. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give written notice to the Executive of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after delivery of such notice to the Executive (the "Disability Effective Date"), provided that, within the 30 days after such delivery, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity

due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties and such failure is not cured within sixty (60) calendar days after receipt of such written demand; or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, any act or failure to act on the part of the Executive in violation or contravention of any order, resolution or directive of the Board of Directors of the Company shall be considered "willful" unless such order, resolution or directive is illegal or in violation of the certificate of incorporation or by-laws of the Company; provided, however, that no other act or failure to act on the part of the Executive, shall be considered "willful," unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the Executive is not elected to, or is removed from, any elected office of the Company which the Executive held immediately prior to the Effective Date;

(ii) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a) hereof, or any other action by the Company which results in a diminution in

such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) any failure by the Company to comply with any of the provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iv) the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date; or

(v) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of delivery of such notice, specifies the termination date (which date shall be not more than 30 days after the delivery of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of delivery of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be, and (iv) if the Executive's employment is terminated by the Executive without Good Reason, the last day of employment of the Executive with the Company.

Section 6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate his employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash the aggregate of the amounts set forth in A. and B. below. Such amount shall be paid within 30 days after the Date of Termination; provided, however, that if, and only if, the Executive notifies the Company that she has determined in good faith that payment of such amount, or any portion thereof, would be subject to Section 409A(a)(2)(B)(i) of the Code, such amount, or portion, shall instead be paid on the first day that is six months after the Date of Termination.

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, plus (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being hereinafter referred to as the "Highest Annual Bonus") multiplied by (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) are hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two multiplied by (2) the sum of (x) the Executive's Annual Base Salary plus (y) the Highest Annual Bonus;

(ii) during the two years following the Date of Termination, the Company shall continue to provide medical insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the medical insurance benefits described in Section 4(b)(iv) hereof if the Executive's employment had not been terminated; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical insurance benefits under another employer-provided plan, the medical insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility;

(iii) for a period of up to two (2) years after the Date of Termination, the Company shall provide outplacement services to the Executive for the purpose of

assisting the Executive seek new employment at a cost to the Company not to exceed fifteen percent (15%) of the Executive's Annual Base Salary, payable directly to an outplacement service provider; provided, however, that the Company shall have no further obligations to pay for any such outplacement services once the Executive has accepted employment with any third party;

(iv) notwithstanding anything to the contrary set forth in any stock option plans pursuant to which the Executive has been granted any stock options or other rights to acquire securities of the Company or its Affiliates (the "Plans"), any option or right granted to the Executive under any of the Plans shall be exercisable by the Executive until the earlier of (x) the date on which the option or right terminates in accordance with the terms of its grant, or (y) the expiration of twelve (12) months after the Date of Termination;

(v) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall hereinafter be referred to collectively as the "Other Benefits"); and

(vi) notwithstanding anything to the contrary contained in any employment agreement, benefit plan or other document, in the event the Executive's employment shall be terminated during the Employment Period by the Executive for Good Reason or by the Company other than for Cause or Disability, on and after the Date of Termination the Executive shall not be bound or prejudiced by any non-competition agreement benefitting the Company or its subsidiaries.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits.

Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates his employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations of the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination and the Company shall timely pay or provide the Other Benefits to the Executive. In no event shall the Executive be liable to the Company for any damages caused by such voluntary termination by the Executive nor shall the Executive be in any way restricted from being employed by any other party after such voluntary termination.

Section 7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f) hereof, shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

Section 8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the fullest extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others in which the Executive is the prevailing party and which involves or relates to the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof

(including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment from the due date thereof until paid at the prime rate from time to time reported in The Wall Street Journal during said period.

Section 9. Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9, except as provided in the last sentence of this Section 9(a) (hereinafter referred to collectively as a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Regardless of whether the Executive is subject to an Excise Tax, in the event that the Company fails to defer payment of the amount described in Section 6(a)(i) in accordance with the proviso to the second sentence thereof, and it is subsequently determined that Executive is subject to the additional tax and interest provided in Section 409(a)(1)(B) of the Code with respect to any portion of such payment (such additional tax, together with any interest and penalties thereon, are hereinafter collectively referred to as the "Section 409A Penalty") then Executive shall also be entitled to receive an additional payment (a "Section 409A Gross-Up") calculated in the same manner as a Gross-Up Payment by substituting "Section 409A Penalty" for "Excise Tax" for all purposes of this Section 9. The Section 409A Gross-Up shall be considered a Payment for purposes of calculation of any Gross-Up Penalty.

(b) Subject to the provisions of Section 9(c) hereof, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other independent certified public accounting firm as may be designated by the Executive (hereinafter referred to as the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company

and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (hereinafter referred to as the "Underpayment") consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) hereof and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the

Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Company's control of any such contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c) hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Section 10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The provisions of this Section 10 shall survive any termination of this Agreement or any termination of the employment of the Executive with the Company.

Section 11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the

Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Each notice, request, demand, approval or other communication which may be or is required to be given under this Agreement shall be in writing and shall be deemed to have been properly given when delivered personally at the address set forth below for the intended party during normal business hours at such address, when sent by facsimile or other electronic transmission to the respective facsimile transmission numbers of the parties set forth below with telephone confirmation of receipt, or when sent by recognized overnight courier or by the United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, Illinois 60016
Attention: President (unless the Executive is
the President, in which case the
communication should be to the
attention of all of the Directors
of the Company other than the
Executive)
Facsimile: (847) 824-3864
Confirm: (847) 391-0304

If to the Executive:

Gordon Hunter

Facsimile: _____
Confirm: _____

Notices shall be given to such other addressee or address, or both, or by way of such other facsimile transmission number, as a particular party may from time to time designate by written notice to the other party hereto. Each notice, request, demand, approval or other communication which is sent in accordance with this Section shall be deemed given and received for all purposes of this Agreement as of two business days after the date of deposit thereof for mailing in a duly

constituted United States post office or branch thereof, one business day after deposit with a recognized overnight courier service or upon confirmation of receipt of any facsimile transmission. Notice given to a party hereto by any other method shall only be deemed to be given and received when actually received in writing by such party.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to promptly assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof and/or any other written agreement between the Executive and the Company, prior to the Effective Date the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date upon written notice to the other party, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Change of Control Employment Agreement as of the day and year first above written.

GORDON HUNTER

LITTELFUSE, INC.

By

Its _____

CHANGE OF CONTROL
EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of September, 2006, by and between LITTELFUSE, INC., a Delaware corporation (hereinafter referred to as the "Company"), and PHILIP G. FRANKLIN (hereinafter referred to as the "Executive");

W I T N E S S E T H:

WHEREAS, the Board of Directors of the Company (hereinafter referred to as the "Board") has determined that it is in the best interests of the Company and its stockholders to provide the Executive with certain protections against the uncertainties usually created by a Change of Control (as such term is hereinafter defined); and

WHEREAS, the Board believes that the protections provided to the Executive in connection with a Change of Control will better enable the Executive to devote his full time, attention and energy to the business of the Company prior to and after a Change of Control, thereby benefiting the Company and its stockholders;

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 Company and the Executive hereby agree as follows:

Section 1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b) hereof) on which a Change of Control (as defined in Section 2 hereof) occurs. Notwithstanding anything to the contrary contained in this Agreement, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the direct or indirect request of a third party who theretofore had taken any steps intended to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on January 1, 2009.

Section 2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition in one or more transactions by any individual, entity or group (hereinafter referred to collectively as a "Person") within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (hereinafter referred

to as the "Exchange Act"), of beneficial ownership (within the meaning of, and calculated in accordance with, Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (hereinafter referred to as the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (hereinafter referred to as the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2 or (v) any acquisition by Oaktree Capital Management, LLC, a California limited liability company, or any of its Affiliates or Associates (as used herein, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act); or

(b) Individuals who, as of the date hereof, constitute the Board (hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (hereinafter referred to as a "Business Combination") unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of

common stock of the corporation resulting from such Business Combination, or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company within one year after a Business Combination.

Section 3. Employment Period. The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to remain as an employee of the Company, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

Section 4. Terms of Employment.

(a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 20 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary (hereinafter referred to as the "Annual Base Salary"), which shall be paid at a monthly rate, equal to at least twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the

Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to the Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (hereinafter referred to as the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's incentive bonus program or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (hereinafter referred to as the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the fifteenth day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus. Any such deferral election shall be made not later than the first day of the fiscal year for which the Annual Bonus is paid, and shall be made in accordance with policies adopted by the Company in compliance with Section 409A of the Internal Revenue Code (the "Code") and any final regulations issued pursuant thereto.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the

120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

Section 5. Termination of Employment.

(a) Disability. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give written notice to the Executive of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after delivery of such notice to the Executive (the "Disability Effective Date"), provided that, within the 30 days after such delivery, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity

due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties and such failure is not cured within sixty (60) calendar days after receipt of such written demand; or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, any act or failure to act on the part of the Executive in violation or contravention of any order, resolution or directive of the Board of Directors of the Company shall be considered "willful" unless such order, resolution or directive is illegal or in violation of the certificate of incorporation or by-laws of the Company; provided, however, that no other act or failure to act on the part of the Executive, shall be considered "willful," unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the Executive is not elected to, or is removed from, any elected office of the Company which the Executive held immediately prior to the Effective Date;

(ii) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a) hereof, or any other action by the Company which results in a diminution in

such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) any failure by the Company to comply with any of the provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iv) the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date; or

(v) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of delivery of such notice, specifies the termination date (which date shall be not more than 30 days after the delivery of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of delivery of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be, and (iv) if the Executive's employment is terminated by the Executive without Good Reason, the last day of employment of the Executive with the Company.

Section 6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate his employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash the aggregate of the amounts set forth in A. and B. below. Such amount shall be paid within 30 days after the Date of Termination; provided, however, that if, and only if, the Executive notifies the Company that he has determined in good faith that payment of such amount, or any portion thereof, would be subject to Section 409A(a)(2)(B)(i) of the Code, such amount, or portion, shall instead be paid on the first day that is six months after the Date of Termination.

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, plus (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being hereinafter referred to as the "Highest Annual Bonus") multiplied by (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) are hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two multiplied by (2) the sum of (x) the Executive's Annual Base Salary plus (y) the Highest Annual Bonus;

(ii) the Company shall credit as of the Date of Termination the Account of the Executive under the Littelfuse, Inc. Supplemental Executive Retirement Plan (hereinafter referred to as the "SERP") with an amount equal to the sum of the two respective amounts which would be credited to the Account of the Executive under the SERP on the two Valuation Dates (as such term is defined in the SERP) next succeeding the Date of Termination assuming (A) the Executive would continue to be employed by the Company up to and including said second Valuation Date (hereinafter said period from the Date of Termination until said second Valuation Date is referred to as the "Assumed Employment Period"), (B) the Compensation (as such term is defined in the SERP) of the Executive during each fiscal year during the Assumed Employment Period would be equal to the amount of the Compensation of the Executive during the most recently ended Plan Year (as such term is defined in the SERP) prior to the Date of Termination, and (C) the

Company would continue the SERP up to and including said second Valuation Date; provided, however, that if the Executive would reach the age 62 prior to the expiration of the Assumed Employment Period, no amounts shall be credited to the Account of the Executive under the SERP for any Valuation Date occurring after the date that the Executive reaches age 62;

(iii) during the two years following the Date of Termination, the Company shall continue to provide medical insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the medical insurance benefits described in Section 4(b)(iv) hereof if the Executive's employment had not been terminated; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical insurance benefits under another employer-provided plan, the medical insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility;

(iv) for a period of up to two (2) years after the Date of Termination, the Company shall provide outplacement services to the Executive for the purpose of assisting the Executive seek new employment at a cost to the Company not to exceed fifteen percent (15%) of the Executive's Annual Base Salary, payable directly to an outplacement service provider; provided, however, that the Company shall have no further obligations to pay for any such outplacement services once the Executive has accepted employment with any third party;

(v) notwithstanding anything to the contrary set forth in any stock option plans pursuant to which the Executive has been granted any stock options or other rights to acquire securities of the Company or its Affiliates (the "Plans"), any option or right granted to the Executive under any of the Plans shall be exercisable by the Executive until the earlier of (x) the date on which the option or right terminates in accordance with the terms of its grant, or (y) the expiration of twelve (12) months after the Date of Termination;

(vi) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall hereinafter be referred to collectively as the "Other Benefits"); and

(vii) notwithstanding anything to the contrary contained in any employment agreement, benefit plan or other document, in the event the Executive's employment shall be terminated during the Employment Period by the Executive for Good Reason or by the Company other than for Cause or Disability, on and after the Date of Termination the Executive shall not be bound or prejudiced by any non-competition agreement benefitting the Company or its subsidiaries and any provisions contained in the SERP which would penalize the Executive for being employed by a competitor, including, without limitation,

Section 3.6(c) thereof, shall not apply in any respect to the Executive and, effective as of the Date of Termination, the Company waives any right to enforce any such provisions against the Executive.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates his employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations of the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination and the Company shall timely pay or provide the Other Benefits to the Executive. In no event shall the Executive be liable to the Company for any damages caused by such voluntary termination by the Executive nor shall the Executive be in any way restricted from being employed by any other party after such voluntary termination.

Section 7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f) hereof, shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

Section 8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the fullest extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others in which the Executive is the prevailing party and which involves or relates to the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment from the due date thereof until paid at the prime rate from time to time reported in The Wall Street Journal during said period.

Section 9. Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9, except as provided in the last sentence of this Section 9(a)) (hereinafter referred to collectively as a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Regardless of whether the Executive is subject to an Excise Tax, in the event that the Company fails to defer payment of the amount described in Section 6(a)(i) in accordance with the proviso to the second sentence thereof, and it is subsequently determined that Executive is subject to the additional tax and interest provided in Section 409(a)(1)(B) of the Code with respect to any

portion of such payment (such additional tax, together with any interest and penalties thereon, are hereinafter collectively referred to as the "Section 409A Penalty") then Executive shall also be entitled to receive an additional payment (a "Section 409A Gross-Up") calculated in the same manner as a Gross-Up Payment by substituting "Section 409A Penalty" for "Excise Tax" for all purposes of this Section 9. The Section 409A Gross-Up shall be considered a Payment for purposes of calculation of any Gross-Up Penalty.

(b) Subject to the provisions of Section 9(c) hereof, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other independent certified public accounting firm as may be designated by the Executive (hereinafter referred to as the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (hereinafter referred to as the "Underpayment") consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) hereof and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Company's control of any such contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c) hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Section 10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating

to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The provisions of this Section 10 shall survive any termination of this Agreement or any termination of the employment of the Executive with the Company.

Section 11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Each notice, request, demand, approval or other communication which may be or is required to be given under this Agreement shall be in writing and shall be deemed to have been properly given when delivered personally at the address set forth below for the intended party during normal business hours at such address, when sent by facsimile or other electronic transmission to the respective facsimile transmission numbers of the parties set forth below with telephone confirmation of receipt, or when sent by recognized overnight courier or by the United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Littelfuse, Inc.
800 E. Northwest Highway

Des Plaines, Illinois 60016
Attention: President (unless the Executive is
the President, in which case the
communication should be to the
attention of all of the Directors
of the Company other than the
Executive)

Facsimile: (847) 824-3864
Confirm: (847) 391-0304

If to the Executive:

Philip G. Franklin

Facsimile: _____
Confirm: _____

Notices shall be given to such other addressee or address, or both, or by way of such other facsimile transmission number, as a particular party may from time to time designate by written notice to the other party hereto. Each notice, request, demand, approval or other communication which is sent in accordance with this Section shall be deemed given and received for all purposes of this Agreement as of two business days after the date of deposit thereof for mailing in a duly constituted United States post office or branch thereof, one business day after deposit with a recognized overnight courier service or upon confirmation of receipt of any facsimile transmission. Notice given to a party hereto by any other method shall only be deemed to be given and received when actually received in writing by such party.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to promptly assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof and/or any other written agreement between the Executive and the Company, prior to the

Effective Date the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date upon written notice to the other party, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Change of Control Employment Agreement as of the day and year first above written.

By: /s/ Philip G. Franklin

PHILIP G. FRANKLIN

LITTELFUSE, INC.

By: /s/ Gordon Hunter

Its: CEO

CHANGE OF CONTROL
EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of September, 2006, by and between LITTELFUSE, INC., a Delaware corporation (hereinafter referred to as the "Company"), and DAVID R. SAMYN (hereinafter referred to as the "Executive");

WITNESSETH:

WHEREAS, the Board of Directors of the Company (hereinafter referred to as the "Board") has determined that it is in the best interests of the Company and its stockholders to provide the Executive with certain protections against the uncertainties usually created by a Change of Control (as such term is hereinafter defined); and

WHEREAS, the Board believes that the protections provided to the Executive in connection with a Change of Control will better enable the Executive to devote his full time, attention and energy to the business of the Company prior to and after a Change of Control, thereby benefiting the Company and its stockholders;

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 Company and the Executive hereby agree as follows:

Section 1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b) hereof) on which a Change of Control (as defined in Section 2 hereof) occurs. Notwithstanding anything to the contrary contained in this Agreement, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the direct or indirect request of a third party who theretofore had taken any steps intended to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on January 1, 2009.

Section 2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition in one or more transactions by any individual, entity or group (hereinafter referred to collectively as a "Person") within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (hereinafter referred

to as the "Exchange Act"), of beneficial ownership (within the meaning of, and calculated in accordance with, Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (hereinafter referred to as the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (hereinafter referred to as the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2 or (v) any acquisition by Oaktree Capital Management, LLC, a California limited liability company, or any of its Affiliates or Associates (as used herein, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act); or

(b) Individuals who, as of the date hereof, constitute the Board (hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (hereinafter referred to as a "Business Combination") unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of

common stock of the corporation resulting from such Business Combination, or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company within one year after a Business Combination.

Section 3. Employment Period. The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to remain as an employee of the Company, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

Section 4. Terms of Employment.

(a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 20 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary (hereinafter referred to as the "Annual Base Salary"), which shall be paid at a monthly rate, equal to at least twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the

Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to the Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (hereinafter referred to as the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's incentive bonus program or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (hereinafter referred to as the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the fifteenth day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus. Any such deferral election shall be made not later than the first day of the fiscal year for which the Annual Bonus is paid, and shall be made in accordance with policies adopted by the Company in compliance with Section 409A of the Internal Revenue Code (the "Code") and any final regulations issued pursuant thereto.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the

120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

Section 5. Termination of Employment.

(a) Disability. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give written notice to the Executive of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after delivery of such notice to the Executive (the "Disability Effective Date"), provided that, within the 30 days after such delivery, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity

due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties and such failure is not cured within sixty (60) calendar days after receipt of such written demand; or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, any act or failure to act on the part of the Executive in violation or contravention of any order, resolution or directive of the Board of Directors of the Company shall be considered "willful" unless such order, resolution or directive is illegal or in violation of the certificate of incorporation or by-laws of the Company; provided, however, that no other act or failure to act on the part of the Executive, shall be considered "willful," unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the Executive is not elected to, or is removed from, any elected office of the Company which the Executive held immediately prior to the Effective Date;

(ii) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a) hereof, or any other action by the Company which results in a diminution in

such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) any failure by the Company to comply with any of the provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iv) the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date; or

(v) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of delivery of such notice, specifies the termination date (which date shall be not more than 30 days after the delivery of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of delivery of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be, and (iv) if the Executive's employment is terminated by the Executive without Good Reason, the last day of employment of the Executive with the Company.

Section 6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate his employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash the aggregate of the amounts set forth in A. and B. below. Such amount shall be paid within 30 days after the Date of Termination; provided, however, that if, and only if, the Executive notifies the Company that he has determined in good faith that payment of such amount, or any portion thereof, would be subject to Section 409A(a)(2)(B)(i) of the Code, such amount, or portion, shall instead be paid on the first day that is six months after the Date of Termination.

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, plus (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being hereinafter referred to as the "Highest Annual Bonus") multiplied by (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) are hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two multiplied by (2) the sum of (x) the Executive's Annual Base Salary plus (y) the Highest Annual Bonus;

(ii) during the two years following the Date of Termination, the Company shall continue to provide medical insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the medical insurance benefits described in Section 4(b)(iv) hereof if the Executive's employment had not been terminated; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical insurance benefits under another employer-provided plan, the medical insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility;

(iii) for a period of up to two (2) years after the Date of Termination, the Company shall provide outplacement services to the Executive for the purpose of assisting the Executive seek new employment at a cost to the Company not to exceed fifteen percent (15%) of the Executive's Annual Base Salary, payable directly to an

outplacement service provider; provided, however, that the Company shall have no further obligations to pay for any such outplacement services once the Executive has accepted employment with any third party;

(iv) notwithstanding anything to the contrary set forth in any stock option plans pursuant to which the Executive has been granted any stock options or other rights to acquire securities of the Company or its Affiliates (the "Plans"), any option or right granted to the Executive under any of the Plans shall be exercisable by the Executive until the earlier of (x) the date on which the option or right terminates in accordance with the terms of its grant, or (y) the expiration of twelve (12) months after the Date of Termination;

(v) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall hereinafter be referred to collectively as the "Other Benefits"); and

(vi) notwithstanding anything to the contrary contained in any employment agreement, benefit plan or other document, in the event the Executive's employment shall be terminated during the Employment Period by the Executive for Good Reason or by the Company other than for Cause or Disability, on and after the Date of Termination the Executive shall not be bound or prejudiced by any non-competition agreement benefiting the Company or its subsidiaries.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits"

as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates his employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations of the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination and the Company shall timely pay or provide the Other Benefits to the Executive. In no event shall the Executive be liable to the Company for any damages caused by such voluntary termination by the Executive nor shall the Executive be in any way restricted from being employed by any other party after such voluntary termination.

Section 7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f) hereof, shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

Section 8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the fullest extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others in which the Executive is the prevailing party and which involves or relates to the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment from the due date thereof

until paid at the prime rate from time to time reported in The Wall Street Journal during said period.

Section 9. Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9, except as provided in the last sentence of this Section 9(a) (hereinafter referred to collectively as a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Regardless of whether the Executive is subject to an Excise Tax, in the event that the Company fails to defer payment of the amount described in Section 6(a)(i) in accordance with the proviso to the second sentence thereof, and it is subsequently determined that Executive is subject to the additional tax and interest provided in Section 409A(a)(1)(B) of the Code with respect to any portion of such payment (such additional tax, together with any interest and penalties thereon, are hereinafter collectively referred to as the "Section 409A Penalty") then Executive shall also be entitled to receive an additional payment (a "Section 409A Gross-Up") calculated in the same manner as a Gross-Up Payment by substituting "Section 409A Penalty" for "Excise Tax" for all purposes of this Section 9. The Section 409A Gross-Up shall be considered a Payment for purposes of calculation of any Gross-Up Penalty.

(b) Subject to the provisions of Section 9(c) hereof, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other independent certified public accounting firm as may be designated by the Executive (hereinafter referred to as the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that

Gross-Up Payments which will not have been made by the Company should have been made (hereinafter referred to as the "Underpayment") consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) hereof and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall

indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Company's control of any such contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c) hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Section 10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The provisions of this Section 10 shall survive any termination of this Agreement or any termination of the employment of the Executive with the Company.

Section 11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had

taken place. As used in this Agreement, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Each notice, request, demand, approval or other communication which may be or is required to be given under this Agreement shall be in writing and shall be deemed to have been properly given when delivered personally at the address set forth below for the intended party during normal business hours at such address, when sent by facsimile or other electronic transmission to the respective facsimile transmission numbers of the parties set forth below with telephone confirmation of receipt, or when sent by recognized overnight courier or by the United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, Illinois 60016
Attention: President (unless the Executive is
the President, in which case the
communication should be to the
attention of all of the Directors
of the Company other than the
Executive)

Facsimile: (847) 824-3864
Confirm: (847) 391-0304

If to the Executive:

David R. Samyn

Facsimile: _____
Confirm: _____

Notices shall be given to such other addressee or address, or both, or by way of such other facsimile transmission number, as a particular party may from time to time designate by written notice to the other party hereto. Each notice, request, demand, approval or other communication which is sent in accordance with this Section shall be deemed given and received for all purposes of this Agreement as of two business days after the date of deposit thereof for mailing in a duly constituted United States post office or branch thereof, one business day after deposit with a recognized overnight courier service or upon confirmation of receipt of any facsimile

transmission. Notice given to a party hereto by any other method shall only be deemed to be given and received when actually received in writing by such party.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to promptly assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof and/or any other written agreement between the Executive and the Company, prior to the Effective Date the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date upon written notice to the other party, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Change of Control Employment Agreement as of the day and year first above written.

By /s/ David R. Samyn

DAVID R. SAMYN

LITTELFUSE, INC.

By /s/ Gordon Hunter

Its CEO

CHANGE OF CONTROL
EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of September, 2006, by and between LITTELFUSE, INC., a Delaware corporation (hereinafter referred to as the "Company"), and DAVID W. HEINZMANN (hereinafter referred to as the "Executive");

WITNESSETH:

WHEREAS, the Board of Directors of the Company (hereinafter referred to as the "Board") has determined that it is in the best interests of the Company and its stockholders to provide the Executive with certain protections against the uncertainties usually created by a Change of Control (as such term is hereinafter defined); and

WHEREAS, the Board believes that the protections provided to the Executive in connection with a Change of Control will better enable the Executive to devote his full time, attention and energy to the business of the Company prior to and after a Change of Control, thereby benefiting the Company and its stockholders;

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 Company and the Executive hereby agree as follows:

Section 1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b) hereof) on which a Change of Control (as defined in Section 2 hereof) occurs. Notwithstanding anything to the contrary contained in this Agreement, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the direct or indirect request of a third party who theretofore had taken any steps intended to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on January 1, 2009.

Section 2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition in one or more transactions by any individual, entity or group (hereinafter referred to collectively as a "Person") within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (hereinafter referred to as the "Exchange Act"), of beneficial ownership (within the meaning of, and

calculated in accordance with, Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (hereinafter referred to as the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (hereinafter referred to as the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2 or (v) any acquisition by Oaktree Capital Management, LLC, a California limited liability company, or any of its Affiliates or Associates (as used herein, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act); or

(b) Individuals who, as of the date hereof, constitute the Board (hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (hereinafter referred to as a "Business Combination") unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination, or the

combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company within one year after a Business Combination.

Section 3. Employment Period. The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to remain as an employee of the Company, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

Section 4. Terms of Employment.

(a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 20 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary (hereinafter referred to as the "Annual Base Salary"), which shall be paid at a monthly rate, equal to at least twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the Company and its affiliated companies in respect of the twelve-month period immediately

preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to the Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (hereinafter referred to as the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's incentive bonus program or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (hereinafter referred to as the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the fifteenth day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus. Any such deferral election shall be made not later than the first day of the fiscal year for which the Annual Bonus is paid, and shall be made in accordance with policies adopted by the Company in compliance with Section 409A of the Internal Revenue Code (the "Code") and any final regulations issued pursuant thereto.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive,

those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

Section 5. Termination of Employment.

(a) Disability. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give written notice to the Executive of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after delivery of such notice to the Executive (the "Disability Effective Date"), provided that, within the 30 days after such delivery, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of incapacity due to mental or physical illness which is determined to be total and permanent by a physician

selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties and such failure is not cured within sixty (60) calendar days after receipt of such written demand; or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, any act or failure to act on the part of the Executive in violation or contravention of any order, resolution or directive of the Board of Directors of the Company shall be considered "willful" unless such order, resolution or directive is illegal or in violation of the certificate of incorporation or by-laws of the Company; provided, however, that no other act or failure to act on the part of the Executive, shall be considered "willful," unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the Executive is not elected to, or is removed from, any elected office of the Company which the Executive held immediately prior to the Effective Date;

(ii) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a) hereof, or any other action by the Company which results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an

isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) any failure by the Company to comply with any of the provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iv) the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date; or

(v) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of delivery of such notice, specifies the termination date (which date shall be not more than 30 days after the delivery of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of delivery of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be, and (iv) if the Executive's employment is terminated by the Executive without Good Reason, the last day of employment of the Executive with the Company.

Section 6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate his employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash the aggregate of the amounts set forth in A. and B. below. Such amount shall be paid within 30 days after the Date of Termination; provided, however, that if, and only if, the Executive notifies the Company that he has determined in good faith that payment of such amount, or any portion thereof, would be subject to Section 409A(a)(2)(B)(i) of the Code, such amount, or portion, shall instead be paid on the first day that is six months after the Date of Termination.

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, plus (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being hereinafter referred to as the "Highest Annual Bonus") multiplied by (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) are hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two multiplied by (2) the sum of (x) the Executive's Annual Base Salary plus (y) the Highest Annual Bonus;

(ii) during the two years following the Date of Termination, the Company shall continue to provide medical insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the medical insurance benefits described in Section 4(b)(iv) hereof if the Executive's employment had not been terminated; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical insurance benefits under another employer-provided plan, the medical insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility;

(iii) for a period of up to two (2) years after the Date of Termination, the Company shall provide outplacement services to the Executive for the purpose of

assisting the Executive seek new employment at a cost to the Company not to exceed fifteen percent (15%) of the Executive's Annual Base Salary, payable directly to an outplacement service provider; provided, however, that the Company shall have no further obligations to pay for any such outplacement services once the Executive has accepted employment with any third party;

(iv) notwithstanding anything to the contrary set forth in any stock option plans pursuant to which the Executive has been granted any stock options or other rights to acquire securities of the Company or its Affiliates (the "Plans"), any option or right granted to the Executive under any of the Plans shall be exercisable by the Executive until the earlier of (x) the date on which the option or right terminates in accordance with the terms of its grant, or (y) the expiration of twelve (12) months after the Date of Termination;

(v) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall hereinafter be referred to collectively as the "Other Benefits"); and

(vi) notwithstanding anything to the contrary contained in any employment agreement, benefit plan or other document, in the event the Executive's employment shall be terminated during the Employment Period by the Executive for Good Reason or by the Company other than for Cause or Disability, on and after the Date of Termination the Executive shall not be bound or prejudiced by any non-competition agreement benefiting the Company or its subsidiaries.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits.

Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates his employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations of the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination and the Company shall timely pay or provide the Other Benefits to the Executive. In no event shall the Executive be liable to the Company for any damages caused by such voluntary termination by the Executive nor shall the Executive be in any way restricted from being employed by any other party after such voluntary termination.

Section 7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f) hereof, shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

Section 8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the fullest extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others in which the Executive is the prevailing party and which involves or relates to the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof

(including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment from the due date thereof until paid at the prime rate from time to time reported in The Wall Street Journal during said period.

Section 9. Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9, except as provided in the last sentence of this Section 9(a) (hereinafter referred to collectively as a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Regardless of whether the Executive is subject to an Excise Tax, in the event that the Company fails to defer payment of the amount described in Section 6(a)(i) in accordance with the proviso to the second sentence thereof, and it is subsequently determined that Executive is subject to the additional tax and interest provided in Section 409(a)(1)(B) of the Code with respect to any portion of such payment (such additional tax, together with any interest and penalties thereon, are hereinafter collectively referred to as the "Section 409A Penalty") then Executive shall also be entitled to receive an additional payment (a "Section 409A Gross-Up") calculated in the same manner as a Gross-Up Payment by substituting "Section 409A Penalty" for "Excise Tax" for all purposes of this Section 9. The Section 409A Gross-Up shall be considered a Payment for purposes of calculation of any Gross-Up Penalty.

(b) Subject to the provisions of Section 9(c) hereof, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other independent certified public accounting firm as may be designated by the Executive (hereinafter referred to as the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company

and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (hereinafter referred to as the "Underpayment") consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) hereof and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the

Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Company's control of any such contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c) hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Section 10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The provisions of this Section 10 shall survive any termination of this Agreement or any termination of the employment of the Executive with the Company.

Section 11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the

Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Each notice, request, demand, approval or other communication which may be or is required to be given under this Agreement shall be in writing and shall be deemed to have been properly given when delivered personally at the address set forth below for the intended party during normal business hours at such address, when sent by facsimile or other electronic transmission to the respective facsimile transmission numbers of the parties set forth below with telephone confirmation of receipt, or when sent by recognized overnight courier or by the United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, Illinois 60016
Attention: President (unless the Executive is
the President, in which case the
communication should be to the
attention of all of the Directors
of the Company other than the
Executive)
Facsimile: (847) 824-3864
Confirm: (847) 391-0304

If to the Executive:

David W. Heinzmann

Facsimile: _____
Confirm: _____

Notices shall be given to such other addressee or address, or both, or by way of such other facsimile transmission number, as a particular party may from time to time designate by written notice to the other party hereto. Each notice, request, demand, approval or other communication which is sent in accordance with this Section shall be deemed given and received for all purposes of this Agreement as of two business days after the date of deposit thereof for mailing in a duly

constituted United States post office or branch thereof, one business day after deposit with a recognized overnight courier service or upon confirmation of receipt of any facsimile transmission. Notice given to a party hereto by any other method shall only be deemed to be given and received when actually received in writing by such party.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to promptly assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof and/or any other written agreement between the Executive and the Company, prior to the Effective Date the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date upon written notice to the other party, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Change of Control Employment Agreement as of the day and year first above written.

By /s/ David W. Heinzmann

DAVID W. HEINZMANN

LITTELFUSE, INC.

By /s/ Gordon Hunter

Its CEO

CHANGE OF CONTROL
EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of September, 2006, by and between LITTELFUSE, INC., a Delaware corporation (hereinafter referred to as the "Company"), and HUGH DALSEN FERBERT (hereinafter referred to as the "Executive");

WITNESSETH:

WHEREAS, the Board of Directors of the Company (hereinafter referred to as the "Board") has determined that it is in the best interests of the Company and its stockholders to provide the Executive with certain protections against the uncertainties usually created by a Change of Control (as such term is hereinafter defined); and

WHEREAS, the Board believes that the protections provided to the Executive in connection with a Change of Control will better enable the Executive to devote his full time, attention and energy to the business of the Company prior to and after a Change of Control, thereby benefiting the Company and its stockholders;

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 Company and the Executive hereby agree as follows:

Section 1. Certain Definitions. (a) The "Effective Date" shall mean the first date during the Change of Control Period (as defined in Section 1(b) hereof) on which a Change of Control (as defined in Section 2 hereof) occurs. Notwithstanding anything to the contrary contained in this Agreement, if a Change of Control occurs and if the Executive's employment with the Company is terminated prior to the date on which the Change of Control occurs, and if it is reasonably demonstrated by the Executive that such termination of employment (i) was at the direct or indirect request of a third party who theretofore had taken any steps intended to effect a Change of Control or (ii) otherwise arose in connection with or in anticipation of a Change of Control, then for all purposes of this Agreement the "Effective Date" shall mean the date immediately prior to the date of such termination of employment.

(b) The "Change of Control Period" shall mean the period commencing on the date hereof and ending on January 1, 2009.

Section 2. Change of Control. For the purpose of this Agreement, a "Change of Control" shall mean:

(a) The acquisition in one or more transactions by any individual, entity or group (hereinafter referred to collectively as a "Person") within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (hereinafter referred

to as the "Exchange Act"), of beneficial ownership (within the meaning of, and calculated in accordance with, Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (i) the then outstanding shares of common stock of the Company (hereinafter referred to as the "Outstanding Company Common Stock") or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (hereinafter referred to as the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (i), (ii) and (iii) of subsection (c) of this Section 2 or (v) any acquisition by Oaktree Capital Management, LLC, a California limited liability company, or any of its Affiliates or Associates (as used herein, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act); or

(b) Individuals who, as of the date hereof, constitute the Board (hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(c) Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company (hereinafter referred to as a "Business Combination") unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of

common stock of the corporation resulting from such Business Combination, or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company within one year after a Business Combination.

Section 3. Employment Period. The Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to remain as an employee of the Company, subject to the terms and conditions of this Agreement, for the period commencing on the Effective Date and ending on the second anniversary of such date (the "Employment Period").

Section 4. Terms of Employment.

(a) Position and Duties. (i) During the Employment Period, (A) the Executive's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 120-day period immediately preceding the Effective Date and (B) the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date or any office or location less than 20 miles from such location.

(ii) During the Employment Period, and excluding any periods of vacation and sick leave to which the Executive is entitled, the Executive agrees to devote reasonable attention and time during normal business hours to the business and affairs of the Company and, to the extent necessary to discharge the responsibilities assigned to the Executive hereunder, to use the Executive's reasonable best efforts to perform faithfully and efficiently such responsibilities. During the Employment Period it shall not be a violation of this Agreement for the Executive to (A) serve on corporate, civic or charitable boards or committees, (B) deliver lectures, fulfill speaking engagements or teach at educational institutions, and (C) manage personal investments, so long as such activities do not significantly interfere with the performance of the Executive's responsibilities as an employee of the Company in accordance with this Agreement. It is expressly understood and agreed that to the extent that any such activities have been conducted by the Executive prior to the Effective Date, the continued conduct of such activities (or the conduct of activities similar in nature and scope thereto) subsequent to the Effective Date shall not thereafter be deemed to interfere with the performance of the Executive's responsibilities to the Company.

(b) Compensation. (i) Base Salary. During the Employment Period, the Executive shall receive an annual base salary (hereinafter referred to as the "Annual Base Salary"), which shall be paid at a monthly rate, equal to at least twelve times the highest monthly base salary paid or payable, including any base salary which has been earned but deferred, to the Executive by the

Company and its affiliated companies in respect of the twelve-month period immediately preceding the month in which the Effective Date occurs. During the Employment Period, the Annual Base Salary shall be reviewed no more than 12 months after the last salary increase awarded to the Executive prior to the Effective Date and thereafter at least annually. Any increase in Annual Base Salary shall not serve to limit or reduce any other obligation to the Executive under this Agreement. Annual Base Salary shall not be reduced after any such increase and the term Annual Base Salary as used in this Agreement shall refer to Annual Base Salary as so increased. As used in this Agreement, the term "affiliated companies" shall include any company controlled by, controlling or under common control with the Company.

(ii) Annual Bonus. In addition to the Annual Base Salary, the Executive shall be awarded, for each fiscal year ending during the Employment Period, an annual bonus (hereinafter referred to as the "Annual Bonus") in cash at least equal to the Executive's highest bonus under the Company's incentive bonus program or any comparable bonus under any predecessor or successor plan, for the last three full fiscal years prior to the Effective Date (annualized in the event that the Executive was not employed by the Company for the whole of such fiscal year) (hereinafter referred to as the "Recent Annual Bonus"). Each such Annual Bonus shall be paid no later than the fifteenth day of the third month of the fiscal year next following the fiscal year for which the Annual Bonus is awarded, unless the Executive shall elect to defer the receipt of such Annual Bonus. Any such deferral election shall be made not later than the first day of the fiscal year for which the Annual Bonus is paid, and shall be made in accordance with policies adopted by the Company in compliance with Section 409A of the Internal Revenue Code (the "Code") and any final regulations issued pursuant thereto.

(iii) Incentive, Savings and Retirement Plans. During the Employment Period, the Executive shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with incentive opportunities (measured with respect to both regular and special incentive opportunities, to the extent, if any, that such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable, in the aggregate, than the most favorable of those provided by the Company and its affiliated companies for the Executive under such plans, practices, policies and programs as in effect at any time during the 120-day period immediately preceding the Effective Date or if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(iv) Welfare Benefit Plans. During the Employment Period, the Executive and/or the Executive's family, as the case may be, shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its affiliated companies (including, without limitation, medical, prescription, dental, disability, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to other peer executives of the Company and its affiliated companies, but in no event shall such plans, practices, policies and programs provide the Executive with benefits which are less favorable, in the aggregate, than the most favorable of such plans, practices, policies and programs in effect for the Executive at any time during the

120-day period immediately preceding the Effective Date or, if more favorable to the Executive, those provided generally at any time after the Effective Date to other peer executives of the Company and its affiliated companies.

(v) Expenses. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the most favorable policies, practices and procedures of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vi) Fringe Benefits. During the Employment Period, the Executive shall be entitled to fringe benefits, including, without limitation, tax and financial planning services, payment of club dues, and, if applicable, use of an automobile and payment of related expenses, in accordance with the most favorable plans, practices, programs and policies of the Company and its affiliated companies in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(vii) Office and Support Staff. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to exclusive personal secretarial and other assistance, at least equal to the most favorable of the foregoing provided to the Executive by the Company and its affiliated companies at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as provided generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

(viii) Vacation. During the Employment Period, the Executive shall be entitled to paid vacation in accordance with the most favorable plans, policies, programs and practices of the Company and its affiliated companies as in effect for the Executive at any time during the 120-day period immediately preceding the Effective Date or, if more favorable to the Executive, as in effect generally at any time thereafter with respect to other peer executives of the Company and its affiliated companies.

Section 5. Termination of Employment.

(a) Disability. If the Company determines in good faith that the Disability of the Executive has occurred during the Employment Period (pursuant to the definition of Disability set forth below), it may give written notice to the Executive of its intention to terminate the Executive's employment. In such event, the Executive's employment with the Company shall terminate effective on the 30th day after delivery of such notice to the Executive (the "Disability Effective Date"), provided that, within the 30 days after such delivery, the Executive shall not have returned to full-time performance of the Executive's duties. For purposes of this Agreement, "Disability" shall mean the absence of the Executive from the Executive's duties with the Company on a full-time basis for 180 consecutive business days as a result of

incapacity due to mental or physical illness which is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or the Executive's legal representative.

(b) Cause. The Company may terminate the Executive's employment during the Employment Period for Cause. For purposes of this Agreement, "Cause" shall mean:

(i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board which specifically identifies the manner in which the Board believes that the Executive has not substantially performed the Executive's duties and such failure is not cured within sixty (60) calendar days after receipt of such written demand; or

(ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, any act or failure to act on the part of the Executive in violation or contravention of any order, resolution or directive of the Board of Directors of the Company shall be considered "willful" unless such order, resolution or directive is illegal or in violation of the certificate of incorporation or by-laws of the Company; provided, however, that no other act or failure to act on the part of the Executive, shall be considered "willful," unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or a senior officer of the Company or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company. The cessation of employment of the Executive shall not be deemed to be for Cause unless and until there shall have been delivered to the Executive a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Executive and the Executive is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

(c) Good Reason. The Executive's employment may be terminated by the Executive for Good Reason. For purposes of this Agreement, "Good Reason" shall mean:

(i) the Executive is not elected to, or is removed from, any elected office of the Company which the Executive held immediately prior to the Effective Date;

(ii) the assignment to the Executive of any duties inconsistent in any respect with the Executive's position, authority, duties or responsibilities as contemplated by Section 4(a) hereof, or any other action by the Company which results in a diminution in

such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iii) any failure by the Company to comply with any of the provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company promptly after receipt of notice thereof given by the Executive;

(iv) the Company's requiring the Executive to travel on Company business to a substantially greater extent than required immediately prior to the Effective Date; or

(v) any purported termination by the Company of the Executive's employment otherwise than as expressly permitted by this Agreement.

For purposes of this Section 5(c), any good faith determination of "Good Reason" made by the Executive shall be conclusive.

(d) Notice of Termination. Any termination by the Company for Cause, or by the Executive for Good Reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 12(b) hereof. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated and (iii) if the Date of Termination (as defined below) is other than the date of delivery of such notice, specifies the termination date (which date shall be not more than 30 days after the delivery of such notice). The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Good Reason or Cause shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive's or the Company's rights hereunder.

(e) Date of Termination. "Date of Termination" means (i) if the Executive's employment is terminated by the Company for Cause, or by the Executive for Good Reason, the date of delivery of the Notice of Termination or any later date specified therein, as the case may be, (ii) if the Executive's employment is terminated by the Company other than for Cause or Disability, the Date of Termination shall be the date on which the Company notifies the Executive of such termination, (iii) if the Executive's employment is terminated by reason of death or Disability, the Date of Termination shall be the date of death of the Executive or the Disability Effective Date, as the case may be, and (iv) if the Executive's employment is terminated by the Executive without Good Reason, the last day of employment of the Executive with the Company.

Section 6. Obligations of the Company upon Termination.

(a) Good Reason; Other Than for Cause, Death or Disability. If, during the Employment Period, the Company shall terminate the Executive's employment other than for Cause or Disability or the Executive shall terminate his employment for Good Reason:

(i) the Company shall pay to the Executive in a lump sum in cash the aggregate of the amounts set forth in A. and B. below. Such amount shall be paid within 30 days after the Date of Termination; provided, however, that if, and only if, the Executive notifies the Company that he has determined in good faith that payment of such amount, or any portion thereof, would be subject to Section 409A(a)(2)(B)(i) of the Code, such amount, or portion, shall instead be paid on the first day that is six months after the Date of Termination.

A. the sum of (1) the Executive's Annual Base Salary through the Date of Termination to the extent not theretofore paid, plus (2) the product of (x) the higher of (I) the Recent Annual Bonus and (II) the Annual Bonus paid or payable, including any bonus or portion thereof which has been earned but deferred (and annualized for any fiscal year consisting of less than twelve full months or during which the Executive was employed for less than twelve full months), for the most recently completed fiscal year during the Employment Period, if any (such higher amount being hereinafter referred to as the "Highest Annual Bonus") multiplied by (y) a fraction, the numerator of which is the number of days in the current fiscal year through the Date of Termination, and the denominator of which is 365 plus (3) any compensation previously deferred by the Executive (together with any accrued interest or earnings thereon) and any accrued vacation pay, in each case to the extent not theretofore paid (the sum of the amounts described in clauses (1), (2) and (3) are hereinafter referred to as the "Accrued Obligations"); and

B. the amount equal to the product of (1) two multiplied by (2) the sum of (x) the Executive's Annual Base Salary plus (y) the Highest Annual Bonus;

(ii) during the two years following the Date of Termination, the Company shall continue to provide medical insurance benefits to the Executive and/or the Executive's family at least equal to those which would have been provided to them in accordance with the medical insurance benefits described in Section 4(b)(iv) hereof if the Executive's employment had not been terminated; provided, however, that if the Executive becomes reemployed with another employer and is eligible to receive medical insurance benefits under another employer-provided plan, the medical insurance benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility;

(iii) for a period of up to two (2) years after the Date of Termination, the Company shall provide outplacement services to the Executive for the purpose of

assisting the Executive seek new employment at a cost to the Company not to exceed fifteen percent (15%) of the Executive's Annual Base Salary, payable directly to an outplacement service provider; provided, however, that the Company shall have no further obligations to pay for any such outplacement services once the Executive has accepted employment with any third party;

(iv) notwithstanding anything to the contrary set forth in any stock option plans pursuant to which the Executive has been granted any stock options or other rights to acquire securities of the Company or its Affiliates (the "Plans"), any option or right granted to the Executive under any of the Plans shall be exercisable by the Executive until the earlier of (x) the date on which the option or right terminates in accordance with the terms of its grant, or (y) the expiration of twelve (12) months after the Date of Termination;

(v) to the extent not theretofore paid or provided, the Company shall timely pay or provide to the Executive any other amounts or benefits required to be paid or provided or which the Executive is eligible to receive under any plan, program, policy or practice or contract or agreement of the Company and its affiliated companies (such other amounts and benefits shall hereinafter be referred to collectively as the "Other Benefits"); and

(vi) notwithstanding anything to the contrary contained in any employment agreement, benefit plan or other document, in the event the Executive's employment shall be terminated during the Employment Period by the Executive for Good Reason or by the Company other than for Cause or Disability, on and after the Date of Termination the Executive shall not be bound or prejudiced by any non-competition agreement benefiting the Company or its subsidiaries.

(b) Death. If the Executive's employment is terminated by reason of the Executive's death during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive's legal representatives under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. Accrued Obligations shall be paid to the Executive's estate or beneficiary, as applicable, in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(b) shall include, without limitation, and the Executive's estate and/or beneficiaries shall be entitled to receive, benefits at least equal to the most favorable benefits provided by the Company and affiliated companies to the estates and beneficiaries of peer executives of the Company and such affiliated companies under such plans, programs, practices and policies relating to death benefits, if any, as in effect with respect to other peer executives and their beneficiaries at any time during the 120-day period immediately preceding the Effective Date.

(c) Disability. If the Executive's employment is terminated by reason of the Executive's Disability during the Employment Period, this Agreement shall terminate without further obligations by the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits.

Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. With respect to the provision of Other Benefits, the term "Other Benefits" as utilized in this Section 6(c) shall include, and the Executive shall be entitled after the Disability Effective Date to receive, disability and other benefits at least equal to the most favorable of those generally provided by the Company and its affiliated companies to disabled executives and/or their families in accordance with such plans, programs, practices and policies relating to disability, if any, as in effect generally with respect to other peer executives and their families at any time during the 120-day period immediately preceding the Effective Date.

(d) Cause; Other than for Good Reason. If the Executive's employment shall be terminated for Cause during the Employment Period, this Agreement shall terminate without further obligations to the Executive other than the obligation to pay to the Executive (x) his Annual Base Salary through the Date of Termination, (y) the amount of any compensation previously deferred by the Executive, and (z) Other Benefits, in each case to the extent theretofore unpaid. If the Executive voluntarily terminates his employment during the Employment Period, excluding a termination for Good Reason, this Agreement shall terminate without further obligations of the Company to the Executive under this Agreement, other than for payment of Accrued Obligations and the timely payment or provision of Other Benefits. In such case, all Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination and the Company shall timely pay or provide the Other Benefits to the Executive. In no event shall the Executive be liable to the Company for any damages caused by such voluntary termination by the Executive nor shall the Executive be in any way restricted from being employed by any other party after such voluntary termination.

Section 7. Nonexclusivity of Rights. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its affiliated companies and for which the Executive may qualify, nor, subject to Section 12(f) hereof, shall anything herein limit or otherwise affect such rights as the Executive may have under any contract or agreement with the Company or any of its affiliated companies. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any contract or agreement with the Company or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Agreement.

Section 8. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against the Executive or others. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement and such amounts shall not be reduced whether or not the Executive obtains other employment. The Company agrees to pay as incurred, to the fullest extent permitted by law, all legal fees and expenses which the Executive may reasonably incur as a result of any contest by the Company, the Executive or others in which the Executive is the prevailing party and which involves or relates to the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof

(including as a result of any contest by the Executive about the amount of any payment pursuant to this Agreement), plus in each case interest on any delayed payment from the due date thereof until paid at the prime rate from time to time reported in The Wall Street Journal during said period.

Section 9. Certain Additional Payments by the Company. (a) Anything in this Agreement to the contrary notwithstanding and except as set forth below, in the event it shall be determined that any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 9, except as provided in the last sentence of this Section 9(a) (hereinafter referred to collectively as a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that, after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including, without limitation, any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. Regardless of whether the Executive is subject to an Excise Tax, in the event that the Company fails to defer payment of the amount described in Section 6(a)(i) in accordance with the proviso to the second sentence thereof, and it is subsequently determined that Executive is subject to the additional tax and interest provided in Section 409A(a)(1)(B) of the Code with respect to any portion of such payment (such additional tax, together with any interest and penalties thereon, are hereinafter collectively referred to as the "Section 409A Penalty") then Executive shall also be entitled to receive an additional payment (a "Section 409A Gross-Up") calculated in the same manner as a Gross-Up Payment by substituting "Section 409A Penalty" for "Excise Tax" for all purposes of this Section 9. The Section 409A Gross-Up shall be considered a Payment for purposes of calculation of any Gross-Up Penalty.

(b) Subject to the provisions of Section 9(c) hereof, all determinations required to be made under this Section 9, including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by Ernst & Young LLP or such other independent certified public accounting firm as may be designated by the Executive (hereinafter referred to as the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a Payment, or such earlier time as is requested by the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change of Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 9, shall be paid by the Company to the Executive within five days of the receipt of the Accounting Firm's determination. Any determination by the Accounting Firm shall be binding upon the Company

and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (hereinafter referred to as the "Underpayment") consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 9(c) hereof and the Executive thereafter is required to make a payment of any Excise Tax, the Accounting Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 9(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or to contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the

Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance. The Company's control of any such contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 9(c) hereof) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 9(c) hereof, a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

Section 10. Confidential Information. The Executive shall hold in a fiduciary capacity for the benefit of the Company all secret or confidential information, knowledge or data relating to the Company or any of its affiliated companies, and their respective businesses, which shall have been obtained by the Executive during the Executive's employment by the Company or any of its affiliated companies and which shall not be or become public knowledge (other than by acts by the Executive or representatives of the Executive in violation of this Agreement). After termination of the Executive's employment with the Company, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such information, knowledge or data to anyone other than the Company and those designated by it. In no event shall an asserted violation of the provisions of this Section 10 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The provisions of this Section 10 shall survive any termination of this Agreement or any termination of the employment of the Executive with the Company.

Section 11. Successors. (a) This Agreement is personal to the Executive and without the prior written consent of the Company shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

(c) The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the

Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. As used in this Agreement, the term "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Agreement by operation of law or otherwise.

Section 12. Miscellaneous. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, without reference to principles of conflict of laws. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(b) Each notice, request, demand, approval or other communication which may be or is required to be given under this Agreement shall be in writing and shall be deemed to have been properly given when delivered personally at the address set forth below for the intended party during normal business hours at such address, when sent by facsimile or other electronic transmission to the respective facsimile transmission numbers of the parties set forth below with telephone confirmation of receipt, or when sent by recognized overnight courier or by the United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:

Littelfuse, Inc.
800 E. Northwest Highway
Des Plaines, Illinois 60016
Attention: President (unless the Executive is
the President, in which case the
communication should be to the
attention of all of the Directors
of the Company other than the
Executive)
Facsimile: (847) 824-3864
Confirm: (847) 391-0304

If to the Executive:

Hugh Dalsen Ferbert

Facsimile: _____
Confirm: _____

Notices shall be given to such other addressee or address, or both, or by way of such other facsimile transmission number, as a particular party may from time to time designate by written notice to the other party hereto. Each notice, request, demand, approval or other communication which is sent in accordance with this Section shall be deemed given and received for all purposes of this Agreement as of two business days after the date of deposit thereof for mailing in a duly

constituted United States post office or branch thereof, one business day after deposit with a recognized overnight courier service or upon confirmation of receipt of any facsimile transmission. Notice given to a party hereto by any other method shall only be deemed to be given and received when actually received in writing by such party.

(c) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(d) The Company may withhold from any amounts payable under this Agreement such Federal, state, local or foreign taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) The Executive's or the Company's failure to insist upon strict compliance with any provision of this Agreement or the failure to promptly assert any right the Executive or the Company may have hereunder, including, without limitation, the right of the Executive to terminate employment for Good Reason pursuant to Section 5(c)(i)-(v) hereof, shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

(f) The Executive and the Company acknowledge that, except as may otherwise be provided under any other written agreement between the Executive and the Company, the employment of the Executive by the Company is "at will" and, subject to Section 1(a) hereof and/or any other written agreement between the Executive and the Company, prior to the Effective Date the Executive's employment and/or this Agreement may be terminated by either the Executive or the Company at any time prior to the Effective Date upon written notice to the other party, in which case the Executive shall have no further rights under this Agreement. From and after the Effective Date, this Agreement shall supersede any other agreement between the parties with respect to the subject matter hereof.

(g) This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Change of Control Employment Agreement as of the day and year first above written.

By: /s/ Hugh Dalsen Ferbert

HUGH DALSEN FERBERT

LITTELFUSE, INC.

By: /s/ Gordon Hunter

Its: CEO

LITTELFUSE, INC.
SUMMARY OF EXECUTIVE OFFICER COMPENSATION

The compensation of executive officers of Littelfuse, Inc. (the "Company") primarily consists of three variable components: base salary, a potential cash bonus under the Company's annual incentive compensation program, and stock options or other awards under the Littelfuse, Inc. Equity Incentive Compensation Plan for Employees and Directors of Littelfuse, Inc. (the "Equity Plan").

SALARIES

The base salaries for Mr. Gordon Hunter, the Chairman of the Board, President and Chief Executive Officer of the Company, and each of the other four most highly compensated executive officers of the Company named below (the "Other Executive Officers"), effective July 1, 2006, are as follows:

NAME AND PRINCIPAL POSITIONS	
BASE SALARY	
Gordon Hunter, Chairman, President and Chief Executive Officer	\$612,000
Philip G. Franklin, Vice President, Operations Support and Chief Financial Officer	\$331,500
David Samyn, Vice President and General Manager, Electronics Business Unit	\$265,200
David W. Heinzmann, Vice President and General Manager, Automotive Business Unit	\$229,000
Dal Ferbart, Vice President and General Manager, Electrical Business Unit	\$219,500

ANNUAL INCENTIVE COMPENSATION PROGRAM

The minimum, target and maximum amounts to be awarded under the annual incentive compensation program for fiscal year 2007 for Mr. Hunter and each of the Other Executive Officers, subject to achievement of financial objectives of the Company and individual performance objectives, are as follows:

NAME AND PRINCIPAL POSITIONS MINIMUM, TARGET AND MAXIMUM AMOUNTS AS A PERCENTAGE OF BASE SALARY Gordon Hunter, Chairman,
President and Chief Executive Officer 0, 75 & 150%

NAME AND
PRINCIPAL
POSITIONS
MINIMUM,
TARGET AND
MAXIMUM
AMOUNTS AS

A
 PERCENTAGE
 OF BASE
 SALARY
 Philip G.
 Franklin,
 Vice
 President,
 Operations
 Support
 and Chief
 Financial
 Officer 0,
 50 & 100%
 David
 Samyn,
 Vice
 President
 and
 General
 Manager,
 Electronics
 Business
 Unit 0, 40
 & 80%
 David W.
 Heinzmann,
 Vice
 President
 and
 General
 Manager,
 Automotive
 Business
 Unit 0, 40
 & 80% Dal
 Ferbert,
 Vice
 President
 and
 General
 Manager,
 Electrical
 Business
 Unit 0, 40
 & 80%

EQUITY PLAN AWARDS Annual awards of options relating to fiscal year 2007 have not yet been determined. The annual awards of options to purchase shares of Common Stock of the Company relating to fiscal year 2006, granted on May 5, 2006 with an exercise price of \$34.33 per share, under the Equity Incentive Plan to Mr. Hunter and each of the Other Executive Officers are as follows:

NAME AND PRINCIPAL POSITIONS	NUMBER OF SHARES
Gordon Hunter, Chairman, President and Chief Executive Officer	60,000
Philip G. Franklin, Vice President, Operations Support and Chief Financial Officer	22,000
David Samyn, Vice President and General Manager, Electronics Business Unit	15,000
David W. Heinzmann, Vice President and General Manager, Automotive Business Unit	15,000 Dal
Dal Ferbert, Vice President	

and
General
Manager,
Electrical
Business
Unit
15,000

The form of Specimen Non-Qualified Stock Option Agreement, including vesting provisions, pursuant to which such awards were made is incorporated herein by reference to Exhibit 10.16 to the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2006 (the "2006 Annual Report"). Annual grants of restricted stock relating to fiscal year 2007 have not yet been determined. The Company made its annual grant of shares of restricted stock relating to fiscal year 2006 on May 5, 2006, pursuant to Performance Shares Agreements with Mr. Hunter and each of the Other Executive Officers under the Equity Plan as follows:

NAME AND
PRINCIPAL
POSITIONS
NUMBER OF
SHARES
Gordon
Hunter,
Chairman,
President
and Chief
Executive
Officer
6,000
Philip G.
Franklin,
Vice
President,
Operations
Support
and Chief
Financial
Officer
5,000
David
Samyn,
Vice
President
and
General
Manager,
Electronics
Business
Unit 5,000
David H.
Heinzmann,
Vice
President
and
General
Manager,
Automotive
Business
Unit 5,000
Dal
Ferbert,
Vice
President
and
General
Manager,
Electrical
Business
Unit 5,000

These restricted share awards are subject to the Company attaining certain financial performance goals relating to return on the net tangible assets and earnings before interest, taxes, depreciation and amortization of the Company during the three-year period ending December 31, 2008. The form of Specimen Performance Shares Agreement pursuant to which such grants were made is incorporated herein by reference to Exhibit 10.17 to the 2006 Annual Report. OTHER BENEFITS Each of the officers named above is eligible to participate in the other employee benefit plans of the Company applicable to executive officers, including the Company's Retirement Plan, as amended, the 401(k) Savings Plan, and the Supplemental Executive Retirement Plan, in accordance with the terms and conditions of such plans. These officers are also parties to Change of Control Employment Agreements that, among other things, entitle them to payments upon severance or upon a change of control of the Company. These officers also receive certain personal benefits from the Company, the value of which is expected to be less than \$50,000 for each of such officers. WHERE MORE INFORMATION CAN BE FOUND Each of the plans and agreements mentioned herein or the forms of awards thereunder are discussed further in the Company's Proxy Statement for 2007 Annual Meeting of Stockholders and, other than as to salaries and the Annual Incentive Compensation Program, are filed as exhibits to the Company's 2006 Annual Report, or will be discussed in the Company's Proxy Statement for 2007 Annual Meeting of Stockholders, each of which can be found on the SEC's website at www.sec.gov.

LITTELFUSE, INC.
SUMMARY OF DIRECTOR COMPENSATION

For 2007, directors who are not employees of Littelfuse, Inc. (the "Company") are paid an annual director's fee of \$40,000, \$1,500 for each of the regularly scheduled Board meetings attended and \$1,000 for attendance at any special teleconference Board or Committee meetings, plus reimbursement of reasonable expenses relating to attendance at meetings. The Lead Director is paid an additional \$7,500 annually, the Chairman of the Audit Committee is paid an additional \$10,000 annually and the Chairman of the Compensation Committee is paid an additional \$5,000 annually. No fees are paid to directors who are also full-time employees of the Company.

Under the Littelfuse Deferred Compensation Plan for Non-employee Directors (the "Non-employee Directors Plan"), a non-employee director, at their election, may defer receipt of their director's fees. Such deferred fees are used to purchase shares of the Company's Common Stock, and such shares and any distributions thereon are deposited with a third party trustee for the benefit of the director until the director ceases to be a director of the Company.

The Littelfuse Outside Directors' Stock Option Plan (the "Directors Plan") provides for a grant at each annual meeting of the Board of Directors to each non-employee director of non-qualified stock options to purchase 5,000 shares of Common Stock at the fair market value on the date of grant.

The Non-employee Directors Plan and the Directors Plan and the forms of awards thereunder are filed as exhibits to this Annual Report on Form 10-K for the fiscal year ended December 30, 2006 (the "Form 10-K"). These plans and agreements will be discussed further in the Company's Proxy Statement relating to the 2007 Annual Meeting of Stockholders, which will be incorporated by reference into this Form 10-K when filed.

Littelfuse
2006 Annual Report

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

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is designed to provide the reader with information that will assist in understanding our consolidated financial statements, the changes in certain key items in those financial statements from year to year, and the primary factors that accounted for those changes, as well as how certain accounting principles affect our consolidated financial statements. The discussion also provides information about the financial results of the various segments of our business to provide a better understanding of how those segments and their results affect the financial condition and results of operations of Littelfuse as a whole.

FORWARD LOOKING INFORMATION

This MD&A should be read in conjunction with our accompanying consolidated financial statements and related notes. See "Cautionary Statement Regarding Forward-Looking Statements Under the Private Securities Litigation Reform Act of 1995 ("PSLRA")" on page 8 of this report for a description of important factors that could cause actual results to differ from expected results. See also Item 1, Business, "Risk Factors," in our Annual Report on Form 10-K for the fiscal year ended December 30, 2006.

The following is a summary of sales by geography and market:

	FISCAL YEAR*		
	2006	2005	2004
	-----	-----	-----
	GEOGRAPHY**		
Americas	\$216.0	\$199.9	\$216.5
Europe	111.6	98.3	98.3
Asia Pacific	207.3	168.9	162.0
	-----	-----	-----
TOTAL	\$534.9	\$467.1	\$476.8
	=====	=====	=====
	2006	2005	2004
	-----	-----	-----
	MARKET		
Electronics	\$365.5	\$305.9	\$325.6
Automotive	123.6	118.6	113.7
Electrical	45.8	42.6	37.5
	-----	-----	-----
TOTAL	\$534.9	\$467.1	\$476.8
	=====	=====	=====

* Amounts exclude Efen GmbH ('Efen') since the date of the Heinrich acquisition.

** Sales are defined based upon shipped to destination. Segment reporting reflects sales based upon origination.

The following discussion provides an analysis of the information contained in the consolidated financial statements and accompanying notes beginning on page 12 for the three fiscal years ended December 30, 2006, December 31, 2005, and January 1, 2005.

Results of Operations -- 2006 Compared with 2005

Sales increased 15% to \$534.9 million in 2006 from \$467.1 million in 2005. The increase in sales was led by the Asia-Pacific segment with an increase in sales of 23% to \$207.3 million due to increased demand for electronics products. Europe sales increased 14% to \$111.6 million and Americas sales increased 8% to \$216.0 million as both segments experienced increased demand for electronics products. The increase in sales was due to growth in all geographical regions driven primarily by strength in the electronics markets. Current year acquisitions contributed \$11.8 million to 2006 sales. Automotive growth outside of North America and continued steady growth in the electrical business also contributed to the 2006 sales increase. Electronic sales increased \$59.6 million or 19% to \$365.5 million in 2006 compared to \$305.9 million in 2005 primarily due to increased demand in all regions. The electronics sales increase was driven by increased demand for telecom and consumer electronics products in Asia. Automotive sales increased \$5.0 million or 4% to \$123.6 million in 2006 compared to \$118.6 million in 2005 primarily due to strong growth in Asia and increased European sales in the off road, truck and bus market, partially offset by lower North America sales. Electrical sales increased \$3.2 million or 8% to \$45.8 million in 2006 compared to \$42.6 million in 2005 due to price increases and improvements in non-residential construction market. International sales were \$326.8 million or 61.1% of net sales in 2006 compared to \$279.3 million or 59.8% of net sales in 2005, with favorable currency effects contributing \$1.1

Gross profit was \$161.3 million or 30.2% of sales in 2006 compared to \$144.6 million or 30.9% of sales in 2005. The gross profit margin percentage decline resulted from \$21.3 million of current year net restructuring charges related to the closure of facilities in Ireland (\$17.1 million after a \$2.9 million statutory rebate), Germany (\$2.3 million) and Irving, Texas (\$1.9 million), an asset write-down in Germany of \$0.8 million and higher commodity prices partially offset by the progression of cost reduction programs and improved operating leverage. The Company expects to incur additional restructuring charges in the future as it further rationalizes its North American operations. Excluding the 2006 net restructuring charges, gross profit was up from the prior year primarily due to reduced costs as a result of the progression of cost reduction programs and improved operating leverage due to higher plant volumes partially offset by higher commodity prices.

Selling, general and administrative expenses increased \$12.0 million to \$110.6 million in 2006 from \$98.5 million in 2005, primarily due to the recognition of \$5.2 million stock-based compensation expense in 2006, increased bonus expense, \$2.7 million of restructuring expense related to German operations and a \$3.6 million charge for the write-down of Heinrich real estate and fixed assets. As a percentage of sales, selling, general and administrative expenses decreased to 20.7% in 2006 from 21.1% in 2005. Research and development costs increased \$2.0 million to \$18.7 million due to increased spending on new product development for the electronics and automotive markets. Total operating expenses, including intangible amortization, were 24.8% of sales in 2006, compared to 25.2% of sales in 2005.

Operating income in 2006 increased 7.0% to \$28.9 million or 5.4% of sales compared to \$27.0 million or 5.8% of sales in the prior year. The changes in operating income and operating margin were due to the factors affecting gross profit margin and operating expenses described above.

Interest expense was \$1.6 million in 2006 compared to \$2.1 million in 2005 due to a lower average outstanding debt balance during 2006. Other expense (income), net, consisting of interest income, royalties, non-operating income and foreign currency items was income, net, of \$2.2 million compared to income, net, of \$3.1 million in the prior year. The decrease was primarily due to the recognition of a \$1.4 million gain on the sale of the Company's interest in a wafer fabrication facility in the U.K. in 2005 partially offset by higher interest income in 2006.

Earnings from continuing operations before minority interest and income taxes were \$29.4 million in 2006 compared to \$27.9 million in 2005. Minority interest income was zero in 2006 and \$0.1 million in 2005, as 2005 reflects the minority share ownership in Heinrich prior to the 2005 acquisition of the remaining Heinrich shares. Income tax expense was \$6.2 million in 2006 compared to \$11.4 million in the prior year. The 2006 effective income tax rate was 21.0% in 2006 compared to 41.1% in 2005. The 2006 effective tax rate was favorably affected by certain adjustments including a \$1.4 million benefit resulting from a German tax law change and recognizing a \$1.8 million benefit relating to net operating losses from an acquired group of companies. The 2005 effective tax rate was unfavorably affected by the limited tax shield on restructuring charges and repatriation of earnings from lower tax jurisdictions. Earnings from continuing operations were \$23.2 million in 2006 compared to \$16.6 million in 2005.

In the fourth quarter of 2005, the Company entered into a contract to sell the Efen business acquired as part of the Heinrich acquisition in May 2004. Therefore, the Efen business is accounted for as a discontinued operation that reported income, net of taxes, of \$0.6 million in 2006 compared to \$1.1 million in 2005. Net income in the current year was \$23.8 million, compared to \$17.7 million in the prior year.

Results of Operations -- 2005 Compared with 2004

Sales decreased 2.0% to \$467.1 million in 2005 from \$476.8 million in 2004. The decrease in sales was primarily in the Americas and Europe, with the decrease in European sales being largely offset by a full year of sales from the Heinrich Industrie AG ("Heinrich") acquisition included in 2005 sales. Stronger sales in Asia partially offset lower sales in the Americas and Europe. Within the Americas, lower electronic sales, mainly due to lower telecom demand, were partially offset by increased sales of electrical products. European sales were also lower than the prior year primarily due to lower demand for electronics products. Sales in Asia were up from the prior year mainly due to increased demand for electronics products. Electronic sales decreased \$19.7 million or 6% to \$305.9 million in 2005 compared to \$325.6 million in 2004 primarily due to decreased demand in the Americas and Europe for telecom product that was partially offset by increased demand in Asia. Automotive sales increased \$4.9 million or 4% to \$118.6 million in 2005 compared to \$113.7 million in 2004 primarily due to a full year of sales from the Heinrich acquisition. Electrical sales increased \$5.1 million or 14% to \$42.6 million in 2005 compared to \$37.5 million in 2004 due to improvements in industrial activity and the commercial construction market. International sales were \$279.3 million or 59.8% of net sales in 2005 compared to \$278.7 million or 58.5% of net sales in 2004, with sales being increased by \$2.9 million of favorable currency effects in 2005.

Gross profit was \$144.6 million or 30.9% of sales in 2005 compared to \$173.8 million or 36.4% of sales in 2004. The gross profit margin percentage decline resulted from unfavorable leveraging of plant overhead due to lower production volumes, higher commodity prices and the recognition of \$4.9 million of Ireland restructuring charges in 2005.

Selling, general and administrative expenses increased \$2.4 million to \$98.5 million in 2005 from \$96.1 million in 2004, primarily due to a full year of Heinrich expenses that were partially offset by lower administrative costs due to staff reductions of 83 associates during 2005. As a percentage of sales, selling, general and administrative expenses increased to 21.1% in 2005 from 20.2% in 2004, primarily due to lower sales. Research and development costs

increased \$0.6 million to \$16.7 million, representing 3.6% of sales in 2005 as compared to 3.4% of sales in 2004, reflecting increased investment in new product development. Total operating expenses, including intangible amortization and impairments of long-term investments, were 25.2% of sales in 2005, compared to 24.5% of sales in 2004.

Operating income in 2005 decreased 52.7% to \$27.0 million or 5.8% of sales compared to \$57.0 million or 12.0% of sales in the prior year. The decreases in operating income and operating margin were due to the factors affecting gross profit margin and

operating expenses described above.

Interest expense was \$2.1 million in 2005 compared to \$1.5 million in 2004 due to a higher weighted average interest rate in 2005. Other expense (income), net, consisting of interest income, royalties, gains and losses on investments, non-operating income and foreign currency items was income, net, of \$3.1 million compared to expense, net, of \$0.1 million in the prior year, primarily due to the recognition of a \$1.4 million gain on the sale of the Company's interest in a wafer fabrication facility in the U.K. in 2005 and Heinrich rental income.

Earnings from continuing operations before minority interest and income taxes were \$27.9 million in 2005 compared to \$55.5 million in 2004. Minority interest income was \$0.1 million in 2005, reflecting the minority share ownership in Heinrich. Income tax expense was \$11.4 million in 2005 compared to \$19.0 million in the prior year. Earnings from continuing operations were \$16.6 million in 2005 compared to \$36.4 million in 2004.

In the fourth quarter of 2005, the Company entered into a contract to sell the Efen business acquired as part of the Heinrich acquisition in May 2004. Therefore, the Efen business is accounted for as a discontinued operation that reported income, net of taxes, of \$1.1 million in 2005 compared to a loss, net of taxes, of \$0.3 million in 2004. Net income in the current year was \$17.7 million, compared to \$36.0 million in the prior year.

The Company's effective tax rate increased to 41.1% in 2005 from 34.1% in 2004, reflecting the limited tax shield on restructuring charges and repatriation of earnings from lower tax jurisdictions. Diluted earnings per share were \$0.78 in 2005 compared to \$1.59 in 2004. The decreases in net income and earnings per share reflect the lower margins and a higher effective tax rate.

Liquidity and Capital Resources

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

The Company has an unsecured domestic financing arrangement consisting of a credit agreement with banks that provides a \$75.0 million revolving credit facility, with a potential increase of up to \$125.0 million upon request of the Company and agreement with the lenders, that expires on July 21, 2011. At December 30, 2006, the Company had available \$52.5 million of borrowing capability under the revolving credit facility at an interest rate of LIBOR plus 0.50% (5.95% as of December 30, 2006). The Company also had \$6.1 million and \$5.8 million in letters of credit outstanding at December 30, 2006, and December 31, 2005, respectively.

The Company has an unsecured bank line of credit in Japan that provides a Yen 0.9 billion (an equivalent of \$7.6 million) revolving credit facility at an interest rate of TIBOR plus 0.625% (1.12% as of December 30, 2006). The revolving line of credit balance becomes due on July 21, 2011. At December 30, 2006, the Company had the equivalent of \$1.3 million outstanding on the Yen facility.

The Company has an unsecured bank line of credit that provides a Taiwanese Dollar 35.0 million (equivalent to \$1.1 million) revolving credit facility at an interest rate of two-years Time Deposit plus 0.145% (2.3% as of December 30, 2006). The revolving line of credit becomes due on August 18, 2009. At December 30, 2006, the Company had the equivalent of \$0.9 million outstanding on the Taiwanese Dollar facility.

The Company has various other foreign fixed rate loans outstanding at December 30, 2006, totaling \$1.4 million with maturity dates through August 2013.

The domestic bank credit agreement contains covenants that, among other matters, impose limitations on the incurrence of additional indebtedness, future mergers, sales of assets, payment of dividends, and changes in control, as defined. In 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. At December 30, 2006, and for the year then ended, the Company was in compliance with these covenants.

The Company started 2006 with \$21.9 million of cash. Net cash provided by operations was \$80.9 million in the year. Cash used in investing activities was \$42.6 million and included \$19.6 million in net purchases of property, plant and equipment and \$37.8 million for the acquisition of businesses partially offset by \$14.4 million from the sale of assets including the Efen business (\$11.6 million) and a building in Witten, Germany (\$2.8 million) and \$0.5 million from the sale of an investment in LC Fab. Cash used in financing activities of \$6.4 million included the repurchase of the Company's common stock of \$10.3 million and net payments of long-term debt of \$2.3 million partially offset by cash proceeds from the exercise of stock options of \$5.7 million and the excess tax benefit on share-based compensation of \$0.5 million. The effect of exchange rate changes increased cash by \$2.8 million. The net cash provided by operations and financing activities, less investing activities plus the effect of exchange rates, resulted in a \$34.8 million net increase in cash. This left the Company with a cash balance of \$56.7 million at the end of 2006.

Decreases in net operating assets (including short-term and long-term items) provided \$31.9 million of cash flow in 2006. The major factors contributing to lower net operating assets were increases in accounts payable and accrued expenses of \$20.0 million, accrued taxes of \$6.5 million, decreases in accounts receivable of \$2.8 million, inventories of \$1.2 million and prepaid expenses and other of \$1.4 million. Days sales outstanding in accounts receivable decreased

to 60 days at year-end 2006 compared to 63 days at year-end 2005 and 60 days at year-end 2004. The 2006 improvement in days sales outstanding was due primarily to a reduction in past-due automotive accounts. Days inventory outstanding was 67 days at year-end 2006 compared to 75 days at year-end 2005

and 88 days at year-end 2004. The improvement in days inventory outstanding in 2005 and 2006 was the result of lean manufacturing and logistics initiatives and improved inventory planning.

The ratio of current assets to current liabilities was 2.2 to 1 at year-end 2006 compared to 2.0 to 1 at year-end 2005 and 1.8 to 1 at year-end 2004. The ratio of long-term debt to equity was 0.1 to 1 at year-end 2006 compared to 0.0 to 1 at year-end 2005 and 0.1 to 1 at year-end 2004.

The Company started 2005 with \$28.6 million of cash. Net cash provided by operations was \$38.1 million in the year. Cash used in investing activities included \$27.2 million in net purchases of property, plant and equipment and \$3.7 million for the acquisition of the remaining Heinrich shares partially offset by \$0.6 million from the sale of an investment in LC Fab. Cash provided by financing activities included net proceeds of notes receivable of \$3.5 million and cash proceeds from the exercise of stock options of \$3.8 million partially offset by net payments of long-term debt of \$6.8 million and the repurchase of \$12.8 million of the Company's common stock. The effect of exchange rate changes decreased cash by \$2.2 million. The net cash provided by operations and financing activities, less investing activities plus the effect of exchange rates, resulted in a \$6.6 million net decrease in cash. This left the Company with a cash balance of \$21.9 million at the end of 2005.

Increases in net operating assets consumed \$9.7 million of cash flow in 2005. The major factors contributing to higher net operating assets were an increase in accounts receivable of \$11.2 million, a decrease in accounts payable and accrued expenses of \$1.1 million and accrued taxes of \$5.6 million, partially offset by a decrease in inventory of \$6.6 million and prepaid expenses and other of \$1.6 million. Days sales outstanding in accounts receivable increased to 63 days at year-end 2005 compared to 60 days at year-end 2004 and 50 days at year-end 2003. The increase was due to longer payment terms for certain automotive customers, the addition of Heinrich, which has a longer accounts receivable collection cycle than the base Littelfuse business and the Delphi bankruptcy in 2005. Days inventory outstanding was 75 days at year-end 2005 compared to 88 days at year-end 2004 and 71 days at year-end 2003. The reduction in days inventory outstanding in 2005 was due primarily to improved inventory management.

The ratio of current assets to current liabilities was 2.0 to 1 at year-end 2005 compared to 1.8 to 1 at year-end 2004 and 1.8 to 1 at year-end 2003. The ratio of long-term debt to equity was 0.0 to 1 at year-end 2005 compared to 0.1 to 1 at year-end 2004 and 0.0 to 1 at year-end 2003.

The Efen business, which is presented as a discontinued operation, did not contribute significantly to cash from operations in 2006, 2005 or 2004.

The Company's capital expenditures were \$19.6 million in 2006, \$27.2 million in 2005, and \$22.1 million in 2004. The Company expects that capital expenditures in 2007 will be approximately \$25 million. The primary purposes for capital expenditures in 2007 will be related to new product introductions, capacity expansion, manufacturing transfers and other cost reduction projects. As in 2006, the Company expects to finance capital expenditures in 2007 through cash flow from operations.

The Company decreased total debt by \$2.3 million in 2006 and \$6.8 million in 2005 after increasing debt by \$3.8 million in 2004. The Company's Board of Directors has authorized the Company to repurchase shares of its common stock, from time to time, depending on market conditions. The Company repurchased 329,000 common shares for \$10.3 million in 2006, 458,000 common shares for \$12.8 million in 2005, and 168,400 common shares for \$5.6 million in 2004.

Off-Balance Sheet Arrangements

In accordance with the definition under SEC rules, the following qualify as off-balance sheet arrangements:

- - any obligation under certain guarantees or contracts;
- - a retained or contingent interest in assets transferred to an unconsolidated entity or similar entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for such assets;
- - any obligation under certain derivative instruments; and
- - any obligation under a material variable interest held by the registrant in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the registrant, or engages in leasing, hedging or research and development services with the registrant.

The following discussion addresses each of the above items for the Company.

On December 30, 2006, the Company was not liable for guarantees of indebtedness owed by third parties.

As of December 30, 2006, the Company was not directly liable for the debt of any unconsolidated entity, and the Company does not have any retained or contingent interest in assets as defined above.

As of December 30, 2006, the Company does not hold any derivative financial instruments, as defined by FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended.

As part of the Company's ongoing business, the Company does not participate in transactions that generate relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities ("SPEs"), which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As of December 30, 2006 and December 31, 2005, the Company is not involved in any unconsolidated SPE transactions.

Contractual Obligations

Achieving optimal returns on cash often involves making long-term commitments. SEC regulations require that the Company present its contractual obligations, and the Company has done so in the table that follows. However, the Company's future cash flow prospects cannot reasonably be assessed based on such obligations, as the most significant factor affecting its future cash flows is its ability to earn and collect cash from its customers. Future cash outflows, whether they are contractual obligations or not, will vary based on the Company's future needs. Further, normal operations involve significant expenditures that are not based on "commitments." Examples of such expenditures include amounts paid for income taxes or for salaries and benefits.

The following table summarizes contractual obligations and commitments, as of December 30, 2006 (in thousands):

Contractual Obligations	Payment Due By Period				
	Total	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years
Long-term debt obligations	\$26,113	\$24,328	\$1,015	\$ 420	\$ 350
Interest payments	1,059	835	86	77	61
Supplemental Executive Retirement Plan	1,952	200	--	--	1,752
Operating lease payments	16,604	4,553	4,734	3,184	4,133
Total	\$45,728	\$29,916	\$5,835	\$3,681	\$6,296

Recent Accounting Pronouncements

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 151, "Inventory Costs - An Amendment of Accounting Research Bulletin No. 43, Chapter 4." SFAS 151 clarifies that abnormal amounts of idle facility expense, freight, handling costs and spoilage should be expensed as incurred and not included as overhead. SFAS 151 also requires that the allocation of fixed production overhead to conversion costs be based on normal capacity of the production facilities. SFAS 151 has been applied prospectively beginning January 1, 2006. The adoption of SFAS 151 did not have a material impact on the Company's consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment" ("SFAS 123(R)"). SFAS 123(R) requires public companies to recognize compensation expense for the cost of awards of equity compensation using a fair value method. The Company adopted SFAS 123(R) on January 1, 2006 (i.e., the first quarter of 2006) using the modified prospective method. The Company has made the one-time election to adopt the transition method described in FASB Staff Position (FSP) No. FAS 123(R)-3, "Transition Election Related to Accounting for the Tax Effect of Share-Based Payment Awards". Under SFAS 123(R), benefits of tax deductions in excess of recognized compensation expense are now reported as a financing cash flow, rather than an operating cash flow as prescribed under the prior accounting rules. The Company recognized \$5.2 million of expense related to share-based compensation during 2006. The impact of the adoption of SFAS 123(R) is more fully described in Note 1 of the Notes to Consolidated Financial Statements.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an Amendment of FASB Statements No. 87, 88, 106, and 132(R)". SFAS No. 158 requires the recognition of the overfunded or underfunded status of a defined benefit postretirement plan as an asset or a liability in the balance sheet, with changes in the funded status recorded through comprehensive income in the year in which those changes occur. The Company adopted SFAS 158 during 2006. The impact of the adoption of SFAS No. 158 is more fully described in Note 10.

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), an interpretation of FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not (i.e. a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The effective date for the application of FIN 48 by the Company is January 1, 2007. Upon adoption, the cumulative effect of applying the recognition and measurement provisions of FIN 48, if any, shall be reflected as an adjustment to the opening balance of retained earnings. The adoption of FIN 48 is not expected to have a material impact on the Company's Consolidated Financial Statements.

In September 2006, FASB Statement 157, "Fair Value Measurements" ("SFAS 157")

was issued. SFAS 157 establishes a framework for measuring fair value by providing a standard definition of fair value as it applies to assets and liabilities. SFAS 157, which does not require any new fair value measurements, clarifies the application of other accounting pronouncements that require or permit fair value measurements. SFAS 157 must be applied prospectively beginning January 1, 2008. The Company is evaluating the impact of adopting SFAS 157 on its Consolidated Financial Statements.

Critical Accounting Policies

Certain of the accounting policies as discussed below require the application of significant judgment by management in selecting the appropriate estimates and assumptions for calculating amounts to record in the financial statements. Actual results could differ from those estimates and assumptions, impacting the reported results of operations and financial position. Significant accounting policies are more fully described in the notes to the consolidated financial statements included elsewhere in this Annual Report. Certain accounting policies, however, are considered to be critical in that they are most important to the depiction of the Company's financial condition and results of operations and their application requires management's subjective judgment in making estimates about the effect of matters that are inherently uncertain. The Company believes the following accounting policies are the most critical to aid in fully understanding and evaluating its reported financial results, as they require management's most difficult, subjective or complex judgments, resulting from the need to make estimates about the effect of matters that are inherently uncertain. The Company has reviewed these critical accounting policies and related disclosures with the Audit Committee of its Board of Directors.

Revenue Recognition: The Company recognizes revenue on product sales in the period the sales process is complete. This generally occurs when our products are shipped (FOB origin) to the customer in accordance with the terms of the sale, the risk of loss has been transferred, collectibility is reasonably assured and the pricing is fixed and determinable. Our distribution channels are primarily through direct sales, and through independent third party distributors. There is no retail channel.

Revenue & Billing

We accept orders from customers based on long term purchasing contracts and written sales agreements. Contract pricing and selling agreement terms are based on market factors, costs, and competition. Pricing is normally negotiated as an adjustment (premium or discount) from our published price lists. The customer is invoiced when our products are shipped to them in accordance with the terms of the sales agreement.

Returns & Credits

Some of the terms of the Company's sales agreements and normal business conditions provide the customers (distributors) the ability to receive credit for products previously shipped and invoiced. This practice is common in the industry and is referred to as a "ship and debit" program. This program allows the distributor to debit Littelfuse for the difference between the distributors contracted price and a lower price for specific transactions. Under certain circumstances (usually in a competitive situation or large volume opportunity), a distributor will request authorization to reduce their price to their buyer. If the Company approves such a reduction, the distributor is authorized to "debit" their account for the amount of their reduced margin. The Company establishes reserves for this program based on historic activity and actual authorizations for the debit. In accordance with the guidance of paragraph 9 of EITF Issue No. 01-09 "Accounting for Consideration Given by a Vendor to a Customer" we recognize these debits as a reduction of revenue.

The Company has a return to stock policy whereby a customer with previous authorization from Littelfuse management, can return previously purchased goods for full or partial credit. The Company establishes an estimated allowance for these returns based on historic activity. Sales revenue and cost of sales are reduced to anticipate estimated returns in accordance with FASB Statement No. 48, Revenue Recognition When Right of Return Exists.

The Company properly meets all of the criteria of FASB Statement No. 48 for recognizing revenue when the right of return exists under Staff Accounting Bulletin 104 (Revenue Recognition). Specifically, the Company meets those requirements because:

1. The Company's selling price is fixed or determinable at the date of the sale.
2. The Company has policies and procedures to accept only credit worthy customers with the ability to pay the Company.
3. The Company's customers are obligated to pay the Company under the contract and the obligation is not contingent on the resale of the product. (All "ship and debit" and "returns to stock" require specific circumstances and authorization.)
4. The risk ownership transfers to the Company's customers upon shipment and is not changed in the event of theft, physical destruction or damage of the product.
5. The Company bills at the ship date and establishes a reserve to reduce revenue from the in transit time until the product is delivered for F.O.B. destination sales.
6. The Company's customers acquiring the product for resale have economic substance apart from that provided by Littelfuse. All of our distributors are independent of the Company.
7. The Company does not have any obligations for future performance to bring about resale of the product by its customers.
8. The Company can reasonably estimate the amount of future returns.

Allowance for Doubtful Accounts: The Company evaluates the collectibility of its

trade receivables based on a combination of factors. The Company regularly analyzes its significant customer accounts and, when the Company becomes aware of a specific customer's inability to meet its financial obligations, the Company records a specific reserve for bad debt to reduce the related receivable to the amount the Company reasonably believes is collectible. The Company also records allowances for all other customers based on a variety of factors including the length of time the receivables are past due, the financial health of the customer, macroeconomic considerations and historical experience. Historically, the allowance for doubtful accounts has been adequate to cover bad debts. If circumstances related to specific customers change, the estimates of the recoverability of receivables could be further adjusted. However, due to the Company's diverse customer base and lack of credit concentration, the Company does not believe its estimates would be materially impacted by changes in its assumptions.

Credit Memos: The Company evaluates sales activity for credits to be issued on sales recorded prior to the end of the fiscal period. These credits relate to the return of inventory, pricing adjustments and credits issued to a customer based upon achieving prearranged sales volumes. Volume based incentives offered to customers are based upon the estimated cost of the program and are recognized as a reduction to revenue as products are sold. However, due to the Company's diverse customer base and lack of customer concentration, the Company does not believe its estimates would be materially impacted by changes in its assumptions.

Inventory: The Company performs a detailed assessment of inventory, which includes a review of, among other factors, demand requirements, product life cycle and development plans, component cost trends, product pricing and quality issues. Based on the analysis, the Company records adjustments to inventory for excessiveness, obsolescence or impairment when appropriate to reflect inventory at net realizable value. Historically, inventory reserves have been adequate to reflect inventory at net realizable values. Revisions to inventory adjustments may be required if actual demand, component costs or product life cycles differ from estimates. However, due to the Company's diverse product lines and end user markets, the Company does not believe its estimates would be materially impacted by changes in its assumptions.

Goodwill and Other Intangibles: The Company annually tests goodwill for impairment as required by FAS142 or if there is an event or change in circumstances that indicate the asset may be impaired. The Company determined the fair value of each of its reporting units by using a guideline company method to estimate market value. A valuation multiple is derived for each business segment from transactions involving companies similar to the Company. That multiple is applied to an EBITDA of each segment to estimate the market value of that segment. In making these estimates, the Company considered the markets it was addressing, the competitive environment and its advantages. The Company determined that the fair value of each of the reporting units exceeded their carrying amounts and, therefore, no goodwill impairment existed. The Company will continue to perform a goodwill impairment test as required on an annual basis and on an interim basis, if certain conditions exist. Factors the Company considers important, which could result in changes to its estimates, include underperformance relative to historical or projected future operating results and declines in acquisition and trading multiples. Due to the diverse end user base and non-discretionary product demand, the Company does not believe its future operating results will vary significantly relative to its historical and projected future operating results.

Long-Lived Assets: The Company evaluates long-lived assets on an ongoing basis. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the related asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to future undiscounted cash flows expected to be generated by the asset. If the asset is determined to be impaired, the impairment recognized is measured by the amount by which the carrying value of the asset exceeds its fair value. The Company's estimates of future cash flows from such assets could be impacted if it underperforms relative to historical or projected future operating results. However, due to the Company's diverse product lines and end user markets, the Company does not believe its estimates would be materially impacted by changes in its assumptions.

Pension and Supplemental Executive Retirement Plan: The Company has a number of defined benefit plans primarily in the North America and European reporting segments. Historically these plans have been accounted for using FAS87 and recognized the net unfunded status of the plan on the balance sheet. The Company has adopted FAS158 effective December 30, 2006, which requires the full unfunded status of the plan to be recognized. Actuarial gains and losses and prior service costs and credits are now recognized as a component of accumulated other comprehensive income. Accounting for pensions requires estimating the future benefit cost and recognizing the cost over the employee's expected period of employment with the Company. Certain assumptions are required in the calculation of pension costs and obligations. These assumptions include the discount rate, salary scales and the expected long-term rate of return on plan assets. The discount rate is intended to represent the rate at which pension benefit obligations could be settled by purchase of an annuity contract. These assumptions are subject to change based on stock and bond market returns and other economic factors. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore generally affect its recognized expense and accrued liability in such future periods. While the Company believes that its assumptions are appropriate given current economic conditions and its actual experience, significant differences in results or significant changes in the Company's assumptions may materially affect its pension obligations and related future expense.

Environmental Liabilities: Environmental liabilities are accrued based on estimates of the probability of potential future environmental exposure. Expenses related to on-going maintenance of environmental sites are expensed as incurred. If actual or estimated probable future losses exceed the Company's recorded liability for such claims, it would record additional charges as other expense during the period in which the actual loss or change in estimate occurred.

Other Contingencies: In the ordinary course of business, the Company is involved in legal proceedings involving contractual and employment relations, product liability claims, trademark rights and a variety of other matters. The Company records contingent liabilities resulting from claims against it when it is probable that a liability has been incurred and the amount of the loss is reasonably estimable. The Company discloses contingent liabilities when there is a reasonable possibility that the ultimate loss will exceed the recorded

liability. Estimating probable losses requires analysis of multiple factors, in some cases including judgments about the potential actions of third party claimants and courts. Therefore, actual losses in any future period are inherently uncertain. Currently, the Company does not believe that any of its pending legal proceedings or claims will have a material impact on its financial position or results of operations. However, if actual or estimated probable future losses exceed the Company's recorded liability for such claims, it would record additional charges as other expense during the period in which the actual loss or change in estimate occurred.

Stock-based compensation: Stock-based compensation expense is recorded for stock-option grants and performance-based restricted stock awards based upon the fair values of the awards. The fair value of stock option awards is estimated at the grant date using the Black-Scholes option pricing model, which includes assumptions for volatility, expected term, risk-free interest rate and dividend yield.

Expected volatility is based on implied volatilities from traded options on Littelfuse stock, historical volatility of Littelfuse stock and other factors. Historical data is used to estimate employee termination experience and the expected term of the options. The risk-free interest rate is based on the U.S.

Treasury yield curve in effect at the time of grant. The performance-based restricted stock awards vest in thirds over a three-year period (following the three-year performance period), and are paid annually as they vest, one half in the Company's common stock and one half in cash. The fair value of performance-based restricted stock awards that are paid in common stock is measured at the market price on the grant date, and the fair value of the portion paid in cash is measured at the current market price of a share. The number of shares issued is based on the Company attaining certain financial performance goals relating to return on net tangible assets (RONTA) and earnings before interest, taxes, depreciation and amortization (EBITDA) during the three-year period after the grant date. Stock-based compensation for performance-based awards is based on the fair values and the Company's current estimate of the probable number of shares to be issued (based on the probable outcome at the end of the performance period). As the Company's estimate of the probable outcome changes in future periods, stock-based compensation expense is adjusted accordingly. Total stock-based compensation expense was \$5.2 million in 2006. See Note 12 of the Notes to Consolidated Financial Statements.

Market Risk

The Company is exposed to market risk from changes in interest rates, foreign exchange rates, customer solvency and commodities.

The Company had debt outstanding at December 30, 2006, in the form of a domestic revolving credit facility and foreign lines of credit at variable rates. While 100% of this debt has variable interest rates, the Company's interest expense is not materially sensitive to changes in interest rate levels since debt levels and potential interest expense increases are small relative to earnings.

A portion of the Company's operations consists of manufacturing and sales activities in foreign countries. The Company has manufacturing facilities in Mexico, the U.K., Ireland, Germany, China and the Philippines. During 2006, sales exported from the United States or manufactured abroad accounted for 61.1% of total sales. Substantially all sales in Europe are denominated in Euro, U.S.

Dollar and British Pound Sterling, and substantially all sales in the Asia-Pacific region are denominated in U.S. Dollar, Japanese Yen and South Korean Won.

The Company's identifiable foreign exchange exposures result from the purchase and sale of products from affiliates, repayment of intercompany trade and loan amounts and translation of local currency amounts in consolidation of financial results. As international sales were more than half of total sales, a significant portion of the resulting accounts receivable are denominated in foreign currencies. Changes in foreign currency exchange rates or weak economic conditions in the foreign countries in which it manufactures and distributes products could affect the Company's sales, accounts receivable values and financial results. The Company uses netting and offsetting intercompany account management techniques to reduce known foreign currency exposures where possible and also, from time to time, utilizes derivative instruments to hedge certain foreign currency exposures deemed to be material.

The Company uses various metals in the production of its products, including zinc and copper. The Company's earnings are exposed to fluctuations in the prices of these commodities. The Company does not currently use derivative financial instruments to mitigate this commodity price risk. A 10% increase in the price of zinc and copper would reduce pre-tax profit by approximately \$1.0 million and \$1.0 million, respectively.

The Company does not believe it has significant exposure to market risk from changes in interest rates, foreign exchange rates or commodity prices.

Outlook

The Company believes its long-term growth strategy, which emphasizes development of new circuit protection products, providing customers with solutions and technical support in all major regions of the world and leveraging low cost production facilities in Asia and Mexico will drive sales growth and reduce costs in each of its segments. In addition, the fundamentals for the Company's major markets appear to be neutral to moderately positive for 2007, although the Company does expect to be negatively affected by an inventory correction in the electronics channels in the first half of 2007.

The Company initiated a series of projects in the years 2004, 2005 and 2006 to reduce costs in its global manufacturing and distribution operations as well as reduce the cost of purchased materials and transportation. These programs are expected to generate significant cost savings in 2007. On the other hand, the Company plans to continue to increase research and development spending on new electronic and automotive products in 2007.

The Company is working to expand its share of the circuit protection market by leveraging new products that it has recently acquired or developed as well as improved solution selling capabilities. In the future, the Company will look for opportunities to add to its product portfolio and technical expertise so that it can provide customers with the most complete circuit protection solutions available in the marketplace.

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

The statements in this section, the letter to shareholders and in the other sections of this report and in our Annual Report on Form 10-K, which are not

historical facts are intended to constitute "forward-looking statements" entitled to the safe-harbor provisions of the PSRLA and that involve risks and uncertainties, including, but not limited to, product demand and market acceptance, economic conditions, the impact of competitive products and pricing, product quality problems or product recalls, capacity and supply difficulties or constraints, coal mining exposures in excess of reserves, failure of an indemnification for environmental liability, exchange rate fluctuations, commodity price fluctuations, the effect of the Company's accounting policies, labor disputes, restructuring costs in excess of expectations, pension plan asset returns less than assumed, integration of acquisitions and other risks which may be detailed in the Company's Securities and Exchange Commission filings.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Littelfuse is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rules 13a-15(f). Littelfuse's internal control system was designed to provide reasonable assurance to its management and the Board of Directors regarding the preparation and fair presentation of published financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

An internal control significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. An internal control material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Littelfuse's management assessed the effectiveness of the Company's internal control over financial reporting as of December 30, 2006, based upon the framework in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, the Company's management concluded that, as of December 30, 2006, the Company's internal control over financial reporting is effective.

Littelfuse's independent registered public accounting firm, Ernst & Young LLP, has audited management's assessment of the Company's internal control over financial reporting. Their report appears on page 11.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There was no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND SHAREHOLDERS OF LITTELFUSE, INC.

We have audited the accompanying consolidated balance sheets of Littelfuse, Inc. and subsidiaries as of December 30, 2006, and December 31, 2005, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 30, 2006. 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 the standards of the Public Company Accounting Oversight Board (United States). 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 at December 30, 2006, and December 31, 2005, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 30, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Notes 1 and 11 to the consolidated financial statements, effective January 1, 2006, the Company adopted Statement of Financial Accounting Standards No. 123(R), "Share-Based Payment" and, effective for the fiscal year ended December 30, 2006, the Company adopted certain provisions of Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans".

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Littelfuse, Inc.'s internal control over financial reporting as of December 30, 2006, based on criteria established in Internal Control -- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 23, 2007 expressed an unqualified opinion thereon.

Ernst & Young LLP

Chicago, Illinois

February 23, 2007

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND SHAREHOLDERS OF LITTELFUSE, INC.

We have audited management's assessment, included in the accompanying Management's Report on Internal Control over Financial Reporting, that Littelfuse, Inc. maintained effective internal control over financial reporting as of December 30, 2006, based on criteria established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Littelfuse's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that Littelfuse, Inc. maintained effective internal controls over financial reporting as of December 30, 2006, is fairly stated, in all material respects, based on the COSO control criteria. Also, in our opinion, Littelfuse, Inc. maintained, in all material respects, effective internal control over financial reporting as of December 30, 2006, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2006 consolidated financial statements of Littelfuse, Inc. and our report dated February 23, 2007 expressed an unqualified opinion thereon.

Ernst & Young LLP

Chicago, Illinois

February 23, 2007

Consolidated Balance Sheets

(In thousands)	December 30, 2006	December 31, 2005
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 56,704	\$ 21,947
Accounts receivable, less allowances (2006 - \$17,503; 2005 - \$11,903)	83,901	80,303
Inventories	65,961	63,423
Deferred income taxes	12,382	11,927
Assets held for sale (Efen)	--	17,633
Prepaid expenses and other current assets	9,821	7,936
	-----	-----
Total current assets	228,769	203,169
Property, plant, and equipment:		
Land	10,916	13,370
Buildings	45,518	48,277
Equipment	285,758	254,829
	-----	-----
	342,192	316,476
Accumulated depreciation	(216,676)	(190,983)
	-----	-----
Net property, plant and equipment	125,516	125,493
Intangible assets, net of amortization:		
Patents, licenses and software	10,118	2,891
Distribution network	15,209	6,508
Trademarks and tradenames	1,321	5,343
Goodwill	67,500	54,440
	-----	-----
	94,148	69,182
Investments	5,231	5,590
Deferred income taxes	9,746	--
Other assets	1,556	497
	-----	-----
Total assets	\$ 464,966	\$ 403,931
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
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 taxes	12,657	9,920
Liabilities held for sale (Efen)	--	6,722
Current portion of long-term debt	24,328	26,682
	-----	-----
Total current liabilities	106,036	99,916
Long-term debt, less current portion	1,785	--
Accrued severance	18,879	--
Deferred income taxes	--	1,879
Accrued post-retirement benefits	27,971	19,268
Other long-term liabilities	6,487	5,658
Minority Interest	143	144
	-----	-----
Shareholders' equity:		
Preferred stock, par value \$0.01 per share: 1,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock, par value \$0.01 per share: 34,000,000 shares authorized; shares issued and outstanding, 2006 - 22,110,674; 2005 - 22,229,288	221	222
Additional paid-in capital	108,543	99,078
Notes receivable from officers - common stock	(10)	(17)
Accumulated other comprehensive income (loss)	(11)	(2,426)
Retained earnings	194,922	180,209
	-----	-----
Total shareholders' equity	303,665	277,066
	-----	-----
Total liabilities and shareholders' equity	\$ 464,966	\$ 403,931
	=====	=====

See accompanying notes.

Consolidated Statements of Income

(In thousands, except per share amounts) Year Ended	December 30, 2006	December 31, 2005	January 1, 2005
Net sales	\$534,859	\$467,089	\$476,833
Cost of sales	373,596	322,537	303,036
Gross profit	161,263	144,552	173,797
Selling, general and administrative expenses	110,581	98,536	96,102
Research and development expenses	18,708	16,672	16,079
Impairment of long-term investment	--	--	2,277
Amortization of intangibles	3,116	2,378	2,336
Operating income	28,858	26,966	57,003
Interest expense	1,626	2,098	1,475
Other expense (income), net	(2,174)	(3,068)	47
Earnings from continuing operations before minority interest and income taxes	29,406	27,936	55,481
Minority interest	--	(86)	143
Income taxes	6,170	11,440	18,977
Earnings from continuing operations	23,236	16,582	36,361
Discontinued operations (net of tax expense of \$409, \$645 and \$252 in 2006, 2005 and 2004, respectively)	588	1,128	(333)
Net income	\$ 23,824	\$ 17,710	\$ 36,028
Net income per share:			
Basic:			
Continuing operations	\$ 1.04	\$ 0.74	\$ 1.64
Discontinued operations	0.03	0.05	(0.02)
Net Income	\$ 1.07	\$ 0.79	\$ 1.62
Diluted:			
Continuing operations	\$ 1.03	\$ 0.73	\$ 1.61
Discontinued operations	0.03	0.05	(0.02)
Net Income	\$ 1.06	\$ 0.78	\$ 1.59
Weighted-average shares and equivalent shares outstanding:			
Basic	22,305	22,413	22,239
Diluted	22,434	22,582	22,604

See accompanying notes.

Consolidated Statements of Cash Flows

(In thousands)

Year Ended	December 30, 2006	December 31, 2005	January 1, 2005
Operating activities			
Net income	\$ 23,824	\$ 17,710	\$ 36,028
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	29,749	28,738	23,859
Amortization of intangibles	3,116	2,495	2,441
Impairment of long-term investment	--	--	2,277
Provision for bad debts	127	1,884	802
Gain on sale of LC Fab	--	(1,400)	--
Stock-based compensation	5,187	--	--
Deferred income taxes	(12,952)	(1,564)	3,281
Changes in operating assets and liabilities:			
Accounts receivable	2,843	(11,185)	(6,582)
Inventories	1,240	6,594	(4,277)
Accounts payable and accrued expenses	19,969	(1,134)	(7,709)
Accrued taxes	6,461	(5,590)	--
Prepaid expenses and other	1,351	1,594	2,864
Net cash provided by operating activities	80,915	38,142	52,984
Investing activities			
Purchases of property, plant and equipment	(19,613)	(27,239)	(22,079)
Purchase of businesses, net of cash acquired	(37,841)	(3,658)	(41,661)
Sale of business and property, plant and equipment	14,401	--	--
Sale of LC Fab	500	600	--
Net cash used in investing activities	(42,553)	(30,297)	(63,740)
Financing activities			
Proceeds from debt	43,273	48,819	42,200
Payments of debt	(45,626)	(55,616)	(38,402)
Proceeds from exercise of stock options	5,734	3,844	16,520
Notes receivable, common stock	7	3,533	--
Purchases of common stock	(10,262)	(12,832)	(5,604)
Excess tax benefit on share-based compensation	468	--	--
Net cash provided by (used in) financing activities	(6,406)	(12,252)	14,714
Effect of exchange rate changes on cash	2,801	(2,229)	2,497
Increase (decrease) in cash and cash equivalents	34,757	(6,636)	6,455
Cash and cash equivalents at beginning of year	21,947	28,583	22,128
Cash and cash equivalents at end of year	\$ 56,704	\$ 21,947	\$ 28,583

See accompanying notes.

Consolidated Statements of Shareholders' Equity

(In thousands)

	Common Stock	Paid-In Capital	Additional Common Stock	Notes Receivable- Comprehensive Income (Loss)	Accumulated Other Retained Earnings	Retained Total
Balance at January 3, 2004	\$220	\$ 75,859	\$(3,550)	\$(3,042)	\$142,715	\$212,202
Comprehensive income:						
Net income for the year	--	--	--	--	36,028	36,028
Change in net unrealized loss on derivatives	--	--	--	824	--	824
Minimum pension liability adjustment*	--	--	--	(458)	--	(458)
Unrealized loss on investments*	--	--	--	(1,095)	--	(1,095)
Foreign currency translation adjustment	--	--	--	7,444	--	7,444
Comprehensive income						42,743
Payments on notes receivable	--	--	--	--	--	--
Purchase of 168,400 shares of common stock	(2)	(587)	--	--	(5,015)	(5,604)
Stock options exercised, including tax benefit of \$3,946	7	20,736	--	--	--	20,743
Balance at January 1, 2005	\$225	\$ 96,008	\$(3,550)	\$ 3,673	\$173,728	\$270,084
Comprehensive income:						
Net income for the year	--	--	--	--	17,710	17,710
Change in net unrealized loss on derivatives	--	--	--	177	--	177
Minimum pension liability adjustment*	--	--	--	(1,111)	--	(1,111)
Unrealized gain on investments*	--	--	--	999	--	999
Foreign currency translation adjustment	--	--	--	(6,164)	--	(6,164)
Comprehensive income						11,611
Payments on notes receivable	--	--	3,533	--	--	3,533
Purchase of 458,000 shares of common stock	(5)	(1,598)	--	--	(11,229)	(12,832)
Stock options exercised, including tax benefit of \$443	2	4,668	--	--	--	4,670
Balance at December 31, 2005	\$222	\$ 99,078	\$ (17)	\$(2,426)	\$180,209	\$277,066
Comprehensive income:						
Net income for the year	--	--	--	--	23,824	23,824
Minimum pension liability adjustment *	--	--	--	1,546	--	1,546
Unrealized loss on investments*	--	--	--	(467)	--	(467)
Foreign currency translation adjustment	--	--	--	9,025	--	9,025
Comprehensive income						33,928
Payments on notes receivable	--	--	7	--	--	7
Adoption of FAS158*	--	--	--	(7,689)	--	(7,689)
Stock-based compensation (FAS123R)	--	5,187	--	--	--	5,187
Purchase of 329,000 shares of common stock	(3)	(1,148)	--	--	(9,111)	(10,262)
Stock options exercised, including tax benefit of \$779	2	5,426	--	--	--	5,428
Balance at December 30, 2006	\$221	\$108,543	\$ (10)	\$ (11)	\$194,922	\$303,665

* Including related tax impact.

See accompanying notes.

Notes to Consolidated Financial Statements
December 30, 2006 and December 31, 2005

1. Summary of Significant Accounting Policies and Other Information

Nature of Operations: Littelfuse, Inc. and its subsidiaries (the Company) design, manufacture, and sell circuit protection devices for use in the automotive, electronic and electrical markets throughout the world.

Fiscal Year: The Company's fiscal years ended December 30, 2006, December 31, 2005, and January 1, 2005 and contained 52, 52 and 53 weeks, respectively.

Basis of Presentation: The consolidated financial statements include the accounts of Littelfuse, Inc. and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. The consolidated financial statements of Littelfuse, Inc. and its subsidiaries were prepared in accordance with generally accepted accounting principles in the United States of America and include the assets, liabilities, revenues, and expenses of all wholly-owned subsidiaries and majority-owned subsidiaries over which the Company exercises control.

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

Investments: The Company has determined that all of its investment securities are to be classified as available-for-sale. Available-for-sale securities are carried at fair value with the unrealized gains and losses reported in "Shareholders' Equity" as a component of "Accumulated Other Comprehensive Income (Loss)." The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in interest income. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in other income or expense. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in interest income.

Fair Value of Financial Instruments: The Company's financial instruments include cash and cash equivalents, accounts receivable, investments and long-term debt. The carrying values of such financial instruments approximate their estimated fair values.

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 based upon specific knowledge of a customer's inability to meet its financial obligations to the Company. Historically, credit losses have consistently been within management's expectations and have not been a material amount. The Company also maintains allowances against accounts receivable for the settlement of rebates and sales discounts to customers. These allowances are based upon specific customer sales and sales discounts as well as actual historical experience.

Inventories: Inventories are stated at the lower of cost or market (first in, first out method), which approximates current replacement cost. The Company maintains excess and obsolete allowances against inventory to reduce the carrying value to the expected net realizable value. These allowances are based upon a combination of factors including historical sales volume, market conditions, lower of cost or market analysis and expected realizable value of the inventory.

Property, Plant and Equipment: Land, buildings, and equipment are carried at cost. Depreciation is calculated using the straight-line method with useful lives of 21 years for buildings, seven to nine years for equipment, seven years for furniture and fixtures, five years for tooling and three years for computer equipment.

Intangible Assets: Trademarks and tradenames are amortized using the straight-line method over estimated useful lives that have a range of five to twenty years. Patents and licenses are amortized using the straight-line method or an accelerated method over estimated useful lives that have a range of four to nine years. The distribution networks are amortized on either a straight-line or accelerated basis over estimated useful lives that have a range of nine to twenty years. Intangible assets are also tested for impairment when there is a significant event that may cause the asset to be impaired.

Goodwill is subject to an annual impairment test. The Company determined the fair value of each of its reporting units by using a guideline company method to estimate market value. A valuation multiple is derived for each business segment from transactions involving companies similar to the Company. That multiple is applied to an EBITDA of each segment to estimate the market value of that segment. In making these estimates, the Company considered the markets it was addressing, the competitive environment and its advantages. The Company determined that the fair value of each of the reporting units exceeded their carrying amounts and, therefore, no goodwill impairment existed. The Company will continue to perform a goodwill impairment test on an annual basis and on an interim basis, if certain conditions exist. Factors the Company considers important, which could result in changes to its estimates, include underperformance relative to historical or projected future operating results and declines in acquisition and trading multiples. Due to the diverse end user base and non-discretionary product demand, the Company does not believe its future operating results will vary significantly relative to its historical and projected future operating results.

Pension and Other Post-retirement Benefits: Accounting for pensions requires estimating the future benefit cost and recognizing the cost over the employee's

expected period of employment with the Company. Certain assumptions are required in the calculation of pension costs and obligations. These assumptions include the discount rate, salary scales and the expected long-term rate of return on plan assets. The discount rate is intended to represent the rate at which pension benefit obligations could be settled by purchase of an annuity contract. These assumptions are subject to change based on stock and bond market returns and other economic factors. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods

and therefore generally affect its recognized expense and accrued liability in such future periods. While the Company believes that its assumptions are appropriate given current economic conditions and its actual experience, significant differences in results or significant changes in the Company's assumptions may materially affect its pension obligations and related future expense.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an Amendment of FASB Statements No. 87, 88, 106, and 132(R)". SFAS No. 158 requires the recognition of the overfunded or underfunded status of a defined benefit postretirement plan as an asset or a liability in the balance sheet, with changes in the funded status recorded through comprehensive income in the year in which those changes occur. The Company adopted FAS158 on December 30, 2006.

Environmental Liabilities: Environmental liabilities are accrued based on engineering studies estimating the cost of remediating sites. Expenses related to on-going maintenance of environmental sites are expensed as incurred. If actual or estimated probable future losses exceed the Company's recorded liability for such claims, it would record additional charges as other expense during the period in which the actual loss or change in estimate occurred.

Revenue Recognition: The Company recognizes revenue on product sales in the period the sales process is complete. This generally occurs when our products are shipped (FOB origin) to the customer in accordance with the terms of the sale, the risk of loss has been transferred, collectibility is reasonably assured and the pricing is fixed and determinable. Our distribution channels are primarily through direct sales, and through independent third party distributors. There is no retail channel.

Revenue & Billing

The Company accepts orders from customers based on long term purchasing contracts and written sales agreements. Contract pricing and selling agreement terms are based on market factors, costs, and competition. Pricing is normally negotiated as an adjustment (premium or discount) from our published price lists. The customer is invoiced when our products are shipped to them in accordance with the terms of the sales agreement.

Returns & Credits

Some of the terms of the Company's sales agreements and normal business conditions provide the customers (distributors) the ability to receive credit for products previously shipped and invoiced. This practice is common in the industry and is referred to as a "ship and debit" program. This program allows the distributor to debit Littelfuse for the difference between the distributors contracted price and a lower price for specific transactions. Under certain circumstances (usually in a competitive situation or large volume opportunity), a distributor will request authorization to reduce their price to their buyer.

If the Company approves, the distributor is authorized to "debit" their Littelfuse account for the amount of their reduced margin. The Company establishes reserves for this program based on historic activity and actual authorizations for the debit. In accordance with the guidance of paragraph 9 of EITF Issue No. 01-09 "Accounting for Consideration Given by a Vendor to a Customer" we recognize these debits as a reduction of revenue.

The Company has a return to stock policy whereby a customer with previous authorization from Littelfuse management, can return previously purchased goods for full or partial credit. The Company establishes an estimated allowance for these returns based on historic activity. Sales revenue and cost of sales are reduced to anticipate estimated returns in accordance with FASB Statement No. 48, Revenue Recognition When Right of Return Exists.

The Company properly meets all of the criteria of FASB Statement No. 48 for recognizing revenue when the right of return exists under Staff Accounting Bulletin 104 (Revenue Recognition). Specifically, the Company meets those requirements because:

1. The Company's selling price is fixed or determinable at the date of the sale.
2. The Company has policies and procedures to accept only credit worthy customers with the ability to pay the Company.
3. The Company's customers are obligated to pay the Company under the contract and the obligation is not contingent on the resale of the product. (All "ship and debit" and "returns to stock" require specific circumstances and authorization.)
4. The risk ownership transfers to the Company's customers upon shipment and is not changed in the event of theft, physical destruction or damage of the product.
5. The Company bills at the ship date and establishes a reserve to reduce revenue from the in transit time until the product is delivered for F.O.B. destination sales.
6. The Company's customers acquiring the product for resale have economic substance apart from that provided by Littelfuse. All of our distributors are independent of the Company.
7. The Company does not have any obligations for future performance to bring about resale of the product by its customers.

8. The Company can reasonably estimate the amount of future returns.

Advertising Costs: The Company expenses advertising costs as incurred, which amounted to \$1.5 million in 2006, \$1.8 million in 2005 and \$2.2 million in 2004.

Foreign Currency Translation: The Company's foreign subsidiaries use the local currency or the U.S. dollar as their functional currency, as appropriate. Assets and liabilities are translated using exchange rates at the balance sheet date and revenues and expenses are translated at weighted average rates. The amount of foreign currency conversion gain recognized in the income statement related to currency translation was \$2.1 million, \$1.0 million and \$2.4 million in 2006, 2005 and 2004, respectively. Adjustments from the translation process are recognized in shareholders' equity as a component of other comprehensive income (loss).

Stock-based Compensation: In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment" ("SFAS 123(R)"). SFAS 123(R) requires public companies to recognize compensation expense for the cost of awards of equity compensation using a fair value method. The Company adopted SFAS 123(R) on January 1, 2006 (i.e., the first quarter of 2006) using the modified prospective method. The Company has made the one-time election to adopt the transition method described in FASB Staff Position (FSP) No. FAS 123(R)-3, "Transition Election Related to Accounting for the Tax Effect of Share-Based Payment Awards". Under SFAS 123(R), benefits of tax deductions in excess of recognized compensation expense are now reported as a financing cash flow, rather than an operating cash flow as prescribed under the prior accounting rules. Prior to January 1, 2006, the Company applied Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") to account for its stock-based compensation plans. Under APB 25, no compensation expense was recognized for non-qualified stock option awards as long as the exercise price of the awards on the date of grant was equal to the current market price of the Company's stock. However, the Company did recognize compensation expense in connection with the issuance of restricted stock. The table below discloses the Company's proforma related basic and diluted net income per share for 2005 and 2004, had the fair value recognition method under SFAS 123(R) been used for the Company's stock option grants. Further information regarding stock-based compensation is provided in Note 12 to the Consolidated Financial Statements.

(in thousands, except per share amounts)

	2005	2004
	-----	-----
Net income as reported	\$17,710	\$36,028
Stock option compensation expense under fair value method, net of tax	(3,172)	(2,762)
Pro forma net income	\$14,538	\$33,266
	-----	-----
Basic net income per share:		
As reported	\$ 0.79	\$ 1.62
Proforma	\$ 0.65	\$ 1.50
	-----	-----
Diluted net income per share:		
As reported	\$ 0.78	\$ 1.59
Proforma	\$ 0.64	\$ 1.47
	-----	-----

On certain occasions, the Company has granted stock options for a fixed number of shares with an exercise price below that of the underlying stock on the date of the grant and recognizes compensation expense accordingly. This compensation expense has not been material. See Note 12 for additional information on stock-based compensation.

Accounting Pronouncements:

In November 2004, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard (SFAS) No. 151, "Inventory Costs - An Amendment of Accounting Research Bulletin No. 43, Chapter 4." SFAS 151 clarifies that abnormal amounts of idle facility expense, freight, handling costs and spoilage should be expensed as incurred and not included as overhead. SFAS 151 also requires that the allocation of fixed production overhead to conversion costs be based on normal capacity of the production facilities. SFAS 151 has been applied prospectively beginning January 1, 2006. The adoption of SFAS 151 did not have a material impact on the Company's consolidated financial statements.

In July 2006, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"), an interpretation of FASB Statement No. 109, "Accounting for Income Taxes." FIN 48 requires that a position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not (i.e. a likelihood of more than fifty percent) that the position would be sustained upon examination by tax authorities. A recognized tax position is then measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. The effective date for the Company is January 1, 2007. Upon adoption, the cumulative effect of applying the recognition and measurement provisions of FIN 48, if any, shall be reflected as an adjustment to the opening balance of retained earnings. The adoption of FIN 48 is not expected to have a material impact on the Company's Consolidated Financial Statements.

In September 2006, FASB Statement 157, "Fair Value Measurements" ("SFAS 157") was issued. SFAS 157 establishes a framework for measuring fair value by providing a standard definition of fair value as it applies to assets and liabilities. SFAS 157, which does not require any new fair value measurements, clarifies the application of other accounting pronouncements that require or permit fair value measurements. SFAS 157 must be applied prospectively beginning January 1, 2008. The Company is evaluating the impact of adopting SFAS 157 on its Consolidated Financial Statements.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses and the accompanying notes. The Company evaluates and updates its assumptions and estimates on an ongoing basis and may employ outside experts to assist in its evaluation, as considered necessary. Actual results

could differ from those estimates.

Shipping and Handling Fees and Costs: Amounts billed to customers in a sales transaction represent fees earned for the goods and services provided and, accordingly, amounts billed related to shipping and handling are classified as revenue. Costs incurred for shipping and handling of \$5.7 million, \$5.1 million and \$4.6 million in 2006, 2005 and 2004, respectively, are classified in Selling,

General, and Administrative expenses.

Restructuring Costs: The Company incurs severance charges and plant closure expenses as part of the Company's on-going cost reduction efforts. These charges are included in Cost of Sales or Selling, General and Administrative expense depending on the personnel being included in the charge.

2. Acquisition of Business

On May 6, 2004, the Company acquired 82% of the common stock of Heinrich Industrie AG ("Heinrich") for Euro 39.5 million (approximately \$47.1 million) in cash and acquisition costs of approximately \$1.8 million. Cash acquired as part of the Heinrich acquisition was approximately \$15.2 million. Subsequent to May 6, 2004, the Company purchased additional shares of Heinrich stock for approximately \$8.7 million, bringing the total ownership to 97.2% as of January 1, 2005. During 2005 the Company acquired the remaining outstanding shares for approximately \$3.7 million, bringing the total ownership to 100% as of December 31, 2005.

During 2006 the Company settled a lawsuit with certain minority shareholders. The settlement brings to closure the amount of contingent consideration to be paid subsequent to the original purchase price. The Company paid an additional amount of \$3.9 million in connection with this settlement. This settlement was recorded as an increase to goodwill in 2006.

Heinrich is the holding company for the Wickmann Group of circuit protection products, which has three business units: electronic, automotive and electrical. The Company has operated Heinrich in such business units subsequent to the acquisition. The Heinrich acquisition expands the Company's product offerings and strengthens the Company's position in the circuit protection industry.

The acquisition was accounted for using the purchase method and the operations of Heinrich are included in the Company's operations from the date of acquisition. The following table sets forth the purchase price allocation for the acquisition of Heinrich in accordance with the purchase method of accounting with adjustments to record the acquired assets and liabilities of Heinrich at their estimated fair market or net realizable values.

Purchase price allocation (in thousands)

Current assets	\$ 39,824
Property, plant and equipment	35,826
Patents, licenses and software	3,396
Distribution network	5,135
Trademarks and tradenames	788
Goodwill	19,380
Other assets	5,282
Current liabilities	(30,778)
Purchase accounting liabilities	(11,460)
Other long-term liabilities	(16,580)
Minority interest	(1,602)

	\$ 49,211

All Heinrich goodwill and intangible assets are recorded in the European segment. Trademarks and tradenames have an average estimated useful life of five years. The distribution network has an average estimated useful life of nine years. Patents and licenses have an average estimated useful life of four years. Software has a useful life of three years. The weighted average estimated useful life for intangible assets is approximately seven years.

Purchase accounting liabilities in connection with the Heinrich acquisition were estimated to be \$11.5 million and are primarily for redundancy costs to be paid through 2007 related to manufacturing operations and selling, general and administrative functions. The Company began formulating its plan to incur these costs as of the acquisition date. Additions to the Heinrich purchase accounting liability during 2005 relate to redundancy costs recognized after 100% ownership was achieved.

A summary of purchase accounting liabilities activity is shown below (in thousands):

	Heinrich

Balance at May 6, 2004	\$ 7,281
Additions	--
Payments	(85)

Balance at January 1, 2005	7,196
Additions	4,179
Payments	(8,685)

Balance at December 31, 2005	2,690
Additions	--
Payments	(2,690)

Balance at December 30, 2006	\$ --

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

On February 3, 2006, the Company acquired SurgX Corporation ("SurgX") for \$2.5 million. All of the assets of SurgX were classified as patents in the Americas segment with an average useful life of seven years. The SurgX acquisition expands the Company's product offering and strengthens the Company's position in the circuit protection industry. SurgX is included in the Company's financial statements since the date of acquisition. Pro forma financial information is not presented due to amounts not being materially different than actual results.

On May 30, 2006, the Company acquired all of the common stock of Concord Semiconductor ("Concord") for \$23.8 million in cash, net of cash acquired of \$1.2 million, and acquisition costs of approximately \$0.2 million. The Company funded the acquisition with \$14.0 million in cash and \$10.0 million of borrowings on an existing revolving line of credit.

Littelfuse has continued to operate Concord's electronics business subsequent to the acquisition. The Concord acquisition expands the Company's product offering and strengthens the Company's position in the circuit protection industry.

The acquisition was accounted for using the purchase method of accounting and the operations of Concord are included in the Company's operations from the date of acquisition. The following table sets forth the purchase price allocation for the acquisition of Concord in accordance with the purchase method of accounting with adjustments to record the acquired assets and liabilities of Concord at their estimated fair market or net realizable values.

Purchase price allocation (in thousands)

Current assets	\$ 7,548
Property, plant and equipment	7,903
Patents and licenses	4,477
Distribution network	6,906
Goodwill	6,356
Current liabilities	(2,975)
Deferred taxes	(3,593)
Long-term debt	(2,657)

	\$23,965

All Concord goodwill and intangible assets are recorded in the Asian segment. Patents and licenses have an average estimated useful life of approximately four years. The fair values are estimates and subject to revision as the Company completes its fair value analysis. Pro forma financial information is not presented due to amounts not being materially different than actual results.

On June 26, 2006, the Company acquired Catalina Performance Accessories, Inc. ("Catalina") for \$4.5 million. The Company acquired \$0.4 million of accounts receivable, \$0.5 million of inventory and a \$3.6 million distribution network. The distribution network was reported in the Americas segment with a useful life of ten years. The Catalina acquisition expands the Company's product offering and strengthens the Company's position in the circuit protection industry. Catalina is included in the Company's financial statements since the date of acquisition. Pro forma financial information is not presented due to amounts not being materially different than actual results.

On August 1, 2006 the Company acquired the gas discharge tube (GDT) assets of SRC Devices, Inc. ("SRC"), for \$6.0 million in cash, subject to post-closing purchase price adjustments. The Company acquired \$0.3 million of inventory, \$0.9 million of fixed assets, and \$2.2 million of distribution network, with the excess purchase price of \$2.6 million recorded as goodwill. The distribution network was reported in the Americas segment with a useful life of nine years. The fair values are estimates and subject to revision as the Company completes its fair value analysis. The SRC acquisition expands the Company's product offering and strengthens the Company's position in the circuit protection industry. SRC is included in the Company's financial statements since the date of acquisition. Pro forma financial information is not presented due to amounts not being materially different than actual results. The Company plans to move production of the GDT product line from the SRC manufacturing facility in Mexico to its existing operation in Suzhou, China.

On June 21, 2006, the Company announced that it had signed a definitive agreement to acquire the assets of Song Long Electronics Co., Ltd. for \$5.5 million. This acquisition is expected to close during the second quarter of 2007.

Goodwill for all of the above acquisitions is expected to be deductible for tax purposes.

3. Inventories

The components of inventories at December 30, 2006, and December 31, 2005 are as follows (in thousands):

2006	2005
-----	-----

Raw materials	\$15,043	\$13,010
Work in process	15,838	18,996
Finished goods	35,080	31,417
	-----	-----
Total inventories	\$65,961	\$63,423
	-----	-----

4. Intangible Assets

The Company recorded amortization expense of \$3.1 million, \$2.4 million and \$2.3 million in 2006, 2005 and 2004, respectively. The details of intangible assets and future amortization expense of existing intangible assets at December 30, 2006, and December 31, 2005, are as follows (in thousands):

	As of December 30, 2006			As of December 31, 2005		
	Average Useful Life	Weighted Carrying Value	Gross Accumulated Amortization	Average Useful Life	Weighted Carrying Value	Gross Accumulated Amortization
Patents and licenses	11.6	\$33,898	\$23,780	9.0	\$27,193	\$24,302
Distribution network	15.5	28,107	12,898	17.4	17,584	11,076
Trademarks and tradenames	18.4	5,663	4,342	14.7	10,210	4,867
Total		\$67,668	\$41,020		\$54,987	\$40,245

Estimated amortization expense related to intangible assets with definite lives at December 30, 2006, is as follows (in thousands):

2007	\$ 3,194
2008	3,419
2009	3,240
2010	3,122
2011	3,075
Thereafter	10,598

	\$26,648
	=====

The amounts for goodwill and changes in the carrying value by operating segment are as follows at December 30, 2006, and December 31, 2005 (in thousands):

	2006	Additions	Adjustments*	2005	Additions	Adjustments*	2004
Americas	\$40,810	\$ 2,593	\$ (407)	\$38,624	\$ 3,573	\$ (407)	\$35,458
Europe	20,190	3,360	1,085	15,745	606	(2,175)	17,314
Asia-Pacific	6,500	6,356	73	71	--	(377)	448
Total goodwill	\$67,500	\$12,309	\$ 751	\$54,440	\$ 4,179	\$ (2,959)	\$53,220
	=====	=====	=====	=====	=====	=====	=====

*Adjustments primarily reflect the impact of changes in exchange rates.

5. Investments

Included in investments are shares of Polytronics Technology Corporation Ltd. ("Polytronics"), a Taiwanese company, which was acquired as part of the Heinrich acquisition. The Company's shares held represent approximately 8.9% of total Polytronics shares outstanding during 2006 and 2005. The fair value of this investment is \$4.8 million at December 30, 2006 and December 31, 2005. Included in other comprehensive income (loss) is a cumulative loss of \$0.6 million related to a decrease in the fair market value of Polytronics. As part of other comprehensive income, an unrealized loss of \$0.5 million was recorded in 2006 and an unrealized gain of \$1.0 million was recorded in 2005 related to Polytronics. Subsequent to December 30, 2006, the fair value of the investment exceeded the cost of the asset.

6. Discontinued Operations

In December 2005, the Company announced its plan to sell the Efen business that consists of production and sales facilities in Uebigau and Eltville, Germany and Kaposvar, Hungary. The Company obtained Efen as part of its acquisition of Heinrich in May 2004. Results of operations for Efen have been reclassified and presented as discontinued operations for 2006 and 2005. Efen is part of the European segment for reporting purposes. Due to the Efen sale taking place in February 2006, the results of Efen were no longer recorded in the Consolidated Statements of Income after the first quarter of 2006.

Efen's operating results are summarized as follows for the periods ending December 30, 2006, December 31, 2005 and January 1, 2005 (in thousands):

	2006	2005	2004
Net sales	\$3,789	\$32,988	\$23,409
Income (loss) before taxes	773	1,773	(81)
Income taxes	324	645	252

Net income (loss)

-----	-----	-----
\$ 449*	\$ 1,128	\$ (333)
=====	=====	=====

* Additionally, for the period ended December 30, 2006, discontinued operations in the Consolidated Statements of Income includes a gain on the sale of assets of \$139 (net of tax of \$85).

Efen's significant balance sheet items are summarized as of December 30, 2006, and December 31, 2005 (in thousands):

	2006	2005
	-----	-----
Accounts receivable, net	\$ --	\$2,867
Inventory	--	5,780
Property, plant and equipment, net	--	5,577
Other assets	--	1,084
Goodwill	--	2,325
Current liabilities	--	3,407
Long term liabilities	--	3,315

The Efen product line was sold for Euro 9.5 million (approximately \$11.6 million). In connection with the sale, a pretax loss of approximately \$0.0 million was recognized, resulting in an after tax gain of \$0.1 million after recognizing a tax benefit on the sale of \$0.1 million.

7. Long-term Obligations

The carrying amounts of long-term debt at December 30, 2006, and December 31, 2005 are as follows (in thousands):

	2006	2005
	-----	-----
Revolving credit facility	\$22,500	\$21,000
Other obligations	3,613	5,682
	-----	-----
	26,113	26,682
Less: Current maturities	24,328	26,682
	-----	-----
	\$ 1,785	\$ --
	-----	-----

The Company has an unsecured domestic financing arrangement consisting of a credit agreement with banks that provides a \$75.0 million revolving credit facility, with a potential increase of up to \$125.0 million upon request of the Company and agreement with the lenders, that expires on July 21, 2011. At December 30, 2006, the Company had available \$52.5 million of borrowing capability under the revolving credit facility at an interest rate of LIBOR plus 0.50% (5.95% as of December 30, 2006). The Company also had \$6.1 million and \$5.8 million in letters of credit outstanding at December 30, 2006, and December 31, 2005, respectively.

The Company has an unsecured bank line of credit in Japan that provides a Yen 0.9 billion (an equivalent of \$7.6 million) revolving credit facility at an interest rate of TIBOR plus 0.625% (1.12% as of December 30, 2006). The revolving line of credit balance becomes due on July 21, 2011. At December 30, 2006, the Company had the equivalent of \$1.3 million outstanding on the Yen facility.

The Company has an unsecured bank line of credit that provides a Taiwanese Dollar 35.0 million (equivalent to \$1.1 million) revolving credit facility at an interest rate of two-years Time Deposit plus 0.145% (2.3% as of December 30, 2006). The revolving line of credit becomes due on August 18, 2009. At December 30, 2006, the Company had the equivalent of \$0.9 million outstanding on the Taiwanese Dollar facility.

The Company has various other foreign fixed rate loans outstanding at December 30, 2006, totaling \$1.4 million with maturity dates through August 2013.

The domestic bank credit agreement contains covenants that, among other matters, impose limitations on the incurrence of additional indebtedness, future mergers, sales of assets, payment of dividends, and changes in control, as defined. In 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. At December 30, 2006, and for the year then ended, the Company was in compliance with these covenants.

Aggregate maturities of long-term obligations at December 30, 2006, are as follows (in thousands):

2007	\$24,328
2008	567
2009	448
2010	210
2011	210
2012 and thereafter	350

	\$26,113

Interest paid on long-term debt approximated \$1.6 million in 2006, \$2.0 million in 2005 and \$1.7 million in 2004.

8. Coal Mining Liability

Included in other long-term liabilities is an accrued liability related to a former coal mining operation at Heinrich for the amounts of \$5.5 million and \$5.0 million in 2006 and 2005, respectively. The accrual, which is not discounted, is based on an engineering study estimating the cost remediating the dangers (such as a shaft collapse) of abandoned coal mine shafts in Germany.

9. Restructuring

During 2005 the Company announced a downsizing of the European segment's Ireland operation and outsourcing of more of its varistor manufacturing to lower cost Asian subcontractors. A liability of \$4.9 million was recorded related to redundancy costs for the manufacturing operation associated with this downsizing. This restructuring impacts approximately 35 associates in various production and support related roles. These costs were paid in 2005 and 2006. In the second quarter of 2006, an additional \$17.1 million, consisting of \$20.0 million of accrued severance less a statutory rebate of \$2.9 million recorded as a current asset, was recorded as part of cost of sales related to the closure of the entire facility. This restructuring is part of the Company's strategy to expand operations in Asian in order to be closer to current and potential customers and take advantage of lower manufacturing costs. This portion of the restructuring impacts approximately 131 employees. Restructuring charges are based upon each associate's current salary and length of service with the Company. These costs will be paid through 2008.

Ireland restructuring (in thousands)	
Balance at October 1, 2005	\$ 4,900
Additions	--
Payments	(897)

Balance at December 31, 2005	4,003
Additions	20,019
Payments	(1,414)

Balance at December 30, 2006	\$22,608
	=====

During the first quarter of 2006, the Company recorded a \$2.1 million charge related to the downsizing of the European segment's Heinrich operations. Manufacturing related charges of \$0.9 million are recorded as part of cost of sales and non-manufacturing related charges of \$1.2 million are recorded as part of selling, general and administrative expenses. During the second quarter of 2006 additional expense of \$0.5 million was recognized primarily as part of selling, general and administrative expenses. During the third quarter of 2006, additional expense of \$2.4 million was recorded. Manufacturing related charges of \$1.4 million are recorded as part of cost of sales and non-manufacturing related charges of \$1.0 million are recorded as part of selling, general and administrative expenses. These charges are primarily for redundancy costs to be paid through 2007. Employees affected by this downsizing include technical, production, administrative and support employees. A summary of activity of this liability is as follows:

Heinrich restructuring (in thousands)	
Balance at December 31, 2005	\$ --
Additions	4,995
Payments	(632)

Balance at December 30, 2006	\$4,363
	=====

During December 2006 the Company announced the closure of its America's segment's Irving, Texas facility and the transfer of its semiconductor wafer manufacturing from Irving, Texas to Wuxi, China in a phased transition from 2007 to 2010. A liability of \$1.9 million was recorded related to redundancy costs for the manufacturing operation associated with this downsizing. This charge was recorded as part of cost of sales. The total cost expected to be incurred through 2010 is \$6.5 million. This restructuring impacts approximately 180 associates in various production and support related roles and will be paid over the period 2007 to 2010. A summary of activity of this liability is as follows:

Irving, Texas restructuring (in thousands)	
Balance at December 31, 2005	\$ --
Additions	1,890
Payments	--

Balance at December 30, 2006	\$1,890
	=====

10. Asset impairments

During 2006, the Company recorded a \$4.4 million charge for the write-down of

Heinrich real estate and fixed assets. \$2.7 million of this write-down was recorded to reduce the carrying value of property located in Witten, Germany, consisting primarily of land and buildings used for manufacturing and administrative offices, as a result of entering into agreements to sell the property. The sale was completed in the fourth quarter of 2006. The

remaining \$1.7 million charge related to a reduction in the carrying value of certain long-term assets located at the same facility to record them at fair value in anticipation of their future sale. \$0.8 million of this charge was recorded within cost of sales and \$3.6 million within part of selling, general and administrative expenses in the European segment of the Company's financial results.

11. Benefit Plans

The Company has a defined-benefit pension plan covering substantially all of its North American employees. The amount of the retirement benefit is based on years of service and final average pay. The plan also provides post-retirement 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 also has defined benefit pension plans covering employees in the U.K., Ireland, Germany, Japan, Taiwan and the Netherlands. The amount of these retirement benefits is based on years of service and final average pay. Liabilities resulting from the plan that covers employees in the Netherlands are settled annually through the purchase of insurance contracts. Separate from the foreign pension data presented below, net periodic expense for the plan covering Netherlands employees was \$0.1 million, \$0.6 million and \$0.2 million in 2006, 2005 and 2004, respectively.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an Amendment of FASB Statements No. 87, 88, 106, and 132(R)". SFAS No. 158 requires the recognition of the overfunded or underfunded status of a defined benefit postretirement plan as an asset or a liability in the balance sheet, with changes in the funded status recorded through comprehensive income in the year in which those changes occur. The Company adopted FAS158 on December 30, 2006. The following table is required as part of adopting SFAS No. 158. See Note 1, Accounting Policies, Recently Issued Accounting Standards.

Incremental effect of applying FASB Statement No. 158 on individual line items in the Consolidated Balance Sheet as of December 30, 2006 (in thousands):

	Before application of Statement 158	Total adjustments	After application of Statement 158
Prepaid expenses and other current assets	\$ 13,205	\$(3,384)	\$ 9,821
Non-current deferred income taxes	5,034	4,712	9,746
Total assets	\$463,638	\$ 1,328	\$464,966
Accrued post-retirement benefits	18,954	9,017	27,971
Accumulated other comprehensive income (loss)	7,678	(7,689)	(11)
Total shareholders' (deficit) equity	\$311,354	\$(7,689)	\$303,665

The Company's contributions are made in amounts sufficient to satisfy legal requirements and ensure funding to at least 90% of the ERISA Current Liability amount. In 2007, the Company expects to make contributions to defined benefit pension plans in the range of \$3.0 million to \$7.0 million.

Changes in actual return on pension plan assets are deferred and recognized over a period of three years. The deferral of actual gains and losses affects the calculated value of plan assets and therefore future pension expense. Differences between total pension expense of \$3.7 million, \$4.8 million and \$4.3 million in 2006, 2005 and 2004, respectively, were not material to the overall financial performance of the Company. The decreases in pension expense in 2006 and 2005 were primarily due to currency gains and the impact of demographic changes partially offset by a decrease in the discount rate. Benefit plan related information, including Efen prior to the sale, is as follows (in thousands):

	2006			2005		
	U.S.	Foreign	Total	U.S.	Foreign	Total
Change in benefit obligation						
Benefit obligation at beginning of year	\$ 66,425	\$ 47,290	\$113,715	\$ 60,225	\$ 45,611	\$105,836
Service cost	3,192	1,124	4,316	3,259	818	4,077
Interest cost	3,799	2,043	5,842	3,664	1,971	5,635
Plan participants' contributions	--	304	304	--	362	362
Curtailement gain	--	(980)	(980)	--	--	--
Net actuarial loss (gain)	(1,821)	(156)	(1,977)	2,363	6,474	8,837
Benefits paid	(3,065)	(2,538)	(5,603)	(3,086)	(1,811)	(4,897)
Business acquisitions	--	625	625	--	--	--
Business divestitures	--	(1,530)	(1,530)	--	--	--
Effect of exchange rate movements	--	5,067	5,067	--	(6,135)	(6,135)
Benefit obligation at end of year	\$ 68,530	\$ 51,249	\$119,779	\$ 66,425	\$ 47,290	\$113,715
Change in plan assets at fair value						
Fair value of plan assets at beginning of year	\$ 50,436	\$ 28,787	\$ 79,223	\$ 47,795	\$ 26,586	\$ 74,381
Actual return on plan assets	6,192	2,361	8,553	3,227	4,170	7,397
Employer contributions	3,000	2,127	5,127	2,500	2,184	4,684
Plan participant contributions	--	304	304	--	362	362
Benefits paid	(3,065)	(1,760)	(4,825)	(3,086)	(906)	(3,992)
Business acquisitions	--	326	326	--	--	--
Effect of exchange rate movements	--	3,353	3,353	--	(3,609)	(3,609)

Fair value of plan assets at end of year	\$ 56,563	\$ 35,498	\$ 92,061	\$ 50,436	\$ 28,787	\$ 79,223
Unfunded status	\$(11,967)	\$(15,751)	\$(27,718)	\$(15,989)	\$(18,503)	\$(34,492)
Unrecognized prior service cost (benefit)	--	--	--	105	(112)	(7)
Unrecognized transition asset	--	--	--	--	(1,269)	(1,269)
Unrecognized net actuarial gain	--	--	--	8,690	9,887	18,577
Net amount recognized	\$(11,967)	\$(15,751)	\$(27,718)	\$ (7,194)	\$ (9,997)	\$(17,191)
Amounts recognized in the Consolidated Balance Sheet consist of:						
Prepaid benefit cost	\$ --	\$ 253	\$ 253	\$ --	\$ 1,554	\$ 1,554
Accrued benefit liability	(11,967)	(16,004)	(27,971)	(7,194)	(13,366)	(20,560)
Accumulated other comprehensive loss (pre FAS158 adoption)	--	--	--	--	1,815	1,815
Net (liability) recognized	\$(11,967)	\$(15,751)	\$(27,718)	\$ (7,194)	\$ (9,997)	\$(17,191)
Accumulated other comprehensive loss, pre-tax (post FAS158 adoption)	\$ 4,943	\$ 7,892	\$ 12,835	n/a	n/a	n/a

Amounts recognized in accumulated other comprehensive loss, pre-tax consist of:

	2006		
	U.S.	Foreign	Total
Net actuarial loss	\$4,943	\$7,458	\$12,401
Prior service cost	--	434	434
Net amount recognized, pre-tax	\$4,943	\$7,892	\$12,835

The estimated net actuarial loss which will be amortized from accumulated other comprehensive loss into benefit cost in 2007 is \$0.2 million.

The accumulated benefit obligation for the U.S. defined benefits plans was \$57.5 million and \$55.4 million at December 30, 2006 and December 31, 2005, respectively. The accumulated benefit obligation for the foreign plans was \$45.6 million and \$41.9 million at December 30, 2006 and December 31, 2005, respectively (in thousands).

	U.S.			Foreign		
	2006	2005	2004	2006	2005	2004
Components of net periodic benefit cost						
Service cost	\$ 3,192	\$ 3,259	\$ 2,759	\$ 1,124	\$ 1,210	\$ 1,269
Interest cost	3,799	3,664	3,498	2,043	1,971	1,877
Expected return on plan assets	(4,228)	(3,728)	(3,649)	(2,117)	(1,681)	(1,521)
Amortization of prior service cost	10	10	10	(13)	(13)	(13)
Amortization of transition asset	--	--	--	(113)	(112)	(90)
Amortization of losses	57	409	158	308	173	206
Total cost of the plan for the year	2,830	3,614	2,776	1,232	1,548	1,728
Expected plan participants' contribution	--	--	--	--	(392)	(203)
Net periodic benefit cost	\$ 2,830	\$ 3,614	\$ 2,776	\$ 1,232	\$ 1,156	\$ 1,525
Curtailment gain	--	--	--	(322)	--	--
Total expense for the year	\$ 2,830	\$ 3,614	\$ 2,776	\$ 910	\$ 1,156	\$ 1,525

Weighted average assumptions used to determine benefit obligations at year-end 2006, 2005 and 2004:

	U.S.			Foreign		
	2006	2005	2004	2006	2005	2004
Discount rate	6.0%	6.0%	6.0%	4.5%	4.3%	4.8%
Compensation increase rate	4.5%	4.5%	4.5%	3.5%	3.2%	3.4%
Measurement dates	12/31/06	12/31/05	12/31/04	12/31/06	12/31/05	12/31/04

Weighted average assumptions used to determine net periodic benefit cost for the years 2006, 2005 and 2004:

	U.S.			Foreign		
	2006	2005	2004	2006	2005	2004
Discount rate	6.0%	6.0%	6.5%	4.2%	4.8%	5.5%

Expected return on plan assets	8.5%	8.5%	8.8%	6.7%	6.7%	6.7%
Compensation increase rate	4.5%	4.5%	4.5%	3.2%	3.2%	4.0%
Measurement dates	1/01/06	1/01/05	1/01/04	1/01/06	1/01/05	1/01/04

Expected benefit payments to be paid to participants for the fiscal year ending are as follows (in thousands):

	U.S.	Foreign
	-----	-----
2007	\$ 2,947	\$ 2,275
2008	3,109	2,073
2009	3,171	2,029
2010	3,278	3,746
2011	3,345	2,879
2012-2016	18,919	15,009

Defined Benefit Plan Assets

Based upon analysis of the target asset allocation and historical returns by type of investment, the Company has assumed that the expected long-term rate of return will be 8.5% on domestic plan assets and 6.7% on foreign plan assets. Assets are invested to maximize long-term return taking into consideration timing of settlement of the retirement liabilities and liquidity needs for benefits payments. U.S. defined benefit pension assets were invested as follows and were not materially different from the target asset allocation:

	U.S. Asset Allocation	
	-----	-----
	2006	2005
	-----	-----
Equity securities	73%	73%
Debt securities	27%	27%
	---	---
	100%	100%
	===	===

	Foreign Asset Allocation	
	-----	-----
	2006	2005
	-----	-----
Equity securities	39%	66%
Debt securities	54%	24%
Property	7%	8%
Cash	0%	2%
	---	---
	100%	100%
	===	===

Defined Contribution Plans

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 \$0.6 million, \$0.6 million and \$0.5 million in 2006, 2005 and 2004, respectively. The Company provides additional retirement benefits for certain key executives through its unfunded defined contribution Supplemental Executive Retirement Plan. The charge to expense for this plan amounted to \$0.3 million, \$0.3 million and \$0.7 million in 2006, 2005 and 2004, respectively.

12. Shareholders' Equity

Equity Plans: The Company has stock option plans authorizing the granting of both incentive and nonqualified options and other stock rights of up to 5,925,000 shares of common stock to employees and directors. The stock options granted prior to 2002 vest over a five-year period and are exercisable over a ten-year period commencing from the date of vesting. The stock options granted in 2002 through February, 2005 vest over a five-year period and are exercisable over a ten-year period commencing from the date of the grant. Stock options granted after February, 2005 vest over a four-year period and are exercisable over a ten-year period commencing from the date of the grant. The Company also has a performance share agreement in which a target amount of performance share awards are granted based on the Company attaining certain financial performance goals relating to return on net tangible assets and earnings before interest, taxes, depreciation and amortization over a three-year performance period. The performance-based restricted stock awards vest in thirds over a three-year period (following the three-year performance period), and are paid annually as they vest, one half in the Company's common stock and one half in cash. The fair value of the performance-based restricted stock awards that are paid in common

stock is measured at the market price on the grant date, and the fair value of the portion paid in cash is measured at the current market price of a share.

The following table provides a reconciliation of outstanding stock options for the twelve month period ending December 30, 2006.

	Shares Under Option	Weighted Average Exercise Price	Remaining Contractual Life (Years)	Weighted Average Aggregate Intrinsic Value (\$thousands)
	-----	-----	-----	-----
Outstanding December 31, 2005		1,820,010	\$27.82	
Granted		392,750	34.06	
Exercised		(193,487)	22.25	
Forfeited		(36,103)	31.33	
		-----	-----	
Outstanding December 30, 2006	1,983,170	\$29.54	6.9	\$8,155
Exercisable December 30, 2006	988,420	\$27.57	6.2	\$5,771

The total intrinsic value of options exercised during 2006, 2005, and 2004 was \$2.1 million, \$1.4 million, and \$10.9 million, respectively.

The following table provides a reconciliation of nonvested performance share awards (including only awards to be paid in the Company's common stock) for the twelve month period ending December 30, 2006.

	Shares	Weighted Average Grant-Date Fair Value
	-----	-----
Nonvested December 31, 2005	45,500	\$27.95
Granted	13,000	34.33
Vested	--	--
Forfeited	--	--
Nonvested December 30, 2006	58,500	\$29.37

The Company recognizes compensation cost of all share-based awards as an expense on a straight-line basis over the vesting period of the awards. At December 30, 2006, the unrecognized compensation cost for options and performance shares was \$13.3 million before tax, and will be recognized over a weighted-average period of 3.1 years. The following table shows total stock-based compensation expense included in selling, general and administrative expenses in the Consolidated Statements of Income during 2006. No such compensation expense was recognized during 2005 and 2004.

(in thousands, except per share amounts)

	2006

Pre-tax stock based compensation	\$ 5,187
Income tax	(1,889)

Stock-based compensation expense, net	\$ 3,298
Basic earnings per share impact	\$ 0.15
Diluted earnings per share impact	\$ 0.15

The Company used the Black-Scholes option valuation model to determine the fair value of awards granted during 2006, 2005, and 2004. The weighted average fair value of and related assumptions for options granted were as follows:

	2006	2005	2004
	-----	-----	-----
Weighted average fair value of options granted at fair value of underlying stock	\$13.90	\$13.63	\$19.87
Assumptions:			
Risk-free interest rate	4.89%	4.27%	4.14%
Expected dividend yield	0%	0%	0%
Expected stock price volatility	39.0%	39.4%	44.0%
Expected life of options	4.8 years	7 years	7 years

Expected volatilities are based on both historical volatility of the company's stock price and implied volatility of exchange-traded options on the company's stock. The expected life of options is based on historical data from for options granted by the company. The risk-free rates are based on yields available at the time of grant on U.S. Treasury bonds with maturities consistent with the expected life assumption.

Notes Receivable From Officers - Common Stock: In 1995, the Company established the Executive Loan Program under which certain management employees could then 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 of employment or death of the employee. Such loans are classified as a reduction of shareholders' equity. The Company changed its policy in 2002 such that management employees may no longer obtain such loans.

Accumulated Other Comprehensive Income (Loss): At the end of the year the components of accumulated other comprehensive income (loss) were as follows (in thousands):

	December 30, 2006	December 31, 2005
	-----	-----
Minimum pension liability adjustment*	\$ (269)	\$(1,815)
Adoption of FAS158**	(7,689)	--
Loss on investments***	(563)	(96)
Foreign currency translation adjustment	8,510	(515)
	-----	-----
Total	\$ (11)	\$(2,426)
	=====	=====

* net of tax of \$165 and \$1,112 for 2006 and 2005, respectively.

** net of tax of \$4,712 for 2006.

*** net of tax of \$345 and \$59 for 2006 and 2005, respectively.

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.

13. Income Taxes

Domestic and foreign earnings from continuing operations before minority interest and income taxes is as follows (in thousands):

	2006	2005	2004
	-----	-----	-----
Domestic	\$ 2,655	\$ 1,484	\$28,115
Foreign	26,751	26,452	27,366
	-----	-----	-----
Earnings from continuing operations before minority interest and income taxes	\$29,406	\$27,936	\$55,481
	=====	=====	=====

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

	2006	2005	2004
	-----	-----	-----
Current:			
Federal	\$ 12,925	\$ 2,735	\$ 6,402
State	508	41	1,196
Foreign	5,689	10,228	8,098
	-----	-----	-----
Subtotal	19,122	13,004	15,696
Deferred:			
Federal and state	(11,342)	1,956	3,087
Foreign	(1,610)	(3,520)	194
	-----	-----	-----
Subtotal	(12,952)	(1,564)	3,281
	-----	-----	-----
Provision for income taxes	\$ 6,170	\$11,440	\$18,977
	=====	=====	=====

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):

	2006	2005	2004
	-----	-----	-----
Tax expense at statutory rate of 35%	\$10,292	\$ 9,785	\$19,050
State and local taxes, net of federal tax benefit	45	27	777
Foreign income tax rate differential	(1,374)	(47)	(1,846)
Foreign losses for which no tax benefit is available	203	1,446	759
Valuation allowance	--	(753)	753
Tax on unremitted earnings	(276)	790	91
Utilization of operating loss carryforward	(1,780)	--	--
Other, net	(940)	192	(607)
	-----	-----	-----
Provision for income taxes	\$ 6,170	\$11,440	\$18,977
	=====	=====	=====

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 December 30, 2006, and December 31, 2005, are as follows (in thousands):

	2006	2005
	-----	-----
Deferred tax assets:		
Accrued expenses	18,686	12,097
Foreign tax credit carryforwards	769	4,574
AMT credit carryforwards	1,321	1,318
Accrued Ireland restructuring	7,414	571
Net operating loss carryforwards	8,211	2,100
	-----	-----
Gross deferred tax assets	36,401	20,660
Less: Valuation allowance	(708)	(766)
Total deferred tax assets	35,693	19,894
	-----	-----
Deferred tax liabilities:		
Tax depreciation and amortization in excess of book	\$ 8,636	\$ 8,100
Foreign	4,370	407
Other	559	1,339
	-----	-----
Total deferred tax liabilities	13,565	9,846
	-----	-----
Net deferred tax assets	\$22,128	\$10,048
	-----	-----

The deferred tax asset valuation allowance is related to deferred tax assets from foreign net operating losses. The remaining domestic and foreign net operating losses either have no expiration date or are expected to be utilized prior to expiration. A domestic net operating loss benefit of \$1.8 million was recorded during the year relating to net operating losses from an acquired group of companies. A benefit of approximately \$1.4 million was booked due to a change in German tax legislation which will allow for a German tax credit over the next 10 years. The foreign tax credit carryforwards begin to expire in 2015. The Company paid income taxes of approximately \$10.0 million, \$9.5 million and \$11.2 million in 2006, 2005 and 2004, respectively. U.S. income taxes were not provided for on a cumulative total of approximately \$23.0 million of undistributed earnings for certain non-U.S. subsidiaries as of December 30, 2006, and accordingly, no deferred tax liability has been established relative to these earnings. The determination of the deferred tax liability associated with the distribution of these earnings is not practicable.

14. Business Segment Information

The Company designs, manufactures and sells circuit protection devices throughout the world. The Company's reportable segments are consistent with how it currently manages the business. The Company has three reportable geographic segments: the Americas, Europe and Asia-Pacific. The segments are defined as components of the company about which financial information is available and evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources to an individual segment and in assessing performance of the segment. The circuit protection market in these geographical segments is categorized into three major product areas: electronic, automotive and electrical. The Company evaluates the performance of each geographic segment based on its net income or loss. The Company also accounts for intersegment sales as if the sales were to third parties.

The Company's reportable segments are the business units where the revenue is earned and expenses are incurred. The Company has subsidiaries in the Americas, Europe and Asia-Pacific where each region is measured based on its net sales and earnings (loss) from continuing operations.

Information concerning the operations in these geographic segments for the fiscal years ended 2006, 2005 and 2004 are as follows (in thousands):

		Americas*	Europe	Asia-Pacific	Combined Total	Eliminations/ Adjustments	Consolidated Total
		-----	-----	-----	-----	-----	-----
Net sales	2006	\$213,564	\$112,193	\$209,102	\$534,859	\$ --	\$534,859
	2005	195,974	114,943	156,172	467,089	--	467,089
	2004	234,835	105,728	136,270	476,833	--	476,833
Intersegment revenues	2006	200,390	75,180	115,051	390,621	(390,621)	--

	2005	159,036	66,256	70,370	295,662	(295,662)	--
	2004	137,611	58,376	28,718	224,705	(224,705)	--
Interest expense	2006	1,556	(3)	73	1,626	--	1,626
	2005	1,978	74	46	2,098	--	2,098
	2004	1,668	(191)	(2)	1,475	--	1,475
Depreciation and amortization	2006	15,690	11,047	6,128	32,865	--	32,865
	2005	17,648	10,676	2,792	31,116	--	31,116
	2004	16,749	8,134	1,312	26,195	--	26,195
Other expense (income), net	2006	(1,520)	441	(1,095)	(2,174)	--	(2,174)
	2005	(1,530)	(1,068)	(470)	(3,068)	--	(3,068)
	2004	(2,106)	1,424	729	47	--	47
Income taxes	2006	2,258	(1,285)	5,197	6,170	--	6,170
	2005	6,031	1,882	3,527	11,440	--	11,440
	2004	11,589	2,839	4,549	18,977	--	18,977
Earnings (loss) from continuing operations	2006	17,425	(17,490)	23,301	23,236	--	23,236
	2005	4,193	(5,484)	17,873	16,582	--	16,582
	2004	21,157	(439)	15,643	36,361	--	36,361
Net income (loss)	2006	17,425	(16,902)	23,301	23,824	--	23,824
	2005	4,193	(4,356)	17,873	17,710	--	17,710
	2004	21,157	(772)	15,643	36,028	--	36,028
Identifiable assets	2006	227,322	159,639	148,526	535,487	(169,900)	365,587
	2005	248,651	146,907	90,233	485,791	(156,632)	329,159
	2004	279,717	144,176	62,542	486,435	(137,108)	349,327
Capital expenditures	2006	13,953	2,800	2,860	19,613	--	19,613
	2005	20,371	3,127	3,741	27,239	--	27,239
	2004	15,766	2,908	3,405	22,079	--	22,079

* Corporate is included in the Americas. This was reported separately in amounts previously presented.

The Company's revenues by product areas for the years ended December 30, 2006, December 31, 2005 and January 1, 2005, are as follows (in thousands):

Revenues	2006	2005	2004
Electronic	\$365,418	\$305,870	\$325,617
Automotive	123,620	118,595	113,690
Electrical	45,821	42,624	37,526
Consolidated total	\$534,859	\$467,089	\$476,833

Export sales to Hong Kong were 16.1% 13.7% and 10.6% for 2006, 2005 and 2004, respectively. No other foreign country sales exceeded 10% for 2006, 2005 or 2004. Sales to Arrow Pemco Group were 10.6% in 2006 and were derived 44.6%, 25.1% and 30.3% from the Americas, Europe and Asia-Pacific segments, respectively. Sales to Arrow Pemco were less than 10% in 2005 and 2004. No other single customer amounted to 10% or more of the Company's total revenues for 2006, 2005 or 2004.

15. Lease Commitments

The Company leases certain office and warehouse space as well as certain machinery and equipment under non-cancelable operating leases. Rental expense under these leases was approximately \$5.3 million in 2006, \$5.5 million in 2005 and \$4.4 million in 2004. Rent expense is recognized on a straight-line basis over the term of the leases. The difference between straight-line basis rent and the amount paid has been recorded as accrued lease obligations. The Company also has leases that have lease renewal provisions. As of December 30, 2006, all operating leases outstanding were with third parties.

Future minimum payments for all non-cancelable operating leases with initial terms of one year or more at December 30, 2006, are as follows (in thousands):

2007	\$ 4,553
2008	2,803
2009	1,931
2010	1,630
2011	1,554
2012 and thereafter	4,133

Total lease commitments	\$16,604
	=====

The Company did not have any capital leases as of December 30, 2006.

16. Earnings per Share

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

per share amounts)	(In thousands, except		
	2006	2005	2004
-----	-----	-----	-----
	Numerator:		
Net income	\$23,824	\$17,710	\$36,028
	-----	-----	-----
	Denominator:		
	Denominator for basic earnings per share -		
Weighted-average shares	22,305	22,413	22,239
	Effect of dilutive securities:		
Employee stock options	129	169	365
	-----	-----	-----
	Denominator for diluted earnings per share -		
	Adjusted weighted-average shares and		
assumed conversions	22,434	22,582	22,604
Basic earnings per share	\$ 1.07	\$ 0.79	\$ 1.62
	-----	-----	-----
Diluted earnings per share	\$ 1.06	\$ 0.78	\$ 1.59
	=====	=====	=====

The following potential shares of common stock were excluded from the EPS calculation because their effect would be anti-dilutive.

	2006	2005	2004
	-----	-----	-----
Stock Options	1,121,293	712,153	362,500
Restricted Shares	--	--	--
	-----	-----	-----
Total	1,121,293	712,153	362,500

Selected Financial Data (in thousands, except per share data)

Five-Year Summary

	2006*	2005*	2004*	2003**	2002
	-----	-----	-----	-----	-----
Net sales	\$534,859	\$467,089	476,833	\$339,410	\$283,267
Gross profit	161,263	144,552	173,797	104,426	88,623
Operating income	28,858	26,966	57,003	26,081	15,931
Earnings from continuing operations	23,236	16,582	36,361	15,339	9,620
Net income	23,824	17,710	36,028	15,339	9,620
	Per share of common stock:				
	Net income from continuing operations				
- Basic	1.04	0.74	1.64	0.70	0.44
- Diluted	1.03	0.73	1.61	0.70	0.44

Cash and cash equivalents	56,704	21,947	28,583	22,128	27,750
Total assets	464,966	403,931	425,769	311,570	277,478
Long-term debt	1,785	--	1,364	10,201	20,252

* Results include Heinrich. Refer to the Notes to Consolidated Financial Statements for more information. Results reflect Efen as a discontinued operation.

** Results include Teccor. Refer to the Notes to Consolidated Financial Statements for more information.

Quarterly Results of Operations (unaudited)

	2006*				2005*			
	4Q	3Q	2Q**	1Q	4Q	3Q	2Q	1Q
Net sales	\$127,836	\$143,471	\$137,941	\$125,611	\$115,373	\$122,266	\$115,693	\$113,757
Gross profit	38,089	47,085	31,289	44,800	37,905	34,309	35,117	37,221
Operating income (loss)	5,398	12,368	(2,691)	13,783	9,114	4,103	6,899	6,850
Net income	4,644	9,360	449	9,371	5,243	3,771	4,257	4,439
	Net income per share:							
Basic	0.21	0.42	0.02	0.42	0.23	0.17	0.19	0.20
Diluted	0.21	0.42	0.02	0.42	0.23	0.17	0.19	0.20

* Results reflect Efen as a discontinued operation.

** In the second quarter of 2006, the Company recorded a \$17.1 million net restructuring charge (after a \$2.9 million statutory rebate) related to the closure of its Ireland facility.

Quarterly Stock Prices

	2006				2005			
	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
High	36.66	38.00	37.42	36.65	28.85	30.97	31.16	33.59
Low	28.14	26.95	30.60	26.42	21.44	26.12	26.35	27.95
Close	31.88	34.70	34.38	34.13	27.25	28.13	27.82	28.23

SUBSIDIARIES

Littelfuse, S.A. de C.V.
Littelfuse do Brasil Ltda.
Littelfuse da Amazonia, Ltda.
SurgX Corporation
Teccor Electronics, Inc.
Teccor Delaware, Inc.
Littelfuse GP, Inc.
Littelfuse I L.P.
Teccor Electronics Mexico Holdings LLC
Teccor de Mexico S.A. de R.L. de C.V.
Zie San Investment, Inc.
Littelfuse Ireland Holding Ltd.
Littelfuse Ireland Limited
Littelfuse Ireland Development Co., Ltd.
Littelfuse U.K. Ltd.
Littelfuse, B.V.
Littelfuse Europe Holding, B.V.
Rempat Holding B.V.
Rempat Financial B.V.
Littelfuse Holding GmbH
Littelfuse GmbH
Heinrich Industrie GmbH
H.I. Verwaltungs GmbH
Wickmann Group, GmbH
H.I. Immobilien Management GmbH
Wickmann-Werke GmbH
Wilhelm PUDENZ GmbH
Littelfuse Far East Pte Ltd.
Littelfuse HK Limited
Suzhou Littelfuse OVS Ltd.
Littelfuse KK
Littelfuse Triad, Inc.
Littelfuse Phils, Inc.
Littelfuse S&L, Inc.
Dongguan Wickmann Electrical Products Co.
Wickmann Asia Ltd.
Littelfuse Concord Semiconductor, Inc.
Cameo Device Corporation
Concord Holding (BVI) Co., Ltd.
Concord Semiconductor (Wuxi) Company

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Littelfuse, Inc. of our reports dated February 23, 2007, with respect to the consolidated financial statements of Littelfuse, Inc., Littelfuse, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Littelfuse, Inc., included in the 2006 Annual Report to Stockholders of Littelfuse, Inc.

Our audits also included the financial statement schedule of Littelfuse, Inc. listed in Item 15(a). This schedule is the responsibility of Littelfuse, Inc.'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, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statement on Form S-8 (File Nos. 333-64285, 333-134699, 333-134700) of Littelfuse, Inc. of our reports dated February 23, 2007, with respect to the consolidated financial statements of Littelfuse, Inc., Littelfuse, Inc. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Littelfuse, Inc., incorporated herein by reference and our report included in the preceding paragraph with respect to the financial statement schedule in this Annual Report (Form 10-K) of Littelfuse, Inc.

/s/ Ernst & Young LLP

Chicago, Illinois
February 23, 2007

SECTION 302 CERTIFICATION

I, Gordon Hunter, certify that:

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

Dated: February 27, 2007

/s/ Gordon Hunter

Gordon Hunter
Chairman, President & CEO

SECTION 302 CERTIFICATION

I, Philip G. Franklin, certify that:

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

Dated: February 27, 2007

/s/ Philip G. Franklin

Philip G. Franklin
Vice President, Operations Support & CFO

Littelfuse, Inc.

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

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

The Annual Report on Form 10-K for the period ended December 30, 2006 of the Company fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GORDON HUNTER

/s/ PHILIP FRANKLIN

Chairman, President and
Chief Executive Officer

Vice President, Operations Support and
Chief Financial Officer