LITTELFUSE INC /DE
Form 10-Q
August 10, 2006

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED JULY 1, 2006

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OF 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:

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark 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 [X] 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 [X]

As of July 1, 2006, 22,335,039 shares of common stock, $.01 par value, of the Registrant were outstanding.

TABLE OF CONTENTS

		PAGE
PART I - FINANCIAL INFORMATION		
Item 1.	Financial Statements	
	Condensed Consolidated Balance Sheets as of July 1, 2006 and December 31, 2005 (unaudited)	1
	Condensed Consolidated Statements of Income for the periods ended July 1, 2006 and July 2, 2005 (unaudited)	2
	Condensed Consolidated Statements of Cash Flows for the periods ended July 1, 2006 and July 2, 2005 (unaudited)	3
	Notes to the Condensed Consolidated Financial Statements (unaudited)	4
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	13
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	16
Item 4.	Controls and Procedures	17
PART II - OTHER INFORMATION		
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	18
Item 4.	Submission of Matters to a Vote of Security Holders	18
Item 6.	Exhibits	20

LITTELFUSE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, unaudited)

	JULY 1, 2006	December 31, 2005
ASSETS:		
Cash and cash equivalents	$ 34,780	$ 21,947
Receivables	96,498	80,303
Inventories	65,831	63,423
Deferred income taxes	12,946	11,927
Assets held for sale (Efen)	--	17,633
Other current assets	11,406	7,936
Total current assets	221,461	203,169
Property, plant, and equipment, net	131,692	125,493

Intangible assets, net	19,177	14,742
Goodwill	69,038	54,440
Investments	5,328	5,590
Long-term deferred tax asset	6,653	--
Other assets	856	497
Total assets	$454,205	$403,931
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Accounts payable	$ 24,798	$ 20,457
Accrued payroll	16,430	20,128
Accrued expenses	14,140	8,141
Accrued severance	26,048	7,866
Accrued income tax	21,507	9,920
Liabilities held for sale (Efen)	--	6,722
Current portion of long-term debt	24,524	26,682
Total current liabilities	127,447	99,916
Long-term debt	1,605	--
Deferred income taxes	--	1,879
Accrued post-retirement benefits	23,407	19,268
Other long-term liabilities	5,412	5,658
Minority interest	143	144
Shareholders' equity	296,191	277,066
Total liabilities and shareholders' equity	$454,205	$403,931

Common shares issued and outstanding
of 22,335,039 and 22,229,288,
at July 1, 2006, and December 31, 2005, respectively

LITTELFUSE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data, unaudited)

	For the Three Months Ended		
	JULY 1, 2006	July 2, 2005	J
Net sales	$137,941	$115,693	$2
Cost of sales	106,652	80,576	1
Gross profit	31,289	35,117	
Selling, general and administrative expenses	28,599	23,538	
Research and development expenses	4,790	4,246	
Amortization of intangibles	591	434	
Total operating expense	33,980	28,218	
Operating income (loss)	(2,691)	6,899	
Interest expense	359	568	
Other income	(939)	(96)	

Earnings (loss) from continuing operations before minority interest and income taxes	(2,111)	6,427	
Minority interest	--	(5)	
Income taxes (benefit)	(2,560)	2,118	
Earnings from continuing operations	449	4,314	
Discontinued operations (net of tax)	--	(57)	
Net income	$ 449	$ 4,257	$
Net income per share:			
Basic:			
Continuing operations	$ 0.02	$ 0.19	$
Discontinued operations	$ --	$ --	$
Net income	$ 0.02	$ 0.19	$
Diluted:			
Continuing operations	$ 0.02	$ 0.19	$
Discontinued operations	$ --	$ --	$
Net income	$ 0.02	$ 0.19	$
Weighted average shares and equivalent shares outstanding:			
Basic	22,328	22,423	
Diluted	22,693	22,613	

LITTELFUSE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands, unaudited)

	For the Three Months Ended		For t Month
	JULY 1, 2006	July 2, 2005	JULY 1, 2006
Operating activities:			
Net income	$ 449	$ 4,257	$ 9,820
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	8,688	7,511	14,900
Amortization	591	463	1,111
Stock-based compensation	1,251	--	2,704
Changes in operating assets and liabilities:			
Accounts receivable	(6,847)	(4,908)	(10,622)
Inventories	4,055	4,006	496
Accounts payable and accrued expenses	17,741	(1,971)	20,518
Prepaid expenses and other	(197)	2,759	802

Net cash provided by operating activities	25,731	12,117	39,729
Cash used in investing activities:			
Purchases of property, plant, and equipment	(4,797)	(8,266)	(9,400)
Acquisitions of businesses	(28,825)	(991)	(31,526)
Sale of Efen	2,146	--	11,574
Net cash used in investing activities	(31,476)	(9,257)	(29,352)
Cash provided by financing activities:			
Proceeds from long-term debt	16,500	11,895	22,858
Payments of long-term debt	(8,924)	(11,000)	(25,298)
Proceeds from repayment of notes receivable, common stock ..	--	12	7
Proceeds from exercise of stock options	1,516	214	3,350
Purchase of treasury stock	--	--	--
Net cash provided by financing activities	9,092	1,121	917
Effect of exchange rate changes on cash	983	(724)	1,539
Increase in cash and cash equivalents	4,330	3,257	12,833
Cash and cash equivalents at beginning of period	30,450	29,390	21,947
Cash and cash equivalents at end of period	$ 34,780	$ 32,647	$ 34,780

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
JULY 1, 2006

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments, consisting of normal recurring accruals, Ireland severance, the Witten building write down and the Teccor net operating loss tax benefit, considered necessary for a fair presentation have been included. Operating results for the three and six months ended July 1, 2006 are not necessarily indicative of the results that may be expected for the year ending December 30, 2006. For further information, refer to the Company's consolidated financial statements and the notes thereto incorporated by reference in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

2. BUSINESS SEGMENT INFORMATION

The Company designs, manufactures and sells circuit protection devices throughout the world. The Company has three reportable geographic segments: Americas, Europe and Asia-Pacific. 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 sales and net income or loss. The Company accounts for intersegment sales as if the sales were to third parties. The Company's reportable segments are the geographical regions where the revenue is earned and expenses are incurred. The Company has subsidiaries in Americas, Europe and Asia-Pacific.

Sales to Hong Kong were 14% and 15% of consolidated sales for the three and six months ended July 1, 2006, respectively. No other foreign country sales exceeded 10% for the three and six months ended July 1, 2006. Sales to Arrow Pemco Group were 11% and 12% of consolidated sales for the three and six months ended July 1, 2006, respectively. Sales to no other single customer amounted to 10% or more of the Company's total revenues for the three and six months ended July 1, 2006.

Information concerning the operations in these geographic segments for the three and six months ended July 1, 2006, and July 2, 2005, is as follows (in thousands):

	Three Months Ended July 1, 2006	Three Months Ended July 2, 2005	Six Months Ended July 1, 2006	Six months Ended July 2, 2005
NET SALES				
Americas	$ 57,536	$ 51,119	$ 111,830	$ 99,585
Europe	29,398	17,999	57,477	50,290
Asia-Pacific	51,007	46,575	94,245	79,575
Consolidated total	$137,941	$115,693	$ 263,552	$ 229,450
INTERSEGMENT SALES				
Americas	$ 53,942	$ 42,079	$ 96,554	$ 80,772
Europe	20,287	12,506	42,056	25,526
Asia-Pacific	24,050	16,343	48,786	26,145
Combined total	98,279	70,928	187,396	132,443
Eliminations	(98,279)	(70,928)	(187,396)	(132,443)
Consolidated total	$ --	$ --	$ --	$ --

INTEREST EXPENSE				
Americas	$ 329	$ 531	$ 703	$ 992
Europe	15	12	45	24
Asia-Pacific	15	25	24	25
Consolidated total	$ 359	$ 568	$ 772	$ 1,041
DEPRECIATION AND AMORTIZATION				
Americas	$ 3,921	$ 4,379	$ 7,636	$ 8,845
Europe	4,574	3,067	6,371	5,358
Asia-Pacific	784	528	2,004	1,043
Consolidated total	$ 9,279	$ 7,974	$ 16,011	$ 15,246

OTHER (INCOME) EXPENSE				
Americas	$ (763)	$ 270	$ (835)	$ 182
Europe	129	(1)	(332)	(11)
Asia-Pacific	(305)	(365)	(343)	(398)
Consolidated total	$ (939)	$ (96)	$ (1,510)	$ (227)
INCOME TAXES				
Americas	$ (2,135)	$ 823	$ 1,092	$ 954
Europe	(1,515)	674	(704)	1,601
Asia-Pacific	1,090	621	2,210	1,778
Consolidated total	$ (2,560)	$ 2,118	$ 2,598	$ 4,333
EARNINGS (LOSS) FROM CONTINUING OPERATIONS*				
Americas	$ 12,011	$ 2,060	$ 16,024	$ 2,305
Europe	(16,442)	(1,500)	(16,875)	(526)
Asia-Pacific	4,880	3,754	10,083	6,821
Consolidated total	$ 449	$ 4,314	$ 9,232	$ 8,600
NET INCOME (LOSS) *				
Americas	$ 12,011	$ 2,060	$ 16,024	$ 2,305
Europe	(16,442)	(1,557)	(16,287)	(430)
Asia-Pacific	4,880	3,754	10,083	6,821
Consolidated total	$ 449	$ 4,257	$ 9,820	$ 8,696
NET SALES *				
Electronic	$ 94,817	$ 75,001	$ 178,743	$ 147,820
Automotive	31,555	29,935	62,581	60,847
Electrical	11,569	10,757	22,228	20,783
Consolidated total	$137,941	$115,693	$ 263,552	$ 229,450

IDENTIFIABLE ASSETS*	July 1, 2006	December 31, 2005
Americas	$ 349,588	$ 280,964
Europe	165,445	208,192
Asia-Pacific	138,702	90,233
Combined total	653,735	579,389
Goodwill and intangibles	88,215	69,182
Eliminations	(287,745)	(244,640)
Consolidated total	$ 454,205	$ 403,931

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

3. INVENTORIES

The components of inventories are as follows (in thousands):

	July 1, 2006	December 31, 2005
Raw material	$15,051	$13,010
Work in process	20,646	18,996
Finished goods	30,134	31,417
Total	$65,831	$63,423

4. LONG-TERM OBLIGATIONS

Total debt at the end of the second quarter 2006 totaled $26.1 million and consisted of the following: (1) credit revolver borrowings totaling $20.0 million and (2) foreign revolver borrowings totaling $6.1 million.

The Company has an unsecured domestic financing arrangement consisting of a credit agreement with banks that provides a $50.0 million revolving credit facility that expires on August 26, 2006. The revolving credit facility is subject to a maximum indebtedness calculation and other financial covenants. At July 1, 2006, the Company had available $30.0 million of borrowing capability under the revolving credit facility at an interest rate of LIBOR plus 0.875% (5.98% as of July 1, 2006). The Company entered into a new credit arrangement on July 21, 2006, which replaced this financing agreement. The new credit arrangement is discussed below. The Company also had $6.0 million in letters of credit outstanding at July 1, 2006

The Company also has an unsecured bank line of credit that provides a Yen 0.9 billion, an equivalent of $7.8 million, revolving credit facility at an interest rate of TIBOR plus 0.875% (1.2% as of July 1, 2006). The revolving line of credit becomes due on August 26, 2006. At July 1, 2006, the Company had an equivalent $3.9 million outstanding on the Yen facility. The Company intends to renew this line of credit upon maturity.

The Company also has an unsecured bank line of credit that provides a Taiwanese Dollar 30.0 million, an equivalent of $0.9 million, revolving credit facility at an interest rate of two-years Time Deposit plus 0.145% (2.3% as of July 1, 2006). The revolving line of credit becomes due on August 11, 2006. At July 1, 2006, the Company had an equivalent $0.6 million outstanding on the Taiwanese Dollar facility. The Company intends to renew this line of credit upon maturity.

The Company also has various other fixed rate loans totaling $1.6 million with maturity dates between March 2008 and January 2011.

On July 21, 2006, the Company entered into a Credit Agreement among the Company, each lender from time to time party thereto, and Bank of America, N.A., as Agent (the "Credit Agreement"). The Credit Agreement provides a revolving credit facility with a commitment for up to $75 million, with a potential increase of up to $125 million upon request of the Company and agreement of the lenders. Borrowings will bear interest at floating rates which may vary depending on the type of loan and the Company's consolidated leverage ratio. The Credit Agreement matures in July 2011. The Credit Agreement replaces the Company's previous $50 million Credit Agreement dated August 26, 2003, which has been terminated.

5. IMPAIRMENT OF LONG-LIVED ASSET

During the second quarter of 2006, the Company wrote down the carrying value of its property located in Witten, Germany, by $2.7 million. This charge was reported as part of selling, general and administrative expenses in the European segment of the Company's financial results. The assets are also reported as part of the European segment. This write down was based upon an offer the Company received and accepted during the second quarter of 2006 for the sale of the property. The property consists of land and several buildings currently used for manufacturing and administrative offices.

6. PER SHARE DATA

Net income per share amounts for the three and six months ended July 1, 2006, and July 2, 2005, are based on the weighted average number of common and common equivalent shares outstanding during the periods as follows (in thousands, except per share data):

	Three months ended		Six months ended	
	July 1, 2006	July 2, 2005	July 1, 2006	July 2, 2005
Net income	$ 449	$ 4,257	$ 9,820	$ 8,696
Average shares outstanding - Basic	22,328	22,423	22,293	22,453
Net effect of dilutive stock options and restricted shares - Diluted	365	190	319	228
Average shares outstanding - Diluted	22,693	22,613	22,612	22,681
Net income per share - Basic	$ 0.02	$ 0.19	$ 0.44	$ 0.39
- Diluted	$ 0.02	$ 0.19	$ 0.44	$ 0.38

Options to purchase 704,929 and 538,600 shares of common stock were outstanding at July 1, 2006, and July 2, 2005 respectively, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares and, therefore, the effect would be anti-dilutive. During the first six months of 2006 the Company issued 92,640 shares of common stock resulting from the exercise of stock options.

7. ACQUISITIONS

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. 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.

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 2006 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. As of July 1, 2006, $9.6 million has been paid related to these liabilities.

A summary of the purchase accounting liability activity is as follows:

Purchase accounting liability (in thousands)	
Balance, May 6, 2004	$ 7,281
Payments	(85)
Balance, January 1, 2005	7,196
Additions	4,179
Payments	(8,685)
Balance, December 31, 2005	2,690
Payments	(136)
Balance, April 1, 2006	2,554
Payments	(658)
Balance, July 1, 2006	$ 1,896

Increases in the purchase accounting reserve pertain to additional liabilities anticipated at the acquisition date and recognized in conjunction with the registration of the domination agreement and related requirement to purchase remaining shares from minority shareholders. These additional liabilities are primarily for redundancy costs to be paid through 2006 related to manufacturing operations and selling, general and administrative functions.

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. Proforma 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 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	$ 9,873
Property, plant and equipment	9,101
Patents and licenses	264
Goodwill	13,096
Current liabilities	(5,884)
Other long-term liabilities	(2,426)
	$24,024

All 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. Proforma 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 customer list. The customer list was reported in the Americas segment with a useful life of ten years. Proforma financial information is not presented due to amounts not being materially different than actual results.

8. RESTRUCTURING CHARGES

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. These charges are primarily for redundancy costs to be paid through 2007. 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. Employees affected by this downsizing include technical, production, administrative and support employees. In the second quarter of 2006 additional expense was recognized primarily as part of selling, general and administrative expenses. A summary of activity of this liability is as follows:

Heinrich restructuring (in thousands)	
Balance, December 31, 2005	$ --
Additions	2,080
Balance, April 1, 2006	2,080

Additions	518

Payments	(693)
Balance, July 1, 2006	$1,905

During 2005, the Company announced a downsizing of its 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 as part of cost of sales 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. In the second quarter of 2006, an additional $17.1 million, consisting of $20.0 million of accrued severance less a government 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 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. A summary of activity of this liability is as follows:

Ireland restructuring (in thousands)	
Balance, October 1, 2005	$ 4,900
Payments	(897)
Balance, December 31, 2005	$ 4,003
Payments	(858)
Balance, April 1, 2006	3,145
Additions	20,019
Payments	(1,609)
Balance, July 1, 2006	$21,555

9. DISCONTINUED OPERATIONS

In February 2006, the Company sold the Efen product line 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's operating results are summarized as follows (in thousands):

	For the Three Months Ended	For the Six Months Ended

	July 1, 2006	July 2, 2005	July 1, 2006	July 2, 2005
Net sales	$--	$8,174	$3,789	$16,106
Income before taxes	--	143	773	498
Income taxes	--	200	324	402
Net income (loss)	$--	$ (57)	$ 449	$ 96

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, resulting in an after tax gain of $0.1 million after recognizing a tax benefit on the sale of $0.1 million.

10. PENSIONS

The components of net periodic benefit cost for the three and six months ended July 1, 2006, compared with the three and six months ended July 2, 2005, were (in thousands):

	Three Months Ended		Six Months Ended		Three Months Ended		Six M
	U.S. Pension Benefits				Foreign Plans		
	2006	2005	2006	2005	2006	2005	20
Service cost	$ 798	$ 815	$ 1,596	$ 1,630	$ 361	$ 303	$ 7
Interest cost	950	916	1,900	1,832	495	493	9
Expected return on plan assets	(1,037)	(932)	(2,074)	(1,864)	(496)	(420)	(9

Amortization of prior service cost	2	3	4	6	(3)	(3)	
Amortization of transition asset	--	--	--	--	(27)	(28)	(
Amortization of net (gain) loss	14	102	28	204	74	43	1
Total cost of the plan	727	904	1,454	1,808	404	388	8
Expected plan participants' contribution	--	--	--	--	(89)	(98)	(1
Net periodic benefit cost	$ 727	$ 904	$ 1,454	$ 1,808	$ 315	$ 290	$ 6

The expected rate of return on pension assets is 8.50% and 8.50% in 2006 and 2005, respectively.

11. COMPREHENSIVE INCOME

Total comprehensive income for the three months ended July 1, 2006, and July 2, 2005, was approximately $1.7 million and $3.2 million, respectively, and for the six months ended July 1, 2006, and July 2, 2005, was approximately $14.0 million and $4.0 million, respectively. The adjustment for comprehensive income consists of deferred gains and losses from foreign currency translation adjustments and losses on available-for-sale securities for the three and six months ended July 1, 2006 and deferred gains and losses from foreign currency translation adjustments and qualified cash flow hedges and unrealized gains and losses on available-for-sale securities for the three and six months ended July 2, 2005. Foreign currency translation adjustment accounts for $4.8 million and $(4.1) million of the difference between other comprehensive income and net income through July 1, 2006 and July 2, 2005, respectively.

12. INCOME TAXES

Income taxes for the three and six months ended July 1, 2006 include a $2.8 million benefit related to the recognition of certain previous years net operating losses from the Teccor acquisition.

13. STOCK-BASED COMPENSATION

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (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 recognized the compensation cost of all share-based awards as an expense on a straight-line basis over the vesting period of the award. 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 October 1, 2005, 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 adoption of SFAS 123(R) primarily resulted in compensation expense being recorded for stock options.

The following table shows total stock-based compensation expense included in the Condensed Consolidated Statements of Income:

(In thousands, except per share amounts)

	Three months ended July 1, 2006	Six months ended July 1, 2006
Pre-tax stock-based compensation	$ 1,251	$ 2,704
Income tax	(475)	(1,027)
Stock-based compensation expense, net	$ 776	$ 1,677
Basic earnings per share impact	$ 0.03	$ 0.08

Diluted earnings per share impact	$ 0.03	$ 0.07

Results for fiscal 2005 have not been restated to reflect the adoption of SFAS 123(R). The following table discloses the Company's pro forma net income and diluted net income per share for the three and six months ended July 2,

10

2005, had the valuation methods under SFAS 123(R) been used for the Company's stock option grants. The table also discloses the weighted average assumptions used in estimating the fair value using the Black-Scholes option pricing model.

(in thousands, except per share amounts)

	Three months ended July 2, 2005	Six months ended July 2, 2005
Net income as reported	$ 4,257	$ 8,696
Stock option compensation expense under fair value method, net of tax	(731)	(1,471)
Pro forma net income	$ 3,526	$ 7,225
Basic net income per share		
As reported	$ 0.19	$ 0.39
Pro forma	$ 0.16	$ 0.32
Diluted net income per share		
As reported	$ 0.19	$ 0.38
Pro forma	$ 0.16	$ 0.32
Assumptions:		
Expected dividend yield	0%	0%
Expected stock price volatility	39.7%	39.7%
Risk-free interest rate	3.97%	3.97%
Expected life of option (years)	7	7

During the six-month period ended July 1, 2006, options on 192,000 shares with a strike price equal to the market price on the date of the grant, were awarded to employees and directors. These options expire seven years after the grant date, and vest ratably over four and five years for employees and directors, respectively. The Company used the Black-Scholes option valuation model to determine the fair value of awards granted during the six month period ended July 1, 2006. The weighted average fair value of and related assumptions for options granted were as follows:

	Three months ended July 1, 2006	Six months ended July 1, 2006
Weighted average fair value of options granted		

at fair value of underlying stock	$14.06	$14.06
Assumptions:		
Expected dividend yield	0%	0%
Expected stock price volatility	39.0%	39.0%
Risk-free interest rate	4.96%	4.96%
Expected life of option (years)	4.8	4.8

Forfeitures are estimated at a rate that would yield 10% over the life of the awards.

The Company has stock option plans authorizing the granting of both incentive and nonqualified options and other stock rights of common stock to employees and directors. The stock options issued prior to 2002 vest over a five-year period and are exercisable over a 10 year period commencing from the date of vesting. The Company changed its policy in 2002 whereby the stock options vest over a five-year period and are exercisable over a 10 year period commencing from the date of the grant. This change was not made to stock options already granted. 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. These shares vest over a three-year period commencing from the date of issuance. A reconciliation of outstanding stock options and performance shares for the period ending July 1, 2006, are shown below:

RECONCILIATION OF STOCK OPTIONS OUTSTANDING

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggrega Intrins Value ($ Thousa
Outstanding December 31, 2005	1,820,010	$27.82	7.7	4,470
Granted	192,000	34.27	--	--
Forfeited	(5,650)	33.19	--	--
Exercised	(92,640)	21.62	--	930
Outstanding July 1, 2006	1,913,720	28.75	7.9	12,274
Exercisable July 1, 2006	1,075,570	27.16	7.9	8,510

RECONCILIATION OF PERFORMANCE SHARES OUTSTANDING

	Stock Price	Performance Shares	Weighted Average Grant-Date Fair Value	Projected Performance Share Award Ratio

Outstanding December 31, 2005	$27.25	45,500	$27.95	42.2%
Granted	--	26,000	34.33	100%
Forfeited	--	--	--	--
Vested	--	--	--	--
Outstanding July 1, 2006	34.38	71,500	30.27	63.2%

At July 1, 2006, the unrecognized compensation cost for options and performance shares was $13.8 million before tax, and will be recognized over a weighted average period of 3.5 years.

14. RECENT ACCOUNTING PRONOUNCEMENTS

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 ("FIN48"), Accounting for Uncertainty in Income Taxes, which is an interpretation of SFAS No. 109, Accounting for Income Taxes. FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. We will implement this interpretation in the fiscal year starting December 31, 2006. We cannot reasonably estimate the impact of this interpretation at this time.

15. SUBSEQUENT EVENTS

On July 21, 2006, the Company entered into a Credit Agreement among the Company, each lender from time to time party thereto, and Bank of America, N.A., as Agent (the "Credit Agreement"). The Credit Agreement provides a revolving credit facility with a commitment for up to $75 million, with a potential increase of up to $125 million upon request of the Company and agreement of the lenders. Borrowings will bear interest at floating rates which may vary depending on the type of loan and the Company's consolidated leverage ratio. The Credit Agreement matures in July 2011. The Credit Agreement replaces the Company's previous $50 million Credit Agreement dated August 26, 2003, which has been terminated.

On August 1, 2006 the Company acquired the gas discharge tube (GDT) assets of SRC Devices, Inc. ("SRC"), for $6 million in cash, subject to post-closing purchase price adjustments. 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.

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

Net Sales by Geography and Market*
(in millions)

SECOND QUARTER			YEAR-TO-DATE		
2006	2005	% CHANGE	2006	2005	% CHANGE

GEOGRAPHY						
AMERICAS	$ 57.9	$ 49.4	17%	$112.5	$ 99.6	13%
EUROPE	29.0	24.3	19%	56.8	51.4	11%
ASIA-PACIFIC	51.0	42.0	21%	94.3	78.4	20%
TOTAL	$137.9	$115.7	19%	$263.6	$229.4	15%

	SECOND QUARTER			YEAR-TO-DATE		
	2006	2005	% CHANGE	2006	2005	% CHANGE
MARKET						
ELECTRONICS	$ 94.8	$ 75.0	27%	$178.8	$147.8	21%
AUTOMOTIVE	31.6	29.8	6%	62.6	60.7	3%
ELECTRICAL	11.5	10.9	6%	22.2	20.9	6%
TOTAL	$137.9	$115.7	19%	$263.6	$229.4	15%

* Certain prior year amounts have been reclassified to conform to the current year presentation. Sales by geography represent sales to customer or distributor locations.

Results of Operations

Second Quarter, 2006

Sales increased $22.3 million or 19% to $137.9 million in the second quarter of 2006, compared to $115.7 million in the second quarter of 2005 due improved sales across all geographic segments. The Concord Semiconductor acquisition added $1.6 million of sales to the second quarter of 2006.

On a geographic basis, sales in the Americas increased $8.6 million or 17% in the second quarter of 2006, compared to the second quarter of last year. The electronics business was the largest contributor to the sales increase reflecting strong demand from North American distributors driven by improvement in the markets for telecommunications and general electronics. The electrical business also contributed to growth in the Americas due to continued improvement in industrial manufacturing and realization of price increases. Automotive sales in the Americas declined primarily due to the weak domestic automotive market and continued price erosion. Europe sales increased $4.7 million or 19% in the second quarter of 2006 compared to the second quarter of 2005. The increase in European sales was primarily due to increased sales to electronics distributors and to a lesser extent improvement in automotive sales. Asia-Pacific sales increased $9.0 million or 21% compared to the prior year second quarter. The increase in Asia-Pacific sales was mainly due to strong demand for digital consumer and telecommunications products throughout the region. Increases in automotive sales also contributed to the Asia-Pacific growth reflecting share gain in the growing Asian markets outside of Japan. Exchange rates had no effect on sales in the second quarter of 2006 compared to the prior year.

Gross profit was $31.3 million or 22.7% of sales for the second quarter of 2006, compared to $35.1 million or 30.4% of sales in the same quarter last year. The second quarter 2006 gross margin declined compared to the prior year due to $17.1 million of restructuring charges related to the closure of the Ireland facility and higher commodity prices partially offset by improved operating leverage from higher sales and manufacturing cost reductions.

Total operating expense was $34.0 million or 24.6% of sales for the second quarter of 2006 compared to $28.2 million or 24.4% of sales for the same quarter in the prior year. The increase in operating expense reflects additional research and development spending to support the Company's solution selling strategy, stock-based compensation expense of $1.3 million, higher bonus expense and $2.8 million for the write down of Heinrich real estate in Germany.

Operating income (loss) was ($2.7) million or (2.0%) of sales for the second quarter of 2006 compared to $6.9 million or 6.0% of sales for the same quarter of last year. The decline in operating income compared to the prior year was due to Ireland restructuring charges, the Heinrich real estate write-down, higher commodity prices and the inclusion of stock-based compensation expense partially offset by improvements due to increased sales, improved operating leverage and cost reductions.

Interest expense was $0.4 million in the second quarter of 2006 compared to $0.6 million in the second quarter of the prior year reflecting a lower average debt balance in 2006 compared to the prior year quarter. Other income was $0.9 million for the second quarter of 2006 compared to other income of $0.1 million in the second quarter of last year due to higher interest income and favorable changes in exchange rates.

Earnings (loss) from continuing operations before minority interest and income taxes was ($2.1) million for the second quarter 2006 compared to $6.4 million for the second quarter of 2005. Income taxes were a benefit of $2.6 million for the second quarter of 2006 compared to $2.1 million of expense in the second quarter of last year. Income taxes in the current year quarter include a $2.8 million benefit related to the recognition of certain previous years net operating losses from the Teccor acquisition partially offset by $0.9 million of charges.

Net income for the second quarter of 2006 was $0.4 million or $0.02 per diluted share compared to $4.3 million or $0.19 per diluted share for the same quarter of last year due to the factors discussed above.

Six Months, 2006

Sales for the first six months of 2006 increased 15% to $263.6 million from $229.4 million for the first six months of last year. On a geographic basis, sales in the Americas increased $12.9 million or 13% in the first six months of 2006 compared to the prior year due primarily to increased North American distributor sales reflecting improvement in the markets for telecommunications and general electronics. Europe sales increased $5.4 million or 11% in the first six months of 2006 compared to the prior year largely due to increased electronics demand and to a lesser extent increased automotive sales. Asia-Pacific sales increased $15.9 million or 20% for the first six months of 2006 compared to the same period in the prior year primarily due to increased electronics sales throughout the region driven largely by improvements in the markets for digital consumer and telecommunications products. Increases in automotive sales also contributed to the Asia-Pacific growth reflecting share gain in the growing Asian markets outside of Japan. Changes in exchanges rates had the effect of decreasing sales by $3.0 million for the first six months of 2006 compared to the prior year.

Gross profit was $76.1 million or 28.9% of sales for the first six months of 2006 compared to $72.3 million or 31.5% of sales for the first six months of last year. The 2006 gross margin percentage declined compared to the prior year due to Ireland restructuring charges and higher commodity prices partially offset by improved operating leverage from higher sales and manufacturing cost reductions.

Total operating expense was $65.0 million or 24.7% of sales for the first six months of 2006 compared to $58.6 million or 25.5% of sales last year. The increase in operating expense reflects additional research and development spending of $0.9 million to support the Company's solution selling strategy, stock-based compensation expense of $2.7 million, higher bonus expense and a $2.8 million write-down in 2006 of Heinrich real estate in Germany.

Operating income for the first six months of 2006 was $11.1 million or 4.2% of sales compared to $13.7 million or 6.0% of sales for the prior year. The decline in operating income compared to the prior year was due to Ireland restructuring charges, the Heinrich real estate write-down, higher commodity prices and the inclusion of stock-based compensation expense partially offset by improvements due to increased sales, improved operating leverage and cost reductions.

Interest expense was $0.8 million for the first six months of 2006 compared to $1.0 million last year due to lower average debt levels. Other income was $1.5 million for the first six months of 2006 compared to $0.2 million for the same period last year due primarily to increases in interest income and favorable exchange rates.

Earnings (loss) from continuing operations before minority interest and income taxes was $11.8 million for the first six months of 2006 compared to $12.9 million the first six months of last year. Income taxes were $2.6 million for the first six months of 2006 compared to $4.3 million for the first six months of last year. Income taxes for the first six months of 2006 include a $2.8 million benefit related to the recognition of certain previous years net operating losses from the Teccor acquisition partially offset by $0.9 million of charges.

Net income for the first six months of 2006 was $9.8 million compared to $8.7 million for the same period last year. Earnings per share for the first six months of 2006 was $0.44 per diluted share compared to $0.38 per diluted share last year.

Liquidity and Capital Resources

Assuming no material adverse changes in market conditions or interest rates, management expects that the Company will have sufficient cash from operations to support both its operations and its current debt obligations for the foreseeable future.

The EFEN business, which is presented as a discontinued operation, did not contribute significantly to cash from operations for the first or second quarters of 2006 or 2005.

Littelfuse started the 2006 year with $21.9 million of cash and cash equivalents. Net cash provided by operations was $39.7 million for the first six months. Net cash provided by operations includes net income of $9.8 million, stock based compensation of $2.7 million, depreciation of $14.9 million and amortization of $1.1 million in addition to various working capital and other items. Accounts receivable increased $10.6 million due primarily to the increase in sales during the current year quarter. Inventory, excluding inventory increases as a result of 2006 acquisitions, decreased $0.5 million due to higher sales and leveraged inventory controls resulting from warehouse consolidations. Accounts payable, accrued expenses, prepaid expenses and other items contributed $21.3 million to cash flow, primarily due to the recognition of restructuring liabilities, partially offset by the payment of management bonuses and restructuring charges that were previously accrued. Net cash used in investing activities included $9.4 million in net purchases of property, plant and equipment, $24.0 million for the purchase of Concord, $4.5 million for the purchase of Catalina, and $3.0 million of acquisition activity primarily for the purchase of SurgX, partially offset by $11.6 million received from the sale of Efen. In addition, net cash provided by financing activities included net payments of debt of $2.4 million offset by stock option exercises of $3.4 million. The effects of exchange rate changes increased cash by $1.5 million. The net cash provided by operations and financing activities less investing activities plus the effects of exchange rate changes resulted in a $12.8 million net increase in cash. This left the Company with a cash balance of $34.8 million at July 1, 2006.

The ratio of current assets to current liabilities was 1.7 to 1 at the end of the second quarter of 2006 compared to 1.9 to 1 at the end of the second quarter of 2005. The days sales in receivables was approximately 64 days at the end of the second quarter of 2006, compared to 63 days at the end of fiscal 2005 and 60 days at the end of the second quarter of 2005. The increase in days sales in receivables from the second quarter of the prior year was due primarily to changes in payment terms for certain customers and the unfavorable effects of the Delphi bankruptcy. The days inventory outstanding was approximately 56 days at the end of the second quarter of 2006 compared to 75 days at the end of 2005 and 77 days at end of the second quarter of 2005.

The Company's capital expenditures, net of cash from asset sales, were $4.8 million for the second quarter of 2006 compared to $8.3 million for the second quarter of 2005. Most of the spending in 2006 relates to manufacturing process improvements, new product introductions and capacity expansion.

Total debt at the end of the second quarter 2006 totaled $26.1 million and consisted of the following: (1) credit revolver borrowings totaling $20.0 million and (2) foreign revolver borrowings totaling $6.1 million.

15

The Company has an unsecured domestic financing arrangement consisting of a credit agreement with banks that provides a $50.0 million revolving credit facility that expires on August 26, 2006. The revolving credit facility is subject to a maximum indebtedness calculation and other financial covenants. At July 1, 2006, the Company had available $30.0 million of borrowing capability under the revolving credit facility at an interest rate of LIBOR plus 0.875% (5.98% as of July 1, 2006). The Company entered into a new credit arrangement on July 21, 2006, which replaced this financing agreement. The new credit arrangement is discussed below. The Company also had $6.0 million in letters of credit outstanding at July 1, 2006.

The Company also has an unsecured bank line of credit that provides a Yen 0.9 billion, an equivalent of $7.8 million, revolving credit facility at an interest rate of TIBOR plus 0.875% (1.2% as of July 1, 2006). The revolving line of credit becomes due on August 26, 2006. At July 1, 2006, the Company had an equivalent $3.9 million outstanding on the Yen facility. The Company intends to renew this line of credit upon maturity.

The Company also has an unsecured bank line of credit that provides a Taiwanese

Dollar 30.0 million, an equivalent of $0.9 million, revolving credit facility at an interest rate of two-years Time Deposit plus 0.145% (2.3% as of July 1, 2006). The revolving line of credit becomes due on August 11, 2006. At July 1, 2006, the Company had an equivalent $0.6 million outstanding on the Taiwanese Dollar facility. The Company renewed this line of credit upon maturity.

The Company also has various other fixed rate loans totaling $1.6 million with maturity dates between March 2008 and January 2011.

On July 21, 2006, the Company entered into a Credit Agreement among the Company, each lender from time to time party thereto, and Bank of America, N.A., as Agent (the "Credit Agreement"). The Credit Agreement provides a revolving credit facility with a commitment for up to $75 million, with a potential increase of up to $125 million upon request of the Company and agreement of the lenders. Borrowings will bear interest at floating rates which may vary depending on the type of loan and the Company's consolidated leverage ratio. The Credit Agreement matures in July 2011. The Credit Agreement replaces the Company's previous $50 million Credit Agreement dated August 26, 2003, which has been terminated.

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

The statements in this section and in the other sections of this report which are not historical facts contained in this report are intended to be forward-looking statements that involve risks and uncertainties, including, but not limited to, product demand and market acceptance risks, the effect of economic conditions, the impact of competitive products and pricing, the integration of acquisitions, product development and patent protection, commercialization and technological difficulties, capacity and supply constraints or difficulties, the impact of changes in commodity prices, exchange rate fluctuations, actual purchases under agreements, the effect of the Company's accounting policies, labor disputes, restructuring costs in excess of expectations, costs related to former coal mining activities, pension plan asset returns less than expected, and other risks which may be detailed in the Company's Securities and Exchange Commission filings. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual results and outcomes may differ materially from those indicated or implied in the forward-looking statements. This report should be read in conjunction with information provided in the financial statements appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk from changes in foreign exchange rates, commodities and, to a lesser extent, interest rates. Management believes that the Company's exposure to foreign exchange rates and interest rates is immaterial and not significant enough to warrant disclosure of quantitative information regarding market risk.

The Company had $24.5 million of debt outstanding at July 1, 2006 in the form of lines of credit with variable rates of interest. Approximately $1.6 million of the Company's debt is at fixed rates.

A portion of the Company's operations consists of manufacturing and sales activities in foreign countries. The Company has foreign manufacturing facilities in Mexico, England, Ireland, China, Germany and the Philippines. 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. 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 deemed to be material. The Company utilizes derivative instruments as hedges of specific foreign currency cash flows when appropriate.

A risk management policy has been implemented by the Company that establishes the procedures and controls over derivative financial instruments. Under the policy, the Company does not use derivative financial instruments for trading purposes and the use of such instruments is subject to the approval of senior officers. Typically, the use of such derivative instruments is limited to hedging activities related to specific foreign currency cash flows. The Company's exposure related to such transactions is, in the aggregate, not material to the Company's financial position, results of operations and cash flows.

The Company uses various metals in the production of its products, including zinc, copper and silver. 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 $1.1 million, respectively.

Outlook

Delphi Corporation, a significant customer of the Company, filed bankruptcy on October 8, 2005. Delphi accounts receivable affected by the bankruptcy were approximately $3.0 million. The Company recorded a $1.0 million reserve against this balance in third quarter of 2005. During the second quarter of 2006, the Company sold this accounts receivable to an external party for approximately $2.0 million.

Item 4. Controls and Procedures

As of July 1, 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. There were no significant changes in the Company's internal controls during the period covered by this Report that could materially affect these controls or could reasonably be expected to materially affect the Company's internal control reporting, disclosures and procedures subsequent to the last day they were evaluated by the Company's Chief Executive Officer and Chief Financial Officer.

PART II - OTHER INFORMATION

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

(c) The table below provides information with respect to purchases by the Company of shares of its common stock during each fiscal month of the second 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 Sh that May Yet Be Purchase the Plans or Program
April 2006	--	--	--	643,500
May 2006	--	--	--	1,000,000
June 2006	--	--	--	1,000,000
Total	--	--	--	1,000,000

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 4: Submission of Matters to a Vote of Security Holders

(a) The annual meeting of stockholders of Littelfuse, Inc. was held on May 5, 2006.

(b) John P. Driscoll, Anthony Grillo, Gordon Hunter, Bruce A. Karsh, John E. Major and Ronald L. Schubel were reelected as directors at the meeting.

(c) The following votes were taken in connection with the election of directors at the meeting:

Director	Votes For	Votes Withheld	Abstentions	Broker Non-Votes
John P. Driscoll	20,859,647	682,078	--	--
Anthony Grillo	19,141,530	2,400,195	--	--
Gordon Hunter	20,227,329	1,314,396	--	--
Bruce A. Karsh	19,640,991	1,900,734	--	--
John E. Major	19,046,255	2,495,470	--	--
Ronald L. Schubel	20,352,195	1,189,530	--	--

The proposal to ratify the Board of Director's appointment of Ernst &Young LLP as the Company's independent registered public accounting firm for the fiscal year of the Company ending December 30, 2006 was approved. The following votes were taken in connection with this proposal:

Proposal	Votes For	Votes Against	Votes Withheld	Abstentions	Broker Non
Ratification of the Board of Director's appointment of Ernst & Young LLP as independent registered public accounting firm for fiscal 2006	21,430,195	99,761	--	--	--

The proposal to approve the establishment of the Littelfuse, Inc. Equity Incentive Compensation Plan, effective as of March 1, 2006, which would supersede and replace the Stock Plan for Employees and Directors of Littelfuse, Inc., adopted effective December 16, 1991, and the 1993 Stock Plan for Employees and Directors of Littelfuse, Inc., adopted effective February 12, 1993 (the "Prior Plans"), except that the Prior Plans shall remain in effect with respect to awards granted under such Prior Plans until such awards have been exercised, forfeited, canceled, expired or otherwise terminated in accordance with the terms of such awards, was approved. The following votes were taken in connection with this proposal:

Proposal	Votes For	Votes Against	Votes Withheld	Abstentions	Broker Non-Votes
Equity Incentive Compensation Plan	17,585,091	2,996,761	--	--	--

The proposal to approve the establishment of the Littelfuse, Inc. Outside Directors' Stock Option Plan, effective as of March 1, 2006, which would supersede and replace the Stock Plan for New Directors of Littelfuse, Inc., and, to the extent such plans provided for grants to outside directors, the Prior Plans, except that the Prior Plans shall remain in effect with respect to awards granted under such Prior Plans until such awards have been exercised, forfeited, canceled, expired or otherwise terminated in accordance with the terms of such awards, was approved. The following votes were taken in connection with this proposal:

Proposal	Votes For	Votes Against	Votes Withheld	Abstentions	Broker Non-Votes
Outside Directors' Stock Option Plan	18,196,399	2,384,964	--	--	--

(d) Not applicable

Item 6: Exhibits

Exhibit	Description
3(II)	By Laws of Littelfuse, Inc., as amended to date (incorporated herein by reference to Exhibit 3(II) to the Company's Current Report on Form 8-K/A dated May 5, 2006)
10.1	G. Hunter Employment Agreement (incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 1, 2006)
10.2	Littelfuse, Inc. Equity Incentive Compensation Plan (incorporated herein by reference to Exhibit A to the Company's Proxy Statement for Annual Meeting of Stockholders to be held on May 5, 2006)
10.3	Littelfuse, Inc. Outside Directors' Stock Option Plan (incorporated herein by reference to Exhibit B to the Company's Proxy Statement for Annual Meeting of Stockholders to be held on May 5, 2006)
10.4	Form of Non-Qualified Stock Option Agreement under the Littelfuse, Inc. Equity Incentive Compensation Plan (incorporated herein by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K dated May 5, 2006)
10.5	Form of Performance Share Agreement under the Littelfuse, Inc. Equity Incentive Compensation Plan (incorporated herein by reference to Exhibit 99.5 to the Company's Current Report on Form 8-K dated May 5, 2006)
10.6	Form of Non-Qualified Stock Option Agreement under the Littelfuse, Inc. Outside Directors' Stock Option Plan (incorporated herein by reference to Exhibit 99.6 to the Company's Current Report on Form 8-K dated May 5, 2006)
31.1	Certification of Gordon Hunter, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Philip G. Franklin, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended July 1, 2006, to be signed on its behalf by the undersigned thereunto duly authorized.

LITTELFUSE, INC.

Date: August 10, 2006

By /s/ Philip G. Franklin

Philip G. Franklin
Vice President, Operations Support

and Chief Financial Officer
(As duly authorized officer and as
the principal financial and
accounting officer)