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

FORM 10-K/A

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended April 30, 2001

Commission File Number 0-2816

METHODE ELECTRONICS, INC.

(Exact name of Registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**36-2090085** **(IRS Employer Identification No.)**
7401 West Wilson Avenue **Chicago, Illinois** **(Address of Principal Executive Offices)**	**60706-4548** **(Zip Code)**

Registrant's telephone number (including area code): (708) 867-6777

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

Title of each Class	**Name of each exchange on which registered**
None	None

Securities registered pursuant to Section 12(g) of the Act:
Class A Common Stock ($.50 par value)
Class B Common Stock ($.50 par value)
(Title of Class)

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

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

The aggregate market value of the Class A and Class B Common Stock, $.50 par value, held by non-affiliates of the Registrant on July 20, 2001, based upon the average of the closing bid and asked prices on that date as reported by Nasdaq was $320.5 million.

Registrant had 34,690,990 shares of Class A, $.50 par value, and 1,093,017 shares of Class B, $.50 par value, outstanding as of July 20, 2001.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the proxy statement for the annual shareholders meeting to be held September 18, 2001, are incorporated by reference into Part III.

Item 6. Selected Financial Data

The following selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's consolidated financial statements and related notes included elsewhere in this report. The consolidated statement of operations data for the fiscal years ended April 30, 2001, 2000 and 1999 and the consolidated balance sheet data as of April 30, 2001 and 2000 are derived from, and are qualified by reference to, the Company's audited consolidated financial statements included elsewhere in this report. The consolidated statement of operations data for the fiscal years ended April 30, 1998 and 1997 and the consolidated balance sheet data as of April 30, 1999, 1998 and 1997 are derived from consolidated audited financial statements not included in this report.

In April 2001, the Company completed the spin-off of Stratos Lightwave. For financial reporting purposes, the Company has accounted for Stratos Lightwave's results as discontinued operations.

	2001	2000	1999	1998	1997
	(In Thousands, Except Per Share Amounts)				
Income Statement Data:					
Net sales	$359,710	$357,624	$362,082	$ 358,743	$ 324,995
Goodwill impairment	9,695	—	—	—	—
Provision for exiting printed circuit business	—	—	3,100	—	—
Income from continuing operations before income taxes	19,204	40,938	45,037	54,994	59,326
Income taxes	6,440	13,840	15,720	18,870	21,600
Income from continuing operations	12,764	27,098	29,317	36,124	37,726
Discontinued operations	6,588	3,790	3,502	(858)	(507)
Net income	19,352	30,888	32,819	35,266	37,219
Per Common Share:					
Income from continuing operations:					
Basic	$ 0.36	$ 0.77	$ 0.83	$ 1.02	$ 1.07
Diluted	0.36	0.76	0.83	1.02	1.07
Net Income:					
Basic	0.54	0.87	0.93	1.00	1.06
Diluted	0.54	0.87	0.93	1.00	1.06
Dividends:					
Class A	0.20	0.20	0.20	0.20	0.20
Class B	0.20	0.20	0.20	0.20	0.20
Book value	6.41	7.69	7.03	6.37	5.59
Long-term debt	—	—	269	1,264	1,005
Retained Earnings	190,591	238,898	215,117	189,397	161,226
Fixed assets (net)	70,124	70,911	78,368	78,220	71,342
Total assets	294,930	332,798	311,268	285,016	251,811
From continuing operations:					
Return on equity	5%	10%	12%	17%	21%
Pre-tax income as a percentage of sales	5.3%	11.4%	12.4%	15.3%	18.3%
Income as a percentage of sales	3.5%	7.6%	8.1%	10.1%	11.6%

Fiscal year 2001 earnings reflect $6.6 million tax-free income ($.18 per diluted share) from life insurance proceeds and a special charge of $4.1 million ($2.7 million after tax; $.08 per diluted share) to provide for the restructuring of two business units and the write-off of excess inventory and idle equipment.

Fiscal year 2000 earnings reflect a $3 million provision for a bad debt related to the bankruptcy of a large automotive safety system supplier ($1.9 million after tax; $.06 per diluted share).

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

The Company's business is managed on a technology product basis, with those technology segments being Electronic, Optical and Other. The business units whose results are identified in the Electronic segment principally employ electronic processes to control and convey signals. The business units whose results are identified in the Optical segment principally employ light to control and convey signals. The Other segment includes a manufacturer of bus systems, independent laboratories that provide services for qualification testing and certification of electronic and optical components, and, for fiscal 2000 and prior, manufacturers of multi-layer printed circuit boards. The Company exited the printed circuit business in September 1999.

As described in Note 3 to the consolidated financial statements, a majority of the Optical segment was transferred to the Company's newly formed subsidiary, Stratos Lightwave, Inc. (Stratos), effective May 28, 2000. On June 26, 2000, Stratos issued shares of common stock in an initial public offering after which the Company owned 84.3% of Stratos' common stock outstanding. Effective as of the close of business on April 28, 2001, the Company distributed all of its remaining interest in Stratos through a stock dividend to its stockholders of record as of the close of business on April 5, 2001. This distribution was made in the amount of 1.5113 shares of Stratos common stock for each share of Methode Class A and Class B common stock. The Company's consolidated financial statements for all periods present Stratos as a discontinued operation through the distribution date in accordance with Accounting Principles Board Opinion No. 30.

Results of Operations

The following table sets forth certain income statement data as a percentage of net sales for the periods indicated:

	Year Ended April 30,		
	2001	2000	1999
Income:			
Net sales	100.0%	100.0%	100.0%
Settlement of litigation	—	—	0.7
Other	0.7	0.9	0.8
	100.7	100.9	101.5
Costs and expenses:			
Cost of products sold	82.4	76.6	76.0
Selling and administrative expenses	12.5	13.1	12.2
Goodwill impairment	2.7	0	0
Provision for exiting printed circuit business	—	—	0.9
Amortization of intangibles	0.4	0.4	0.4
Income From Operations	2.7	10.8	12.0
Interest, net	0.5	0.4	0.3
Other, net	2.1	0.2	0.1
Income From Continuing Operations Before Income Taxes	5.3	11.4	12.4
Income taxes	1.8	3.9	4.3

Income From Continuing Operations	3.5	7.5	8.1
Discontinued operations	1.9	1.1	1.0
Net Income	5.4%	8.6%	9.1%

Fiscal Years Ended April 30, 2001 and 2000

Net sales. Consolidated net sales increased 1% to $359.7 million in fiscal 2001 from $357.6 million in fiscal 2000. Net sales of the Electronic segment, which represented 88% of consolidated net sales in fiscal 2001 and fiscal 2000, increased to $317.3 million in fiscal 2001 from $312.9 million in fiscal 2000. Sales to the automotive industry, which represented 66% and 69% of Electronic segment net sales in 2001 and 2000 decreased by 4% in North America and increased modestly in Europe resulting in a worldwide decrease of 3% in fiscal 2001. The North American sales decrease was partly related to sales price reductions of up to 5% on many products sold to the auto manufacturers launched prior to fiscal year 2001. This decrease was offset by a 45% sales increase at our Duel Systems sonic welded package facility and a 25% sales increase at our terminator and cable assembly facility in Ireland.

Net sales of the Optical segment represented 7% of consolidated net sales in fiscal 2001 and 5% of consolidated net sales in fiscal 2000. Optical segment net sales increased 28% to $24.7 million in fiscal 2001 from $19.2 million in fiscal 2000. Net sales at Connectivity Technologies, a subsidiary that provides custom installation of fiber optic cable assemblies primarily to data centers, more than doubled in fiscal 2001 to $10 million.

Net sales of the Other segment, principally current-carrying bus devices and test laboratories, declined 31% to $17.7 million in fiscal 2001 from $25.5 million in fiscal 2000. The Company exited the printed circuit board business in the second quarter of fiscal 2000 which accounted for $4.6 million of the decline in net sales. Net sales of current-carrying bus devices decreased $2.7 million in fiscal 2001.

Other income. Other income consisted primarily of earnings from the Company's automotive joint venture, license fees and royalties. The decrease in fiscal year 2001 was caused by a reduction in the earnings of the Company's automotive joint venture.

Cost of products sold. Cost of products sold as a percentage of net sales was 82% in fiscal 2001 compared with 77% in fiscal 2000.

Gross margins of the Electronic segment decreased to 17% in fiscal 2001 from 24% in fiscal 2000. Fiscal year 2001 included a fourth quarter special charge of $4.1 million to provide for the restructuring of two business units in response to changes in the Company's business environment and the write-off of excess inventories and idle equipment. Gross margins on sales to the automotive industry were down significantly in fiscal year 2001 due to decreases in selling prices, unit volume decreases, higher material and labor content, and increases in other product related costs. The Carthage and Golden, Illinois plants had over 30 new product launches this fiscal year compared to five new product launches in fiscal 2000. This aggressive launch schedule resulted in higher than anticipated operating expenses for these products. Also, start-up costs and interim operating expenses for the Company's Reynosa, Mexico plant were higher than anticipated.

Gross margins of the Optical segment increased to 21% in fiscal 2001 from 15% in fiscal 2000. The significant increase in sales at Connectivity Technologies is the primary contributor to the margin increase in fiscal 2001. Margin improvement at the Company's Czech Republic operation was offset by margin declines at the Company's fiber optic operation in the United Kingdom.

Gross margins of the Other segment improved to 24% in fiscal 2001 from 20% in fiscal 2000. This improvement was the result of exiting the printed circuit business in fiscal 2000. Margins for the Company's bus systems operation and its independent laboratories both experienced modest declines in fiscal 2001.

Selling and administrative expenses. Selling and administrative expenses as a percentage of net sales were 13% in both fiscal 2001 and fiscal 2000.

Goodwill impairment. In fiscal 2001 the Company reevaluated its investment in Sentorque, Inc. (Sentorque) and recorded a charge of $9.7 million to write down this investment to estimated fair value. Sentorque, through a wholly-owned subsidiary, owns certain torque sensing technologies that have not yet proven to be commercially feasible. The write down to estimated fair value for this investment was determined by comparing the present value of the expected future cash flows from existing licenses for the technologies to the Company's carrying value for this investment. The Company purchased 75% of Sentorque's outstanding common stock in February 1997.

Interest, net. Interest income, net of interest expense was $1.7 million in both fiscal 2001 and fiscal 2000. The additional interest earned on higher available cash balances and higher interest rates in fiscal 2001 were offset by a corresponding reduction in interest earned on lower balances of advances to the Company's automotive joint venture.

Other, net. Other non-operating income for fiscal year 2001 included $6.6 million from insurance proceeds related to the death on January 22, 2001 of William J. McGinley, the Company's founder. The balance of other non-operating income in fiscal 2001 and fiscal 2000 consists primarily of currency exchange gains at the Company's foreign locations.

Income taxes. The effective income tax rate was 34% in both fiscal 2001 and fiscal 2000. The impact of the non-deductible goodwill impairment charge recorded in fiscal 2001 was offset by the non-taxable life insurance proceeds received in fiscal 2001 and lower tax rates on income from foreign operations. The effective rate for both fiscal year 2001 and fiscal year 2000 reflect the effect of lower tax rates on income from foreign operations, however income from foreign operations was a larger component of total consolidated income in fiscal 2001.

Fiscal Years Ended April 30, 2000 and 1999

Net Sales. Consolidated net sales decreased 1% to $357.6 million in fiscal 2000 from $362.1 million in fiscal 1999. Net sales of the Electronic segment, which represented 88% of consolidated sales in fiscal 2000 and 87% in fiscal 1999, decreased to $312.9 million in fiscal 2000 from $314.6 million in fiscal 1999. Sales to the automotive industry, which represented 69% and 65% of Electronic segment sales in 2000 and 1999, grew by 5% in fiscal 2000. This increase was offset by a 27% sales decrease at our Singapore connector facility, a 17% sales decrease at our terminator and cable assembly facility in Ireland and a 15% decrease in sales of our dataMate products.

Net Sales of the Optical segment represented 5% of consolidated sales in fiscal 2000 and fiscal 1999. Optical segment net sales increased 14% to $19.2 million in fiscal 2000 from $16.9 million in fiscal 1999. The Company had double-digit sales growth at both of its optical cable assembly facilities in the United Kingdom and the Czech Republic.

Net sales of the Other segment, principally current carrying bus devices, printed circuit boards and test laboratories, declined 17% to $25.5 million in fiscal 2000 from $30.6 million in fiscal 1999. The Company exited the printed circuit board business in fiscal 2000 which resulted in a decrease in printed circuit board sales of $8.1 million. Sales of current carrying bus devices increased $2.4 million and test laboratory sales increased modestly in fiscal 2000.

Settlement of litigation. Income from the settlement of litigation in fiscal 1999 represented the settlement of a claim relative to one of the Company's patents in the Electronic segment.

Other income. Other income consisted primarily of earnings from the Company's automotive joint venture, license fees and royalties. The increase in other income in fiscal 2000 was the result of increased earnings from the automotive joint venture. License fees consist of both fixed schedule payments and contingent payments based on sales volumes of licensed products.

Cost of products sold. Cost of products sold as a percentage of net sales was 77% in fiscal 2000 compared with 76% in fiscal 1999.

Gross margins of the Electronic segment decreased to 24% in fiscal 2000 from 25% in fiscal 1999. Gross margins on sales to the automotive industry were flat from year to year. Our Singapore connector facility, our terminator and cable assembly facility in Ireland and our dataMate facility all reported decreased gross margins due to sales volume declines in fiscal 2000.

Gross margins of the Optical segment decreased to 15% in fiscal 2000 from 22% in fiscal 1999. The margin decline was experienced across all of the Company's optical business and was primarily due to declines in the average unit prices for its products.

Gross margins of the Other segment improved to 20% in fiscal 2000 from 11% in fiscal 1999. This improvement was primarily the result of exiting the printed circuit business.

Selling and administrative expenses. Selling and administrative expenses as a percentage of net sales were 13% in fiscal 2000 and 12% in fiscal 1999. The increase was primarily due to an increase in the provision for bad debts of $1.9 million. Fiscal 2000 included a $3 million provision for a bad debt related to the bankruptcy of a large automotive safety system supplier.

Provision for exiting printed circuit business. The $3.1 million provision for exiting the printed circuit business in 1999 represents the estimated loss on disposal of assets, employee severance pay and additional costs associated with environmental matters specifically related to the decision to exit the business. Operating losses that were incurred in the first half of fiscal 2000 to wind down these businesses were not material and were recorded as incurred.

Interest, net. Interest income, net of interest expense increased $0.7 million in fiscal 2000. The increase is primarily the result of higher cash balances available for investment and a reduction in short-term borrowings at the Company's foreign locations.

Other, net. Other, net was primarily currency exchange gains at the Company's foreign locations in both fiscal 2000 and 1999.

Income taxes. The effective income tax rates were 34% in fiscal 2000 and 35% in fiscal 1999. The effective income tax rates for both years reflect the effects of lower tax rates from foreign operations, offset in part by state income taxes.

Financial Condition, Liquidity and Capital Resources

Net cash provided by operations was $33.5 million, $54.8 million and $32.3 million in fiscal years 2001, 2000 and 1999, respectively. The decrease in cash provided from operations in 2001 was primarily the result of lower net income. The increase in cash provided by operations in 2000 was primarily the result of the accelerated collection of accounts receivable that included substantial amounts related to automotive tooling programs.

Net cash used in investing activities was $13.0 million for fiscal year 2001, $16.4 million for fiscal year 2000 and $18.1 million for fiscal year 1999. Net cash used in investing activities in fiscal 2001 included a $6.0 million loan to an affiliate of the Estate of William J. McGinley (see Note 11 to Consolidated Financial Statements) and was reduced by $10.1 million of life insurance proceeds received, principally from policies on the life of Mr. McGinley, owned by the Company. Net cash used in investing activities in fiscal 2000 was reduced by $3.5 million of proceeds received on the sale of the Company's printed circuit assets.

Net cash used in financing activities was $5.6 million in fiscal year 2001, $8.9 million in fiscal year 2000 and $8.6 million in fiscal year 1999. The Company paid cash dividends of $7.1 million in fiscal years 2001, 2000 and 1999. Net cash used in financing activities was reduced by proceeds from the exercise of stock options of $2.7 million in fiscal 2001 and $1.3 million in fiscal 2000. In fiscal 1999 the Company used $3.1 million of its available cash to acquire 275,000 shares of its Class A Common Stock for treasury. The purchases of these treasury shares were made pursuant to a three-year Class A Common Stock Repurchase Program authorized by the Board of Directors in February 1999.

Euro Conversion

On January 1, 1999, eleven member countries of the European Union established fixed conversion rates between their existing currencies ("legal currencies") and one common currency, the Euro. The Euro is now trading on currency exchanges and may be used in certain transactions such as electronic payments. Beginning in January 2002, new Euro-denominated notes and coins will be used, and legacy currencies will be withdrawn from circulation. The conversion to the Euro has eliminated currency exchange rate risk for transactions between the member countries, which for the Company primarily consists of sales to certain customers and payments to certain suppliers. The Company is currently addressing the issues involved with the new currency, which include converting information technology systems, recalculating currency risk, and revising processes for preparing accounting and taxation records. Based on the work completed so far, the Company does not believe the Euro conversion will have a significant impact on the results of its operations or cash flows.

Cautionary Statement

Certain statements in this report are forward-looking statements that are subject to certain risks and uncertainties. The Company's business is highly dependent upon specific makes and models of automobiles. Therefore, the Company's financial results will be subject to many of the same risks that apply to the automotive industry, such as general economic conditions, interest rates and consumer spending patterns. A significant portion of the balance of the Company's business relates to the computer and telecommunication industries which are subject to many of the same risks facing the automotive industry as well as fast-moving technological change. Other factors which may result in materially different results for future periods include actual growth in the Company's various markets; operating costs; currency exchange rates and devaluations; delays in development, production and marketing of new products; and other factors set forth from time to time in the Company's reports filed with the Securities and Exchange Commission. Any of these factors could cause the Company's actual results to differ materially from those described in the forward-looking statements. The forward-looking statements in this report are intended to be subject to the safe harbor protection provided under the securities law.

Item 7A. Quantitative And Qualitative Disclosure About Market Risk

Although certain of the Company's subsidiaries enter into transactions in currencies other than their functional currency, foreign currency exposures arising from these transactions are not material to the Company. The primary foreign currency exposure arises from the translation of the Company's net equity investment in its foreign subsidiaries to U.S. dollars. The Company generally views as long-term its investments in foreign subsidiaries with functional currencies other than the U.S. dollar. The primary currencies to which the Company is exposed are the Singapore dollar, Maltese lira and other European currencies. The fair value of the Company's net foreign investments would not be materially affected by a 10% adverse change in foreign currency exchange rates from April 30, 2001 and 2000 levels.

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.

METHODE ELECTRONICS, INC.
(Registrant)

By: /s/ DOUGLAS A. KOMAN

Douglas A. Koman
Vice President of Corporate Finance

Dated: August 7, 2001

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Certificate of Incorporation of Registrant, as amended and currently in effect (1)
3.2	Bylaws of Registrant, as amended and currently in effect (1)
4.1	Article Fourth of Certificate of Incorporation of Registrant, as amended and currently in effect (included in Exhibit 3.1)
4.2	Form of Rights Agreement between ChaseMellon Shareholder Services LLC and Registrant (9)
10.1	Methode Electronics, Inc. Employee Stock Ownership Plan dated February 24, 1977 (2)*
10.2	Methode Electronics, Inc. Employee Stock Ownership Plan and Trust Amendment No.1 (2)*
10.3	Methode Electronics, Inc. Employee Stock Ownership Trust (2)*
10.4	Methode Electronics, Inc. Employee Stock Ownership Trust - - Amendment No.1 (2)*
10.5	Methode Electronics, Inc. Incentive Stock Award Plan (3)*
10.6	Methode Electronics, Inc. Supplemental Executive Benefit Plan (4)*
10.7	Methode Electronics, Inc. Managerial Bonus and Matching Bonus Plan (also referred to as the Longevity Contingent Bonus Program) (4)*
10.8	Methode Electronics, Inc. Capital Accumulation Plan (4)*
10.9	Incentive Stock Award Plan for Non-Employee Directors (5)*
10.10	Methode Electronics, Inc. 401(k) Savings Plan (5)*
10.11	Methode Electronics, Inc. 401(k) Saving Trust (5)*

10.12	Methode Electronics, Inc. Electronic Controls Division Cash and Class A Common Stock Bonus Plan (6)
10.13	Methode Electronics, Inc. 1997 Stock Plan (7)*
10.14	Form of Master Separation Agreement between Stratos Lightwave, Inc. and Registrant (8)
10.15	Form of Initial Public Offering and Distribution Agreement between Stratos Lightwave, Inc. and Registrant (8)
10.16	Form of Tax Sharing Agreement between Stratos Lightwave, Inc. and Registrant (8)
10.17	Methode Electronics, Inc. 2000 Stock Plan (10)*
10.18	Form of Agreement between Kevin J. Hayes and Registrant(11)*
10.19	Form of Agreement between Horizon Farms, Inc. and Registrant(11)
10.20	Form of Agreement between William T. Jensen and Registrant *
21	Subsidiaries of the Registrant(11)
23.1	Consent of Ernst & Young LLP(11)

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(1) Previously filed with Registrant's Form S-3 Registration Statement No. 33-61940 filed April 30, 1993, and incorporated herein by reference.

(2) Previously filed with Registrant's Form S-8 Registration Statement No. 2-60613 and incorporated herein by reference.

(3) Previously filed with Registrant's Registration Statement No. 2-92902 filed August 23, 1984, and incorporated herein by reference.

(4) Previously filed with Registrant's Form 10-Q for the three months ended January 31, 1994, and incorporated herein by reference.

(5) Previously filed with Registrant's Form 10-K for the year ended April 30, 1994, and incorporated herein by reference.

(6) Previously filed with Registrant's S-8 Registration Statement No. 33-88036 and incorporated herein by reference.

(7) Previously filed with Registrant's Statement No. 333-49671 and incorporated herein by reference.

(8) Previously filed with Registrant's Form 10-K for the year ended April 30, 2000, and incorporated herein by reference.

(9) Previously filed with Registrant's Form 8-K filed July 7, 2000, and incorporated herein by reference.

(10) Previously filed with Registrant's Form 10-Q for the three months ended October 31, 2000, and incorporated herein by reference.

(11) Previously filed with Registrant's Form 10-K for the year ended April 30, 2001, and incorporated herein by reference.

* Management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report on Form 10-K pursuant to Item 14(c) of Form 10-K.

EXHIBIT 10.20

AGREEMENT

This Agreement ("Agreement") is made and entered as of this 1st day of February, 2001, by and between Methode Electronics, Inc. ("Methode") and W.T. Jensen ("Jensen").

WHEREAS, Jensen has been elected as Chairman of the Board of Directors of Methode and has substantial operational, financial and other knowledge about Methode and its various business operations;

WHEREAS, Methode desires to compensate Jensen for his services as Chairman of the Board of Directors; and

WHEREAS, the parties intend this Agreement to govern their relationship for the term of this Agreement.

NOW, THEREFORE, in consideration of the promise and mutual agreements herein, Methode and Jensen agree as follows:

1. Methode hereby retains Jensen and Jensen hereby agrees to provide services as Chairman of the Board of Directors with such duties and responsibilities as the Board of Directors shall in its reasonable discretion decide upon. Jensen shall perform these services at Methode's offices at 7401 West Wilson Avenue, Chicago, Illinois (the "Office").

2. During the term of this Agreement, Jensen shall be compensated for his services as follows:

   a. Jensen shall be paid a base salary in the annualized amount of $250,000, payable in substantially equal installments.

   b. Jensen shall receive a quarterly bonus equal to .75% of the first $2,000,000 of pretax profit, plus .375% of the next $2,000,000 of pre-tax profit, plus .25% of all additional pre-tax profit of the Company.

   c. Jensen shall not be a participant in any employee benefit plans or programs maintained by Methode, including, but not limited to, group hospitalization, medical and disability plans.

   d. Jensen shall receive a grant of a stock option in the amount of 100,000 shares pursuant to Methode Electronics 2000 Stock Plan. Such grant shall be made as of the date of a special meeting of the Compensation Committee to be held as soon as practicable subsequent to the proposed spin-off of Stratos Lightwave, Inc.

3. Methode shall reimburse Jensen for all actual, reasonable, out-of-pocket expenses, incurred in connection with Jensen's performance of services under this Agreement pursuant to Methode's normal expense reimbursement policy. Jensen shall maintain records relating to such expenses under this Agreement and incurred in connection therewith, and shall provide Methode access to such records upon request.

4. Jensen covenants that in the performance of any services hereunder he will comply with any and all applicable Methode policies and standards, and that he will perform services hereunder in a competent and professional manner.

5. Jensen shall continue to be bound by the provisions of the Employee Confidentiality and Assignment of Inventions Agreement previously signed by Jensen.

6. All materials prepared by Jensen for Methode pursuant to this Agreement shall be owned exclusively by Methode and shall be deemed works "made for hire."

7. This Agreement shall be effective as of February 1, 2001, and shall terminate on June 30, 2002, unless the term hereof is extended pursuant to express written agreement of the parties or terminated pursuant to Section 8 below.

8. Methode may terminate this Agreement in the event of any of the following: (i) material breach of this Agreement by Jensen; (ii) death of Jensen; (iii) total and permanent disability of Jensen; or (iv) Cause. For purposes hereof, "Cause"shall mean excessive unexcused absenteeism, flagrant neglect of work, serious misconduct, or fraud. In the event this Agreement is terminated under subsection (iv) above, Methode shall give thirty (30) days written notice of termination to Jensen identifying specifically the basis for such notice and Jensen shall be entitled to cure such breach, to the extent curable, within the following thirty (30) day period.

9. This Agreement may not be assigned by either party nor may Jensen's obligations hereunder be subcontracted, except upon express prior consent in writing by Methode.

10. Failure of either party to enforce any of the provisions of this Agreement, or any rights with respect thereto, or failure to exercise any election provided for herein, shall in no way be considered a waiver of such provisions, rights or elections, or in any way affect the validity of this Agreement. The failure to either party to enforce any of said provisions, rights or elections shall not prejudice such party from later enforcing or exercising the same or any other provisions, rights or elections which it may have under this Agreement.

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11. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

METHODE ELECTRONICS, INC.

By: /s/ Douglas A. Koman
_____
Douglas A. Koman
Vice President of Corporate Finance

By: /s/ William T. Jensen
_____
William T. Jensen