

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the Fiscal Year Ended December 31, 1998

Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934 (No Fee Required) For the
transition period from _____ to _____

Commission File Number 0-11676

BEL FUSE INC.

(Exact name of registrant as specified in its charter)

NEW JERSEY

22-1463699

(State or other jurisdiction of
incorporation or organization)

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

198 Van Vorst Street, Jersey City, New Jersey 07302
(201) 432-0463

(Address and telephone number, including area code, of registrant's
principal executive office)

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

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, \$.10 par value

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

Yes X No

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

Aggregate market value of voting stock held by non-affiliates as of March
15, 1999 was approximately \$151,681,000 (based upon the closing sales price of
those shares reported on the National Association of Securities Dealers
Automated Quotation System for that day).

Number of shares of Common Stock outstanding as of March 15, 1999:
2,608,959 Class A Common Stock; 2,608,009 Class B Common Stock.

Documents incorporated by reference:

Bel Fuse Inc.'s Definitive Proxy Statement for the 1999 Annual Meeting of
Stockholders is incorporated by reference into Part III.

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BEL FUSE INC.

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Item 1. Business

General

Bel Fuse Inc. (the "Company") is organized under New Jersey law. The Company does not have reportable segments as defined in Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information". The Company is engaged in the design, manufacture and sale of products used in networking, telecommunication, automotive and consumer electronic applications. The Company operates facilities in the United States, Europe and the Far East. The Company maintains its principal executive offices at 198 Van Vorst Street, Jersey City, New Jersey 07302; telephone (201) 432-0463. The term "Company" as used in this Annual Report on Form 10-K refers to Bel Fuse Inc. and its consolidated subsidiaries unless otherwise specified.

On October 2, 1998, the Company signed a definitive agreement to acquire the manufacturing assets, primarily consisting of inventory and fixed assets, of Lucent Technologies, Inc.'s ("Lucent") Power Systems Signal Transformer product line in exchange for approximately \$27 million in cash. Under the terms of the agreement, the Company, among other things, will continue to supply Lucent's telecom magnetics requirements for forty-two months. It is the Company's intention to move the majority of the manufacturing of this business to the Republic of China. The Company has established research and development, support and legacy product manufacturing in Dallas, Texas. In addition, the Dallas facility will maintain a marketing office to sell and service the Lucent customers.

Additionally, Lucent and the Company entered into a Transition Services Agreement whereby Lucent has agreed to provide contract labor and transitional services to the Company for an agreed price until the earlier of June 30, 1999 or the date on which Signal Transformer Manufacturing operations and the purchased assets are relocated to the Company's manufacturing facilities.

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("Forward-Looking Statements"). Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected in such forward-looking statements. Certain factors which could materially affect such results and the future performance of the Company are described below under "Risks and Uncertainties" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Other Matters."

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Product Groups

Magnetic Components

The Company manufactures a broad range of magnetic components. These wire-wound devices perform such functions as signal delay, signal timing, signal conditioning, impedance matching, filtering, isolation, power conversion and power transfer. The Company directs its design and marketing efforts to supply the needs of the following markets: manufacturers of networking and telecommunication equipment, computer manufacturers, and consumer, automotive and industrial electronic manufacturers. Transformers may be either standard devices to meet a market-based requirement or developed to meet an individual customer need. They may be used either in conjunction with an Integrated Circuit (IC) reference design or used independently to meet the needs of a unique circuit.

Value-added Modules and Thick Film Hybrids

The Company supplies value-added modules to end users whose requirements can be satisfied by combining in one integrated package one or more of the Company's capabilities in surface mount assembly, automatic winding, hybrid

fabrication and component encapsulation.

Thick film hybrids are dense, reliable, high quality electronic microcircuits. The term "thick film hybrid" describes a method for screen printing conductors, resistors and capacitors onto a ceramic substrate. This substrate becomes a hybrid circuit when components such as integrated circuits, transistors, capacitors, and inductors are added to the substrate in order to form a functioning electrical circuit. The Company incorporates facets of this technology in the design and manufacture of many of its other products, including packaged modules.

Miniature and Micro Fuses

Fuses prevent currents in an electrical or electronic circuit from exceeding certain predetermined levels. Fuses act as a safety valve to protect expensive components from damage or to cut off high currents before they can generate enough heat to cause smoke or fire. The Company manufactures miniature and micro fuses for supplementary circuit protection. The Company sells its fuses to a worldwide market. They are used in such products as televisions, VCR's, power supplies, computers, telephones and networking equipment.

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Marketing

The Company sells its products to approximately 458 customers throughout North America, Western Europe and the Far East. Sales are made through independent sales representative organizations and authorized distributors who are overseen by the Company's sales personnel throughout the world. As of December 31, 1998, the Company had a sales staff of 23 persons that supported 53 sales representative organizations and 8 non-exclusive distributors.

The Company has written agreements with all of its sales representative organizations and major distributors. Written agreements terminable on short notice by either party are standard in the industry.

Finished products manufactured by the Company in its Far East facilities are, in general, either sold to the Company's Jersey City facility for resale to customers in the Americas or are shipped directly to other customers throughout the world. For further information regarding the Company's geographic operations, see Note 6 of Notes to Consolidated Financial Statements.

The Company had sales to two customers in excess of ten percent of 1998 consolidated sales. The amounts and percentage of consolidated sales were approximately \$23,055,000 (25.4%) and \$13,385,000 (14.7%), respectively. The loss of either one of these customers could have a material adverse effect on the Company's results of operations, financial position and cash flows.

Research and Development

The Company's research and development efforts in 1998 were spread among all of the Company's current product groups. The Company's research and development facilities are located in California, Indiana, Texas, and Hong Kong. In addition, the Company maintains continuing programs to improve the reliability of its products and to design specialized assembly equipment to increase manufacturing efficiencies. Research and development costs amounted to \$4,989,000 in 1998.

Suppliers

The Company has multiple suppliers for most of the raw materials that it purchases. Where possible, the Company has contractual agreements with suppliers to assure a continuing supply of critical components.

With respect to those items which are purchased from single sources, the Company believes that comparable items would be available in the event that there were a termination of the Company's existing business relationships with

any such particular supplier. While such a termination could produce a disruption in production, the Company does not believe that the termination of business with any of its suppliers would have a material adverse effect on its long-term operations.

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Backlog - -----

The Company normally manufactures products against firm orders. Cancellation and return arrangements are normally negotiated by the Company on a transactional basis. The Company's backlog of orders as of February 26, 1999 was approximately \$33.4 million, as compared with a backlog of \$15.6 million as of February 25, 1998. Management expects that all of the Company's backlog as of February 26, 1999 will be shipped by December 31, 1999. Such expectation constitutes a Forward-Looking Statement. The Company's major customers have negotiated shorter lead times on purchase orders and annual contracts with the goal of reducing their inventories. Accordingly, backlog is no longer as reliable an indicator of the timing of future sales as it has been in the past.

Trademarks and Patents - -----

The Company has been granted a number of U.S. patents and has additional U.S. patent applications pending relating to its products. While the Company believes that the issued patents are defendable and that the pending patent applications relate to patentable inventions, there can be no assurance that a patent will issue from the applications or that its existing patents can be successfully defended. It is management's opinion that the successful continuation and operation of the Company's business does not depend upon the ownership of patents or the granting of pending patent applications, but upon the innovative skills, technical competence and marketing and managerial abilities of its personnel. The patents have a life of seventeen years from the date of issue or twenty years from filing of patent applications. The Company's existing patents expire on various dates from September 30, 2002 to December 15, 2013.

The Company utilizes four U.S. registered trademarks - BELFUSE, BEL, SLO-BEL and SURFUSE - to identify various products that it manufactures. The trademarks survive as long as they are in use and the registrations of these trademarks are renewed.

Competition - -----

There are numerous independent companies and divisions of major companies which manufacture products that are competitive with one or more of the Company's products. Some of the Company's competitors possess greater financial, marketing and other resources than those available to the Company. The Company's ability to compete is dependent upon several factors, including product performance, quality, reliability, design and price. For information regarding the effect of price competition on the Company's consolidated results of operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Employees - -----

As of December 31, 1998, the Company had 965 full-time employees. The Company employed 87 people in its U.S. facilities and 878 throughout the rest of the world excluding workers supplied by independent contractors. The Company's employees are not represented by any labor union. The Company believes that its relations with employees are satisfactory.

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Risks and Uncertainties

The Company's business is subject to several risks and uncertainties, including: (a) the risk that it may be unable to respond adequately to rapidly changing technological developments in its industry, (b) risks associated with its Far East operations described herein under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations - Other Matters," (c) the highly competitive nature of the Company's industry and the impact that competitors' new products and pricing may have upon the Company, (d) the likelihood that revenues may vary significantly from one accounting period to another accounting period due to a variety of factors, including customers' buying decisions, the Company's product mix and general market and economic conditions, (e) the Company's reliance on certain substantial customers, (f) the risk that Year 2000 compliance issues may cause the Company difficulties internationally and domestically and (g) risks associated with the Company's ability to manufacture and deliver products in a manner that is responsive to its customers' needs. Such factors, as well as shortfalls in the Company's results of operations as compared with analysts' expectations, capital market conditions and general economic conditions, may also cause substantial volatility in the market price of the Company's common stock.

Item 2. Properties

The Company currently occupies approximately 337,000 square feet of manufacturing, warehouse, office, technical and staff quarter space worldwide. The Company has additional production processing arrangements with contractors in the People's Republic of China, occupying approximately 61,000 square feet of manufacturing space. In addition to the Company's principal corporate offices in New Jersey, the Company maintains facilities in The People's Republic of China, Hong Kong and Macau in the Far East, in California, Texas and Indiana in the U.S.A. and in the United Kingdom in Europe. The Company also owns an idle facility of 46,300 square feet in Illinois. Approximately 55% of the 337,000 square feet the Company occupies is owned, while the remainder is leased. See Note 10 of Notes to Consolidated Financial Statements for additional information pertaining to leased properties.

Item 3. Legal Proceedings

The Company is not presently subject to any legal proceedings which are material to the consolidated results of operations or financial condition of the Company.

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

No matters were submitted to a vote of the Company's shareholders during the fourth quarter of 1998.

Item 4A. Executive Officers of the Registrant

The following table and biographical outlines set forth the positions and offices within the Company presently held by each executive officer of the Company and a brief account of the business experience of each such officer for the past five years.

Name and Age	Officer Since	Positions and Offices With the Company/ Business Experience
Elliot Bernstein, 75	1954	Chairman of the Board, Chief Executive Officer and Director
Daniel Bernstein, 45	1985	President, Managing

		Director of the Company's Macau Subsidiary and Director
Robert H. Simandl, 70	1967	Secretary and Director
Arnold Sutta, 72	1985	Vice President of Sales
Peter Christoffer, 57	1986	Vice President of Research and Development
Colin Dunn, 54	1992	Vice President and Treasurer
Joseph Meccariello, 48	1995	Vice President of Manufacturing

Elliot Bernstein has been a Director of the Company since its inception in January 1949, served as President and Chief Executive Officer from 1954 to 1992, and has served as Chairman of the Board and Chief Executive Officer since 1992. One of his sons (Daniel Bernstein) is the President and a Director of the Company, and his brother (Howard Bernstein) is a Director of the Company.

Daniel Bernstein has served the Company as President since June 1992. He previously served as Vice President (1985-1992) and Treasurer (1986-1992) and has served as a Director since 1986. He has occupied other positions with the Company since 1978. He was appointed Managing Director of the Company's Macau subsidiary during 1991. Daniel Bernstein is Elliot Bernstein's son and Howard Bernstein's nephew.

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Item 4A. Executive Officers of the Registrant (continued)

Robert H. Simandl, a Director and Secretary of the Company since 1967, is a member of the law firm of Robert H. Simandl, Counselor At Law. He has been a practicing attorney in New Jersey since 1953.

Arnold Sutta joined the Company in 1966 and has served the Company as Vice President, Sales since 1985. Mr. Sutta supervises the worldwide sales force of the Company.

Peter Christoffer has served the Company as Vice President since 1986. Since 1991, he has been responsible for the engineering and production of value-added modules at the Company's Indiana facility.

Colin Dunn joined the Company in 1991 as Finance Manager and in 1992 was named Vice President of Finance and Treasurer. Prior to joining the Company, Mr. Dunn was Vice President of Finance and Operations at Kentek Information Systems, Inc. from 1985 to 1991 and had previously held a series of senior management positions with Braintech Inc. and Weyerhaeuser Company.

Joseph Meccariello joined the Company in 1979 as a Manager of Mechanical Engineering and in 1994 became the Deputy Managing Director of the Company's Hong Kong subsidiary, Bel Fuse, Ltd. In 1995 he was named Vice President of Manufacturing with responsibility for Far East production operations.

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PART II

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

(a) Market Information

On July 9, 1998 the shareholders approved an amendment to the Company's

Certificate of Incorporation authorizing a new voting Class A Common Stock, par value \$.10 per share, and a new non-voting Class B Common Stock, par value \$.10 per share ("Class A" and "Class B," respectively), which are traded in the over-the-counter market. The following table sets forth the high and low closing sales price range (as reported by National Quotation Bureau, Inc.) for the Common Stock in the over-the-counter market for each quarter during the past two years.

	High ----	Low ---		High ----	Low ---
Year Ended December 31, 1997:					
First Quarter.....	\$12 7/16	\$12 1/8			
Second Quarter.....	13 3/8	13 5/16			
Third Quarter.....	19 3/8	19			
Fourth Quarter.....	19 3/4	19			
Year Ended December 31, 1998:					
First Quarter	25 3/16	18 1/2			
Second Quarter.....	34	21			
	Class A -----	Class B -----	Class A -----	Class B -----	
	High ----		Low ---		
Third Quarter	\$21 3/4	\$20	\$14 3/4	\$13 5/8	
Fourth Quarter	40	34 3/8	12	11	

The Common Stock is reported under the symbol BELFA and BELFB in the Nasdaq National Market.

(b) Holders

As of March 15, 1999 there were 193 registered shareholders of the Company's Class A Common Stock and 197 registered shareholders of Class B Common Stock plus an estimated 2,712 beneficial shareholders of Class A Common Stock and 2,715 beneficial shareholders of Class B Common Stock.

(c) Dividends

The Company did not pay any cash dividends during 1998 or 1997. There are no contractual restrictions on the Company's ability to pay dividends. On February 1, 1999, the Company paid a \$.10 per share dividend to all shareholders of record at January 11, 1999 of Class B common stock in the total amount of \$260,331.

Item 6. Selected Financial Data

	Years Ended December 31,				
	1998 -----	1997 -----	1996 -----	1995 -----	1994 -----
	(In thousands of dollars, except per share data)				

Selected Statements of Operations Data:

Net sales	\$90,754	\$73,531	\$65,458	\$70,706	\$45,747
Cost of sales	58,654	50,724	46,539	50,590	36,349
Selling, general and administrative expenses ...	16,648	13,830	11,494	12,554	11,458
Other income - net (a)	1,579	1,428	2,306	1,758	--
Earnings (loss) before income taxes	17,031	10,405	9,731	9,320	(1,761)
Income tax provision (benefit)	1,813	1,555	1,925	1,222	(203)
Net earnings (loss)	15,218	8,850	7,806	8,098	(1,558)
Earnings (loss) per common share - basic	2.94	1.74	1.54	1.62	(.32)

Earnings (loss) per
common share - diluted 2.89 1.72 1.52 1.59 (.32)

(a) Includes gains of \$1,267 and \$1,359 from the sale of marketable securities during 1996 and 1995, respectively.

As of December 31,

1998	1997	1996	1995	1994
------	------	------	------	------

(In thousands of dollars, except per share data)

Selected Balance Sheet Data:

Working capital	\$40,809	\$44,055	\$36,873	\$28,644	\$22,670
Total assets	103,625	83,152	71,614	64,475	51,653
Stockholders' equity	88,806	72,829	63,399	55,889	45,926
Book value per share	17.11	14.22	12.50	11.06	9.25
Return on average total assets, %	12.5	11.6	11.5	13.9	(3.0)
Return on average stockholders' equity, %	19.0	13.1	13.1	16.0	(3.4)

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

The following discussion and analysis should be read in conjunction with the Company's consolidated financial statements and the notes related thereto. The discussion of results, causes and trends should not be construed to infer any conclusion that such results, causes or trends will necessarily continue in the future.

Results of Operations

The following table sets forth, for the past three years, the percentage relationship to net sales of certain items included in the Company's consolidated statements of operations.

	Percentage of Net Sales		
	Years Ended December 31,		
	1998	1997	1996
Net sales	100.0%	100.0%	100.0%
Cost of sales	64.6	69.0	71.1
Selling, general and administrative expenses	18.3	18.8	17.6
Other income, net of interest expense	1.7	1.9	3.5
Earnings before income taxes	18.8	14.2	14.9
Income tax provision	2.0	2.1	2.9
Net earnings	16.8	12.1	12.0

The following table sets forth, for the periods indicated, the percentage increase or decrease of certain items included in the Company's consolidated statements of operations.

	Increase from Prior Period	
	1998 Compared with 1997	1997 Compared with 1996
Net sales.....	23.4%	12.3 %
Cost of sales.....	15.6	9.0

Selling, general and administrative expenses..... 20.4 20.3

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

Sales

Net sales increased 23.4% from 1997 to 1998 from approximately \$73.5 million to \$90.8 million. The Company attributes this increase primarily to sales growth of network magnetic products and telecom magnetic products recently acquired from Lucent, offset, in part, by reduced sales of value added modules.

Net sales increased 12.3% from 1996 to 1997 from approximately \$65.5 million to \$73.5 million. The Company attributes this increase primarily to sales growth of network magnetic products and fuse products, offset, in part, by reduced sales of value-added modules. Such reduced sales reflect the termination of certain contracts.

Cost of Sales

Cost of sales as a percentage of net sales decreased 4.4% from 69.0% in 1997 to 64.6% in 1998. The decrease in the cost of sales percentage is primarily attributable to lower material content and lower overhead and labor costs principally due to higher sales volume. The Company regularly reviews its inventory for slow-moving, obsolete and over-stocked inventory. As at December 31, 1998 the inventory reserve for those items was approximately \$764,000.

Cost of sales as a percentage of net sales decreased 2.1% from 71.1% in 1996 to 69.0% in 1997. The decrease in the cost of sales percentage is primarily attributable to lower material content offset, in part, by increases in direct labor costs due to the then current sales mix (which was more labor intensive) and to a lesser extent increases in overheads required to support the increase in unit production. The Company regularly reviews its inventory for slow moving, obsolete and over-stocked inventory. As at December 31, 1997 the inventory reserve for those items was approximately \$522,000.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales remained relatively constant, decreasing from 18.8% in 1997 to 18.3% in 1998. Selling, general and administrative expenses increased in dollar amount by 20.4%. The Company attributes the increase in dollar amount of such expenses primarily to increases in sales and marketing salaries and sales related expenses, recruitment expenses to staff the signal transformer product line and, to a lesser extent, amortization of goodwill acquired from Lucent.

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

The percentage relationship of selling, general and administrative expenses to net sales increased from 17.6% in 1996 to 18.8% in 1997. The Company attributes the increase primarily to increases in sales salaries and sales related expenses. Selling, general and administrative expenses increased in dollar amount by 20.3%. The Company attributes the increase in dollar amount of such expenses primarily to increased sales and increases in sales salaries and sales-related expenses and to a lesser extent increased professional fees and

severance expenses.

Other Income and Expenses; Gain on Sale

Other income, consisting principally of interest and dividends earned on cash equivalents and marketable securities, increased by approximately \$150,000 from the year 1997 to 1998. The increase is primarily due to higher earnings on invested funds due to greater average balances in 1998 compared to 1997, offset, in part, by the use of cash and cash equivalents used in the acquisition of the signal transformer business from Lucent.

Other income decreased by \$878,179 from the year 1996 to 1997. The decrease is primarily due to the gain on the sale of 112,485 shares of Technitrol, Inc. common stock recognized during the year 1996, offset, in part, by higher earnings on invested funds due to greater average balances in 1997 compared to 1996.

Provision for Income Taxes

The Company has historically followed a practice of reinvesting a portion of the earnings of foreign subsidiaries in the expansion of its foreign operations. If the unrepatriated earnings were distributed to the parent corporation rather than reinvested in the Far East, such funds would be subject to United States Federal income taxes. No earnings were repatriated during 1998, 1997, or 1996. The Company files income tax returns in every jurisdiction in which it has reason to believe it is subject to tax. Historically, the Company has been subject to examination by various taxing jurisdictions. To date, none of these examinations has resulted in any material additional tax. Nonetheless, any tax jurisdiction may contend that a filing position claimed by the Company regarding one or more of its transactions is contrary to that jurisdiction's laws or regulations.

The provision for incomes taxes in 1998 was \$1,813,000 as compared to \$1,555,000 in 1997. The increase in the provision is due primarily to higher earnings before income taxes in 1998 versus 1997, offset, in part, by certain recruitment expenses and the amortization of goodwill incurred in the U.S. in connection with the signal transformer product line acquired from Lucent and lower foreign income tax rates.

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

The provision for income taxes in 1997 was \$1,555,000 as compared to \$1,925,000 in 1996. This decrease is due primarily to lower United States earnings before income taxes for the year 1997 versus 1996.

The Company's effective tax rate has been lower than the statutory United States corporate rate primarily as a result of the lower tax rates in Hong Kong and Macau.

Inflation

During the past two years, the effect of inflation on the Company's profitability was not material. Historically, fluctuations of the U.S. dollar against other major currencies have not significantly affected the Company's foreign operations as most transactions have been denominated in U.S. dollars or currencies linked to the U.S. dollar.

Liquidity and Capital Resources

Historically, the Company has financed its capital expenditures through cash flows from operating activities. Management believes that the cash flow from operations, combined with its existing capital base and the Company's available lines of credit, will be sufficient to funds its operations for the

near term.

The Company has lines of credit, all of which were unused at December 31, 1998, in the aggregate amount of \$7 million, of which \$5 million is from domestic banks and \$2 million is from foreign banks. On February 24, 1999, the Company signed a letter of commitment to increase the domestic lines of credit to \$11 million.

During 1998 the Company's cash decreased by \$14.3 million, reflecting a \$27.5 million cash payment for the acquisition of the signal transformer business from Lucent and \$3.7 million in purchase of plant and equipment, offset by \$15.8 million provided by operating activities and \$1.1 million provided by the exercise of incentive stock options and contractor repayments.

Cash and accounts receivable comprised approximately 30.9% and 48.6% of the Company's total assets at December 31, 1998 and 1997, respectively. The Company's working capital ratio (i.e., the ratio of current assets to current liabilities) was 4.0 to 1 and 5.7 to 1 at December 31, 1998 and 1997, respectively.

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Other Matters

- - - - -

Year 2000

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Background

The Year 2000 problem is the result of computer programs being written using two digits (rather than four) to define the applicable years. Any of the Company's programs that have time-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000, which could result in miscalculations or system failures.

The Company relies heavily on computer technologies to operate its business. In 1997 the Company conducted an initial assessment of its information technology to determine which Year 2000 related problems might cause processing errors or computer system failures. The Company also did a complete analysis of its computer system. Based on the results of that analysis, the Company's executive management identified the Year 2000 problem as a top corporate priority and established a team to provide a solution. Based on the team's evaluation, it was also decided to upgrade the entire computer system at the same time as solving the Year 2000 problem. Though the cost of the year 2000 problem is not material, the estimate for evaluation and remediation of the system software and the upgrading of the computer system, including the solution for the Year 2000 problem, is approximately \$350,000.

The following discussion of the implications of the Year 2000 problem for the Company contains numerous forward-looking statements based on inherently uncertain information. The cost of the project and the date on which the Company plans to complete its internal Year 2000 modifications are based on the Company's best estimates, which were derived utilizing a number of assumptions of future events including the continued availability of internal and external resources, third party modifications and other factors. However, there can be no assurances that these estimates will be achieved, and actual results could differ. Moreover, although the Company believes it will be able to make the necessary modifications in advance, there can be no assurances that failure to modify the systems would not have a material adverse effect on the Company.

In addition, the Company places a high degree of reliance on computer systems of third parties, such as customers, trade suppliers and computer hardware and commercial software suppliers. Although the Company is assessing the readiness of these third parties and preparing contingency plans, there can be no guarantee that the failure of these third parties to modify their systems in advance of December 31, 1999, would not have a material adverse effect on the Company.

Readiness

The Company's Year 2000 project is intended to ensure that all critical systems, devices and applications, as well as data exchanged with customers, trade suppliers and other third parties have been evaluated and will be suitable for continued use into and beyond the Year 2000.

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Responsibility for implementation of the project was assigned to an internal team of the Company. General priorities were defined, dependencies identified, preliminary delivery dates assigned, detailed project plans developed, and internal and external technical resources assigned or hired. In addition, internal management reporting requirements were established. Plans and progress against these plans were reviewed by the Company's Chief Financial Officer.

The Company has completed the majority of the project and is on schedule to be in full compliance during 1999. During 1999, the Company will continue to conduct a rigorous final level of review called integrated testing under Post-Year 2000 conditions.

Since early 1997, the Company has required Year 2000 compliance statements from all suppliers of the Company's computer hardware and commercial software. Regardless of the compliance statements, all third party hardware and software will also be subjected to testing to reconfirm the Year 2000 readiness.

Cost

The Company estimates that the total cost of achieving Year 2000 readiness for its internal systems, devices and applications will be approximately \$350,000. This statement is a Forward-Looking Statement subject to the risks set forth below. Year 2000 project costs are difficult to estimate accurately, and the projected cost could change due to unanticipated technological difficulties and Year 2000 readiness of third parties.

Contingency Plans

In the event that the efforts of the Company's Year 2000 project do not address all potential systems problems, the Company is currently developing business interruption contingency plans, including maintaining the Company's old computer system which was not subject to the Year 2000 problem, using alternative machinery and equipment, and having a back-up system at an offsite location. The Company believes, however, that due to the widespread nature of potential Year 2000 issues, the contingency planning process is an ongoing one which will require further modifications as the Company obtains additional information regarding (1) the Company's internal systems during the remediation and final testing phases of its Year 2000 project and (2) the status of third party Year 2000 readiness. Contingency planning for possible Year 2000 disruptions will continue to be defined, improved and implemented.

Risks

The Company believes that completed and planned modifications and conversions of its critical systems, devices and applications will allow it to be Year 2000 compliant in a timely manner. There can be no assurances, however, that the Company's internal systems, devices and applications or those of third parties on which the Company relies will be Year 2000 compliant by year 2000 or that the Company's or third parties' contingency plans will mitigate the effects of any noncompliance. An interruption of the Company's ability to conduct its business due to a Year 2000 readiness problem could have a material adverse effect on the Company.

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Territories of Hong Kong, Macau and The People's Republic of China

The Territory of Hong Kong reverted to The People's Republic of China pursuant to a long-term land lease which expired in the middle of 1997. The territory of Macau will revert to The People's Republic of China at the end of 1999. Management cannot presently predict what impact, if any, the expiration of these leases will have on the Company or how the political climate in China will affect its contractual arrangements in China. Substantially all of the Company's manufacturing operations and approximately 61% of its identifiable assets are located in Hong Kong, Macau, and The People's Republic of China. Accordingly, events resulting from the expiration of such leases as well as any change in the "Most Favored Nation" status granted to China by the U.S. could have a material adverse effect on the Company.

This Form 10-K, other than the historical financial information, may consist of forward looking statements that involve risks and uncertainties, including, but not limited to, statements contained in "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Such statements are based on many assumptions and are subject to risks and uncertainties. Actual results could differ materially from the results discussed in the forward looking statements due to a number of factors, including, but not limited to, those identified in the preceding paragraphs as well as those set forth under "Business-Risks and Uncertainties" in this Form 10-K.

New Accounting Pronouncements

During Fiscal 1997, the Financial Accounting Standards Board issued the following accounting standards: Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS No. 130); and Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131). The Company has adopted SFAS No. 130 and SFAS No. 131 in the current fiscal year. Neither standard has had a material impact on the Company.

In June 1998, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 ("SFAS 133") "Accounting for Derivative Instruments and Hedging Activities". The Company is required to adopt the provisions of this Statement in the 2000 year-end financial statements. This Statement requires that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company is in the process of evaluating this Statement and has not yet determined the future impact on the Company's consolidated financial statements.

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Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Fair Value of Financial Instruments--The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments." The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The Company has not entered into, and does not expect to enter into, financial instruments for trading or hedging purposes. The Company does not currently anticipate entering into interest rate swaps and/or similar instruments.

The Company's carrying values of cash, accounts receivable, accounts payable and accrued expenses are a reasonable approximation of their fair value.

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements
and Supplementary Financial Data

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Bel Fuse Inc.
Jersey City, New Jersey

We have audited the accompanying consolidated balance sheets of Bel Fuse Inc. and its subsidiaries (the "Company") as of December 31, 1998 and 1997, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. Our audits also included the financial statement schedule listed in the Index at Item 14. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Bel Fuse Inc. and its subsidiaries at December 31, 1998 and 1997, and the results of their operations and their

cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

March 19, 1999
New York, New York

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
	1998	1997
ASSETS		

Current Assets:		
Cash and cash equivalents	\$ 14,923,685	\$29,231,967
Accounts receivable - less allowance for doubtful accounts of \$317,000 and \$227,000	17,072,537	11,181,379
Inventories (Note 3)	21,847,563	12,202,938
Prepaid expenses and other current assets	353,869	383,084
Deferred income taxes (Note 5)	284,000	421,000
	-----	-----
Total Current Assets	54,481,654	53,420,368
Property, plant and equipment - net (Notes 4)	35,471,498	29,052,354
Goodwill - net of amortization of \$523,423 and \$129,738	13,222,223	103,549
Other assets	449,253	575,962
	-----	-----
TOTAL ASSETS	\$103,624,628	\$83,152,233
	=====	=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

December 31,	
1998	1997
-----	-----

Current Liabilities:		
Accounts payable	\$ 4,985,840	\$ 3,467,897
Accrued expenses	8,416,051	5,660,411
Income taxes payable (Note 5)	10,247	237,515
Dividends Payable	260,331	--
	-----	-----
Total Current Liabilities	13,672,469	9,365,823
Deferred income taxes (Note 5)	1,146,000	957,000
	-----	-----
Total Liabilities	14,818,469	10,322,823
	-----	-----
Commitments and Contingencies (Notes 5, 6, 7 and 8)		
Stockholders' Equity (Notes 8 and 9):		
Preferred stock, no par value, authorized 1,000,000 shares; none issued	--	--
Common stock, par value \$.10 per share - authorized 10,000,000 shares; outstanding 5,121,920 (net of 2,145,539 treasury shares)	--	512,192
Class A common stock, par value \$.10 per share - authorized 10,000,000 shares; outstanding 2,603,310 shares (net of 1,072,770 treasury shares)	260,331	--
Class B common stock, par value \$.10 per share--authorized 10,000,000 shares; outstanding 2,603,310 shares (net of 1,072,770 treasury shares)	260,331	--
Additional paid-in capital	8,561,421	7,525,753
Retained earnings	79,728,787	64,771,298
Cumulative other comprehensive income (loss)	(4,711)	20,167
	-----	-----
Total Stockholders' Equity	88,806,159	72,829,410
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$103,624,628	\$83,152,233
	=====	=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	1998	1997	1996
	-----	-----	-----
Net sales	\$90,754,195	\$73,530,876	\$65,457,521
Costs and Expenses:			
Cost of sales	58,654,040	50,723,813	46,539,465
Selling, general and administrative	16,648,125	13,829,765	11,493,869
	-----	-----	-----
	75,302,165	64,553,578	58,033,334
	-----	-----	-----
Income from operations	15,452,030	8,977,298	7,424,187
Other income (net)	1,578,790	1,428,164	2,306,343
	-----	-----	-----

Earnings before income taxes ...	17,030,820	10,405,462	9,730,530
Income tax provision (Note 5) ..	1,813,000	1,555,000	1,925,000
	-----	-----	-----
Net earnings	\$15,217,820	\$ 8,850,462	\$ 7,805,530
	=====	=====	=====
Earnings per common share - basic	\$2.94	\$1.74	\$1.54
	=====	=====	=====
Earnings per common share - diluted	\$2.89	\$1.72	\$1.52
	=====	=====	=====
Weighted average number of common shares out- standing - basic	5,180,815	5,088,483	5,063,776
	=====	=====	=====
- diluted	5,263,922	5,158,878	5,140,498
	=====	=====	=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Total	Compre- hensive Income	Retained Earnings	Cumulative Other Compre- hensive Income (Loss)	Common Stock
	-----	-----	-----	-----	-----
Balance, January 1, 1996	\$55,889,951		\$48,115,306	\$ 457,600	\$505,145
Exercise of stock options	126,937				1,937
Tax benefits arising from the non-qualified distributions of incen- tive stock options	42,000				
Net unrealized gain on marketable securities	(457,600)	\$ (457,600)		(457,600)	
Currency translation adjustment	(7,721)	(7,721)		(7,721)	
Net earnings	7,805,530	7,805,530	7,805,530		

Comprehensive Income		\$7,340,209			
		=====			
Balance, December 31, 1996	63,399,097		55,920,836	(7,721)	507,082
Exercise of stock options	426,963				5,110
Tax benefits arising from the non-quali- fied disposition of incentive stock options	125,000				
Currency translation adjustment	27,888	\$ 27,888		27,888	
Net earnings	8,850,462	8,850,462	8,850,462		

Comprehensive Income		\$8,887,350			
		=====			
Balance, December 31, 1997	72,829,410		64,771,298	20,167	512,192
	-----	-----	-----	-----	-----
	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital		
	-----	-----	-----		
Balance, January 1, 1996	\$ --	\$ --	\$6,811,900		

Exercise of stock options			125,000
Tax benefits arising from the non-qualified distributions of incentive stock options			42,000
Net unrealized gain on marketable securities			
Currency translation adjustment			
Net earnings			

Comprehensive Income

Balance, December 31, 1996	-----	-----	-----
	--	--	6,978,900
Exercise of stock options			421,853
Tax benefits arising from the non-qualified disposition of incentive stock options			125,000
Currency translation adjustment			
Net earnings			

Comprehensive Income

Balance, December 31, 1997	-----	-----	-----
	--	--	7,525,753

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Total	Comprehensive Income	Retained Earnings	Cumulative Other Comprehensive Income (Loss)	Common Stock
	-----	-----	-----	-----	-----
Exercise of stock options	832,137				8,008
Effect of splitting Common Stock into A and B shares					(520,200)
Exercise of stock options from the non-qualified disposition of incentive stock options	31,001				
Cash dividends on Class B Common Stock - \$.10 per share	181,000				
Currency translation Adjustment	(260,331)		(260,331)		
Net earnings	(24,878)	\$ (24,878)		(24,878)	
Comprehensive Income	15,217,820	\$ 15,217,820	15,217,820		
		\$15,192,942			
		=====			
Balance, December 31, 1998	-----	-----	-----	-----	-----
	\$88,806,159		\$79,728,787	\$ (4,711)	\$ --
	=====		=====	=====	=====
	Class A Common Stock	Class B Common Stock	Additional Paid-In Capital		
	-----	-----	-----		

Exercise of stock

options			824,129
Effect of splitting Common Stock into A and B shares	260,100	260,100	
Exercise of stock options from the non-quali- fied disposition of incentive stock options	231	231	30,539
Currency translation Adjustment			181,000
Net earnings			
Comprehensive Income			
Balance, December 31,			
1998	----- \$260,331 =====	----- \$260,331 =====	----- \$ 8,561,421 =====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	1998	1997	1996
Cash flows from operating activities:			
Net income	\$ 15,217,820	\$ 8,850,462	\$ 7,805,530
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	4,128,868	3,424,230	2,995,967
Other	302,509	177,007	91,926
Deferred income taxes	326,000	(113,000)	389,000
Net (gain) loss on sale of marketable securities	599	1,340	(1,265,710)
Changes in operating assets and liabilities	(4,160,999)	(4,056,541)	4,261,263
Net Cash Provided by Operating Activities	15,814,797	8,283,498	14,277,976
Cash flows from investing activities:			
Purchase of property, plant and equipment	(3,652,388)	(6,137,171)	(2,675,352)
Purchase of marketable securities	(2,830,415)	(4,669,954)	(2,981,020)
Payment for acquisition	(27,514,000)	--	--
Proceeds from sale of marketable securities	2,829,840	7,651,275	6,259,657
Proceeds from sale of equipment	14,291	8,526	31,330
Proceeds from repayment by contractors	166,455	170,339	122,759
Net Cash (Used in) Provided by Investing Activities	(30,986,217)	(2,976,985)	757,374
			(Continued)

See notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	Years Ended December 31,		
	1998	1997	1996
Cash flows from financing activities:			
Proceeds from exercise of stock options	863,138	426,963	126,937
Effect of exchange rate changes on cash and cash equivalents	--	--	(7,721)
Net (Decrease) increase in Cash and Cash Equivalents	(14,308,282)	5,733,476	15,154,566
Cash and Cash Equivalents - beginning of year	29,231,967	23,498,491	8,343,925
Cash and Cash Equivalents - end of year	\$ 14,923,685	\$ 29,231,967	\$ 23,498,491
Changes in operating assets and liabilities consist of:			
(Increase) decrease in accounts receivable	\$ (5,981,158)	\$ (2,346,939)	\$ 2,798,904
(Increase) decrease in inventories	(2,215,625)	(3,791,398)	2,388,191
(Increase) in prepaid expenses and other current assets	(142,042)	(69,609)	(364,171)
Decrease in other assets	131,511	250,493	191,236
Increase (decrease) in accounts payable	1,517,943	170,072	(76,608)
Increase (decrease) in accrued expenses	2,755,640	1,813,785	(456,825)
(Decrease) in income taxes payable	(227,268)	(82,945)	(219,464)
	\$ (4,160,999)	\$ (4,056,541)	\$ 4,261,263

(Continued)

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Years Ended December 31,		
	1998	1997	1996
Supplementary information:			
Cash paid during year for:			
Interest	\$ --	\$ --	\$ 553
Income taxes	\$ 1,261,000	\$ 1,050,000	\$ 1,712,000
Details of acquisition:			
Fair value of assets acquired	\$ 27,514,000		
Liabilities assumed	--		
Net cash paid for Acquisition	\$ 27,514,000		
Supplemental disclosure of non-cash investing and financing activities:			
Unrealized (gain) on marketable securities			\$ (457,600)

On December 21, 1998 the
Company declared a \$.10 dividend
on the Class B Common Stock
payable February 1, 1999 to
recordholders as of January
11, 1999

\$ 260,331
=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bel Fuse Inc. and its subsidiaries (the "Company") operate in one industry segment and are engaged in the design, manufacture and sale of products used in local area networking, telecommunication, business equipment and consumer electronic applications. Sales are predominantly in North America, Western Europe and the Far East.

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

USE OF ESTIMATES - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH EQUIVALENTS - Cash equivalents include short-term investments in U.S. treasury bills and commercial paper with an original maturity of three months or less when purchased. At December 31, 1998 and 1997, cash equivalents approximate \$4,206,000 and \$26,627,000, respectively.

CONCENTRATION OF CREDIT RISK - Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable and temporary cash investments. The Company grants credit primarily to original equipment manufacturers and to subcontractors of original equipment manufacturers based on an evaluation of the customer's financial condition, without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company controls its exposure to credit risk through credit approvals, credit limits and monitoring procedures and establishes allowances for anticipated losses.

The Company places its temporary cash investments with quality financial institutions and, by policy, limits the amount of credit exposure with any one financial institution.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

INVENTORIES - Inventories are stated at the lower of weighted average cost (first-in, first-out) or market.

AMORTIZATION OF INTANGIBLES - Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible assets acquired. Goodwill and other intangible assets are amortized on a straight-line

basis over 3 1/2 to 15 years. Amortization expense was \$394,000 in 1998, \$21,000 in 1997, and \$21,000 in 1996.

DEPRECIATION - Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated primarily using the declining-balance method for machinery and equipment and the straight-line method for buildings over their estimated useful lives.

INCOME TAXES - Deferred taxes are provided to reflect the tax effect of temporary differences between financial reporting and tax basis of assets and liabilities. The principal items giving rise to deferred taxes are the use of accelerated depreciation methods for plant and equipment and certain expenses which have been deducted for financial reporting purposes which are not currently deductible for income tax purposes.

STOCK BASED COMPENSATION - Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation." The standard encourages, but does not require, companies to recognize compensation expense for grants of stock, stock options and other equity instruments to employees based on fair value accounting rules. The Company has adopted the disclosure-only provisions of SFAS 123.

EVALUATION OF LONG-LIVED ASSETS - Long-lived assets are assessed for recoverability on an on-going basis. In evaluating the fair value and future benefits of long-lived assets, their carrying value would be reduced by the excess, if any, of the long-lived asset over management's estimate of the anticipated undiscounted future net cash flows of the related long-lived asset. As of December 31, 1998, management concluded that no valuation allowance was required.

EARNINGS PER COMMON SHARE - In February 1997 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 128 "Earnings Per Share," which requires companies to present basic earnings per share (EPS) and diluted earnings per share instead of the primary and fully diluted EPS that was required. The new standard requires additional informational disclosures and also makes certain modifications to the currently applicable EPS calculations defined in Accounting Principles Board No. 15.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Basic earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per common share are computed by dividing net earnings by the weighted average number of common shares and potential common shares outstanding during the year. Potential common shares used in computing diluted earnings per share relate to stock options which, if exercised, would have a dilutive effect on earnings per share. The number of potential common shares outstanding were 83,107, 70,395 and 76,722 for the years ended December 31, 1998, 1997 and 1996, respectively. During the three years ending December 31, 1998, there were no antidilutive options omitted from the calculation of diluted earnings per share.

FAIR VALUE OF FINANCIAL INSTRUMENTS - For financial instruments including cash, accounts receivable, accounts payable and accrued expenses, it was assumed that the carrying amount approximated fair value because of the short maturities of such instruments.

NEW FINANCIAL ACCOUNTING STANDARDS - During Fiscal 1997, the Financial Accounting Standards Board issued the following accounting standards: Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS No. 130); and Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" (SFAS No. 131). The Company has adopted SFAS No. 130 and SFAS No. 131 in the current fiscal year. Neither standard has had a material impact on the Company.

In June 1998, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 ("SFAS 133") "Accounting for Derivative

Instruments and Hedging Activities". The Company is required to adopt the provisions of this Statement in the 2000 year-end financial statements. This Statement requires that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value. The Statement requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company is in the process of evaluating this Statement and has not yet determined the future impact on the Company's consolidated financial statements.

RECLASSIFICATIONS - Certain reclassifications have been made to prior year balances in order to conform with the current year's presentation.

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BEL FUSE INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. ACQUISITION

On October 2, 1998, the Company acquired the manufacturing assets, primarily consisting of inventory and fixed assets, of Lucent Technologies, Inc.'s ("Lucent") signal transformer product line in exchange for approximately \$27 million in cash plus acquisition costs of approximately \$500,000. Under the terms of the agreement, the Company, among other things, will continue to supply Lucent's telecom magnetics requirements for forty-two months. It is the Company's intention to move the majority of the manufacturing for this business to the Republic of China. The Company has established research and development, support and legacy product manufacturing in Dallas, Texas. In addition the Dallas facility will maintain a marketing office to sell and service the Lucent customers.

Additionally, Lucent and the Company entered into a Transition Services Agreement whereby Lucent has agreed to provide contract labor and transitional services to the Company for an agreed price until the earlier of June 30, 1999 or the date on which Signal Transformer Manufacturing operations and the purchased assets are relocated.

The acquisition has been accounted for under the purchase method of accounting and includes the results of operations of the acquired entity from October 2, 1998 to December 31, 1998. Intangible assets and goodwill which arose in connection with the acquisition in the amount of \$13.5 million, are being amortized over 3 and one-half to 15 years using the straight line method. Proforma unaudited results of operations for the year ended December 31, 1997 and 1998 reflect consolidated the operations of the Company assuming the acquisition occurred on January 1, 1997. Proforma adjustments have been made for amortization of intangibles, depreciation, reduction of interest income and income taxes. The proforma results are as follows:

	Years Ended December 31,	
	----- 1998	1997 -----
	(Dollars in thousands except per share data)	
Sales	\$123,418	\$108,867
Net earnings (1)	25,003	18,757
Diluted earnings per common share	\$ 4.74	\$ 3.64
	-----	-----

(1) In arriving at net earnings, income taxes were estimated based upon assumptions as to the geographic area in which the operating income would have been earned by the Company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. INVENTORIES

	December 31,	
	----- 1998 -----	----- 1997 -----
Raw materials	\$11,459,928	\$ 7,029,632
Work in process	139,166	115,586
Finished goods	10,248,469	5,057,720
	-----	-----
	\$21,847,563	\$12,202,938
	=====	=====

4. PROPERTY, PLANT AND EQUIPMENT

	December 31,	
	----- 1998 -----	----- 1997 -----
Land	\$ 1,164,436	\$ 1,164,436
Buildings and improvements	13,901,108	13,901,108
Machinery and equipment	46,658,618	38,233,434
Idle property held for sale	935,000	935,000
	-----	-----
	62,659,162	54,233,978
Less accumulated depreciation	27,187,664	25,181,624
	-----	-----
	\$35,471,498	\$29,052,354
	=====	=====

Depreciation expense for the years ended December 31, 1998, 1997 and 1996 was \$3,735,183, \$3,403,545 and \$2,974,622, respectively.

5. INCOME TAXES

The provision (benefit) for income taxes consists of the following:

	Years Ended December 31,		
	----- 1998 -----	----- 1997 -----	----- 1996 -----
Current:			
Federal	\$ 935,000	\$ 961,000	\$ 931,000
Foreign	352,000	614,000	540,000
State	200,000	93,000	65,000
	-----	-----	-----
	1,487,000	1,668,000	1,536,000
	-----	-----	-----
Deferred:			
Federal	180,000	(396,000)	268,000
Foreign	146,000	283,000	121,000
	-----	-----	-----
	326,000	(113,000)	389,000
	-----	-----	-----
	\$ 1,813,000	\$ 1,555,000	\$ 1,925,000
	=====	=====	=====

5. INCOME TAXES (continued)

A reconciliation of taxes on income at the federal statutory rate to amounts provided is as follows:

	Years Ended December 31,		
	1998	1997	1996
Tax provision computed at the Federal statutory rate	\$ 5,791,000	\$ 3,538,000	\$ 3,309,000
Increase (decrease) in taxes resulting from:			
Lower tax rates applicable to foreign operations	(4,255,000)	(2,280,000)	(1,349,000)
State taxes, net of federal Benefit	132,000	61,000	--
Other, net	145,000	236,000	(35,000)
	\$ 1,813,000	\$ 1,555,000	\$ 1,925,000

The types of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts that give rise to the deferred tax liability and deferred tax asset and their approximate tax effects are as follows:

	December 31,			
	1998		1997	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Deferred Liability:				
Depreciation	\$14,632,000	\$1,146,000	\$ 6,709,000	\$ 957,000
Deferred Asset:				
Other temporary differences	(711,000)	(284,000)	(1,052,000)	(421,000)
	\$13,921,000	\$ 862,000	\$ 5,657,000	\$ 536,000

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME TAXES (continued)

The Company files income tax returns in all jurisdictions in which it has reason to believe it is subject to tax. Historically, the Company has been subject to examination by various taxing jurisdictions. To date, none of these examinations has resulted in any material additional tax. Nonetheless, any tax jurisdiction may contend that a filing position claimed by the Company regarding one or more of its transactions is contrary to that jurisdiction's laws or regulations.

It is management's intention to permanently reinvest a portion of the earnings of foreign subsidiaries in the expansion of its foreign operations. No earnings were repatriated during 1998, 1997 or 1996. Unrepatriated earnings, upon which income taxes have not been accrued, approximate \$73,663,000 at December 31, 1998. Estimated income taxes related to unrepatriated foreign earnings would approximate \$18,700,000.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. SEGMENTS - GEOGRAPHIC AREAS

The Company does not have reportable operating segments as defined in Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Disclosures,". The method for attributing revenues to individual countries is based on the destination to which finished goods are shipped. The Company operates facilities in the United States, Europe and the Far East.

The Company had sales to individual customers in excess of ten percent of consolidated net sales as follows: The amounts and percentages of the Company's sales were approximately \$23,055,000 (25.4%) and \$13,385,000 (14.7%) in 1998; \$19,217,000 (26.1%) and \$8,272,000 (11.3%) in 1997; and \$12,853,000 (19.6%), \$7,313,000 (11.2%) and \$6,670,000 (10.2%) in 1996. The loss of either of these customers could have a material adverse effect on the Company's results of operations, financial position and cash flows.

	1998	1997	1996
	-----	-----	-----
Revenue from unrelated entities and country of Company's domicile:			
United States	\$ 47,884,195	\$ 37,702,876	\$ 41,359,521
Asia/Pacific	17,914,000	11,491,000	6,764,000
Hong Kong	4,337,000	3,507,000	3,051,000
United Kingdom	1,657,000	2,455,000	2,048,000
Europe	17,656,000	16,085,000	9,745,000
Other	1,306,000	2,290,000	2,490,000
	-----	-----	-----
	\$ 90,754,195	\$ 73,530,876	\$ 65,457,521
	=====	=====	=====
Total revenues:			
United States	\$ 49,641,429	\$ 39,083,088	\$ 45,895,154
Asia	75,662,502	64,727,693	54,068,233
Less intergeographic Revenues	(34,549,736)	(30,279,905)	(34,505,866)
	-----	-----	-----
	\$ 90,754,195	\$ 73,530,876	\$ 65,457,521
	=====	=====	=====
Income from Operations:			
United States	\$ 1,877,219	\$ 454,908	\$ 1,500,248
Asia	13,574,811	8,522,390	5,923,939
	-----	-----	-----
	\$ 15,452,030	\$ 8,977,298	\$ 7,424,187
	=====	=====	=====
Assets:			
United States	\$ 42,374,486	\$ 37,415,575	\$ 21,716,125
Asia	66,096,256	49,194,689	59,458,585
Less intergeographic Eliminations	(4,846,114)	(3,458,031)	(9,560,702)
	-----	-----	-----
Total identifiable assets	\$103,624,628	\$ 83,152,233	\$ 71,614,008
	=====	=====	=====
Capital Expenditures:			
United States	\$ 469,286	\$ 798,258	\$ 216,899
Asia	3,183,102	5,338,913	2,458,453
	-----	-----	-----
	\$ 3,652,388	\$ 6,137,171	\$ 2,675,352
	=====	=====	=====
Depreciation and Amortization expense:			
United States	\$ 639,637	\$ 500,564	\$ 376,042
Asia	3,489,231	2,923,666	2,619,925
	-----	-----	-----
	\$ 4,128,868	\$ 3,424,230	\$ 2,995,967
	=====	=====	=====

BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATIONS IN GEOGRAPHIC AREAS, FOREIGN OPERATIONS AND EXPORT SALES
(Continued)

Transfers between geographic areas include raw materials manufactured in the United States which are shipped to foreign countries to be manufactured into finished products and finished products manufactured in foreign countries and transferred to the United States for sale. Income from operations represents total revenue less operating expenses.

Identifiable assets are those assets of the Company that are identified with the operations of each geographic area.

The territory of Hong Kong reverted to the People's Republic of China pursuant to a long-term land lease which expired in the middle of 1997. The territory of Macau will revert to the People's Republic of China at the end of 1999. Management cannot presently predict what impact, if any, the expiration of these leases will have on the Company or how the political climate in China will affect the Company's contractual arrangements in China. Substantially all of the Company's manufacturing operations and approximately 61% of its identifiable assets are located in Hong Kong, Macau, and The People's Republic of China. Accordingly, events resulting from the expiration of such leases, as well as any change in the "Most Favored Nation" status granted to China by the U.S. could have a material adverse effect on the Company.

The Company's research and development facilities are located in California, Indiana, Texas and Hong Kong. Research and development costs amounted to \$4,989,000 in 1998, \$3,895,000 in 1997 and \$3,529,000 in 1996.

7. RETIREMENT FUND AND PROFIT SHARING PLAN

The Company maintains a domestic profit sharing plan, a contributory stock ownership and savings 401(K) plan which combines stock ownership, and individual voluntary savings provisions to provide retirement benefits for plan participants. The plan provides for participants to voluntarily contribute a portion of their compensation, subject to certain legal maximums. The Company will match, based on a sliding scale, up to \$350 for the first \$600 contributed by each participant. Matching contributions plus additional discretionary contributions will be made with Company stock purchased in the open market. The expense for the years ended December 31, 1998, 1997 and 1996 amounted to approximately \$174,000, \$152,000 and \$136,000, respectively. As of December 31, 1998, the fund owned 38,846 and 42,797 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. RETIREMENT FUND AND PROFIT SHARING PLAN (Continued)

The Company's Far East subsidiaries have a retirement fund covering substantially all of their Hong Kong based full-time employees. Eligible employees contribute up to 5% of salary to the fund. In addition, the Company may contribute an amount equal to a percentage of eligible salary, as determined by the Company, in cash or Company stock. The expense for the years ended December 31, 1998, 1997 and 1996 amounted to approximately \$516,000, \$385,000 and \$267,000, respectively. The Company has agreed to repurchase its stock, if no market exists, should it be requested to do so by the trustees of the Company's Far East plan. As of December 31, 1998, the fund owned 4,820 and 6,585 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

8. STOCK OPTION PLAN

The Company has a Qualified Stock Option Plan (the "Plan") which provides for the granting of "Incentive Stock Options" to key employees within the meaning of Section 422 of the Internal Revenue Code of 1954, as amended. The Plan provides for the issuance of 1,200,000 shares. Substantially all options outstanding become exercisable twenty-five (25%) percent one year from the date of grant and twenty-five (25%) percent for each year of the three years thereafter. The price of the options granted pursuant to the Plan will not be less than 100 percent of the fair market value of the shares on the date of grant. An option may not be exercised within one year from the date of grant, and in general, no option will be exercisable after six years from the date granted. All outstanding options as of July 9, 1998 (Note 9) were split equally into Class A Common Stock and Class B Common Stock. The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost has been recognized for the stock options awarded. Had compensation cost for the Company's stock option plan been determined based on the fair value at the grant date for awards in 1998 and 1997 consistent with the provisions of SFAS No. 123, the Company's net earnings and earnings per share would have been reduced to the pro forma amounts indicated below:

	December 31,	
	----- 1998 -----	----- 1997 -----
Net earnings - as reported	\$15,217,820	\$8,850,462
Net earnings - pro forma	14,717,692	8,555,035
Earnings per share - basic - as reported	\$2.94	\$1.74
Earnings per share - basic - pro forma	\$2.85	\$1.68
Earnings per share - diluted - as reported	\$2.89	\$1.72
Earnings per share - diluted - pro forma	\$2.81	\$1.66

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used for grants in 1998 and 1997, respectively: dividends yield of -0%, expected volatility of 65% for Class A and 59% for Class B in 1998 and 52% in 1997, risk-free interest rate of 5.05% in 1998 and 5.6% in 1997, and expected lives of 5 years.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. STOCK OPTION PLAN (Continued)

Information regarding the Company's Plan for 1998, 1997 and 1996 is as follows:

	----- 1998 -----		----- 1997 -----		----- 1996 -----	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
	-----	-----	-----	-----	-----	-----
Options out- standing, begin- ning of year	236,400	\$11.45	186,000	\$ 9.59	142,000	\$ 6.92
Options exercised	(84,700)	\$10.19	(51,100)	\$ 8.36	(19,375)	\$ 6.55
Options granted	115,000	\$12.13	105,500	\$13.25	71,000	\$14.00
Options cancelled	(5,000)	\$12.88	(4,000)	\$12.13	(7,625)	\$ 8.59
	-----		-----		-----	
Options out- standing, end of year	261,700	\$12.13	236,400	\$11.45	186,000	\$ 9.59
	=====		=====		=====	
Options price range at end of year	\$6.50 to \$13.25		\$6.50 to \$14.00		\$6.50 to \$14.00	
Option price range for exercised shares	\$6.50 to \$14.00		\$6.50 to \$14.00		\$3.75 to \$7.00	
Options available for grant at end of year	443,500		53,500		155,000	

Weighted-average fair value of options, granted during the year	\$6.70	\$7.46	\$7.78
---	--------	--------	--------

The following table summarizes information about fixed-price stock options outstanding at December 31, 1998:

Range of Exercise Prices	Number Outstanding at December 31, 1998	Weighted-Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 1998	Weighted-Average Exercise Price
\$ 6.50 to \$ 7.70	33,000	1.0 year	\$ 7.48	33,000	\$ 7.48
\$11.50 to \$14.00	228,700	4.0 years	\$12.80	5,950	\$13.75
	261,700			38,950	

9. COMMON STOCK

On July 9, 1998, the shareholders approved an amendment to Article VI of the Company's Certificate of Incorporation that (i) authorized a new voting Class A Common Stock, par value \$.10 per share, and a new non-voting Class B Common Stock, par value \$.10 per share; (ii) increased the authorized

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BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. COMMON STOCK (continued)

number of shares of common stock from 10,000,000 to 20,000,000, consisting of 10,000,000 shares of Class A Common Stock and 10,000,000 shares of Class B Common Stock; (iii) established the rights, powers and limitations of the Class A Common Stock and the Class B Common Stock, and (iv) reclassified each share of the Company's issued Common Stock, par value \$.10 per share, as one-half share of Class A Common Stock and one-half share of Class B Common Stock.

10. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases various facilities. Some of these leases require the Company to pay certain executory costs (such as insurance and maintenance).

Future minimum lease payments for operating leases are approximately as follows:

Years Ending December 31,	
1999	\$ 534,000
2000	248,000
2001	153,000
2002	62,000
2003	52,000
2004	--

	\$1,049,000
	=====

Rental expense was approximately \$521,000, \$484,000 and \$442,000 for the years ended December 31, 1998, 1997 and 1996, respectively.

Credit Facilities

The Company has two domestic unsecured lines of credit amounting to \$5,000,000 which were unused at December 31, 1998. The lines of credit are

renewable annually. On February 24, 1999, the Company signed a letter of commitment to increase one of the domestic lines of credit from \$4 million to \$11 million. Borrowings under the new line of credit are secured by a first priority security interest and a lien on all personal property of Bel Fuse Inc. and its domestic subsidiaries.

The Company's Hong Kong subsidiary has an unsecured line of credit of approximately \$2,000,000 which expires in October 1999. Borrowing on the line of credit is guaranteed by the U.S. parent.

Dividend

The Company declared a cash dividend on the Class B common shares of \$.10 per share. The dividend was paid on February 1, 1999 to shareholders of record on January 11, 1999.

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BEL FUSE INC. AND SUBSIDIARIES
SELECTED QUARTERLY FINANCIAL DATA
(UNAUDITED)

	March 31, 1998 -----	June 30, 1998 -----	September 30, 1998 -----	December 31, 1998 -----	Total Year Ended December 31, 1998 -----
Net sales	\$19,514,700	\$19,531,655	\$21,148,681	\$30,559,159	\$90,754,195
Gross Profit	6,336,972	6,684,748	7,557,154	11,521,281	32,100,155
Net earnings	2,966,488	3,038,705	3,651,761	5,560,866	15,217,820
Earnings per share - basic (1)	\$.58	\$.59	\$.70	\$1.07	\$2.94
Earnings per share - diluted (1)	\$.56	\$.58	\$.70	\$1.05	\$2.89
	March 31, 1997 -----	June 30, 1997 -----	September 30, 1997 -----	December 31, 1997 -----	Total Year Ended December 31, 1997 -----
Net sales	\$15,962,204	\$18,748,690	\$18,409,054	\$20,410,928	\$73,530,876
Gross Profit	4,592,089	5,640,788	5,721,974	6,852,212	22,807,063
Net earnings	1,309,859	2,132,762	2,174,843	3,232,998	8,850,462
Earnings per share - basic (1)	\$.26	\$.42	\$.43	\$.63	\$1.74
Earnings per share - diluted (1)	\$.26	\$.42	\$.42	\$.63	\$1.72

(1) Quarterly amounts of earnings per share may not agree to the total for the year due to rounding.

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

None.

PART III

Item 10. Directors of the Registrant

The Company hereby incorporates by reference the applicable information from its definitive proxy statement for its 1999 Annual Meeting of Shareholders.

Item 11. Executive Compensation

The Company hereby incorporates by reference the applicable information from its definitive proxy statement for its 1999 Annual Meeting of Shareholders.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The Company hereby incorporates by reference the applicable information from its definitive proxy statement for its 1999 Annual Meeting of Shareholders.

Item 13. Certain Relationships and Related Transactions

The Company hereby incorporates by reference the applicable information from its definitive proxy statement for its 1999 Annual Meeting of Shareholders.

PART IV

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

	Page

(a)	
1. Financial statements filed as a part of this report:	
Independent Auditors' Report	F-1
Consolidated Balance Sheets as of December 31, 1998 and 1997	F-2 - F-3
Consolidated Statements of Operations for Each of the Three Years in the Period Ended December 31, 1998	F-4
Consolidated Statements of Stockholders' Equity for Each of the Three Years in the Period Ended December 31, 1998	F-5 - F-6
Consolidated Statements of Cash Flows for Each of the Three Years in the Period Ended December 31, 1998	F-7 - F-9
Notes to Consolidated Financial Statements	F-10 - F-21
Selected Quarterly Financial Data - Years Ended December 31, 1998 and 1997 (Unaudited)	F-22
2. Financial statement schedules filed as part of this report:	

All other schedules are omitted because they are inapplicable, not required or the information is included in the financial statements or notes thereto.

(b)

3. Exhibits filed as part of this report.

3.1 Certificate of Incorporation, as amended. Incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998.

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Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K
(continued)

Exhibit No.:

- 3.2 By-laws, as amended, are hereby incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-2 (Registration No. 33-16703) filed with the Securities and Exchange Commission on August 25, 1987.
- 10.1 Agency agreement dated October 1, 1988 between Bel Fuse Ltd. and Rush Profit Ltd. Incorporated by reference to Exhibit 10.1 of the Company's annual report on Form 10-K for the year ended December 31, 1994.
- 10.2 Contract dated March 16, 1990 between Accessorios Electronicos (Bel Fuse Macau Ltd.) and the Government of Macau. Incorporated by reference to Exhibit 10.2 of the Company's annual report on Form 10-K for the year ended December 31, 1994.
- 10.3 Loan agreement dated February 14, 1990 between Bel Fuse, Ltd. (as lender) and Luen Fat Lee Electronic Factory (as borrower). Incorporated by reference to Exhibit 10.3 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995.
- 10.4 Stock Option Plan. Incorporated by reference to Exhibit 28.1 of the Company's Registration Statement on Form S-8 (Registration No. 33-53462) filed with the Securities and Exchange Commission on October 20, 1992.
- 10.5 Employment agreement between Elliot Bernstein and Bel Fuse Inc. dated October 29, 1997. Incorporated by reference to Exhibit 10.7 of the Company's Annual Report on Form 10-K for the year ended December 31, 1997.

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Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K
(continued)

Exhibit No.:

- 10.6 Agreement for the Purchase and Sale of Assets by and among Lucent Technologies Inc. and Lucent Technologies Maquiladoras Inc. (each as Seller) and BelFuse Inc. (Buyer) dated October 9, 1998. Incorporated by reference to Exhibit 2.1 of the Company's Report on Form 8-K dated October 17, 1998.
- 11.1 A statement regarding the computation of earnings per share is

omitted because such computation can be clearly determined from the material contained in this Annual Report on Form 10-K.

- 22.1 Subsidiaries of the Registrant.
- 23.1 Consent of Independent Auditors.
- 27.1 Financial Data Schedule.

(c) Reports on Form 8-K

On October 17, 1998, the Company filed a report on Form 8-K describing (under Items 2 and 7) the acquisition of certain assets of Lucent Technologies Inc.'s ("Lucent") signal transformer business, a part of Lucent's Power Systems manufacturing operations, for approximately \$27 million in cash. The purchase price was paid from cash on hand.

On December 16, 1998, the Company filed a report on Form 8-K/1 amending Item 7 on Form 8-K dated October 17, 1998 to file certain historical and proforma financial statements.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

BEL FUSE, INC.

BY: /s/ DANIEL BERNSTEIN

Daniel Bernstein, President

Dated: March 29, 1999

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

Signature -----	Title -----	Date ----
/s/ ELLIOT BERNSTEIN ----- Elliot Bernstein	Chairman of the Board and Director (Principal Executive Officer)	March 29, 1999
/s/ DANIEL BERNSTEIN ----- Daniel Bernstein	President, (Principal Financial and Account- ing Officer) and Director	March 29, 1999
/s/ HOWARD B. BERNSTEIN ----- Howard B. Bernstein	Director	March 29, 1999
/s/ ROBERT H. SIMANDL ----- Robert H. Simandl	Director	March 29, 1999
/s/ PETER GILBERT ----- Peter Gilbert	Director	March 29, 1999

/s/ JOHN TWEEDY Director

John Tweedy

March 29, 1999

/s/ JOHN JOHNSON Director

John Johnson

March 29, 1999

Subsidiaries of Bel Fuse Inc.

Name -----	Jurisdiction of Incorporation -----
Bel Fuse Limited	Hong Kong
Bel Fuse Macau LDA	Macau
Bel Hybrids and Magnetics Inc.	Indiana
Bel Delaware LLC	Delaware
Bel Fuse Europe Ltd.	United Kingdom
Bel Magnetics Ltd.	Texas
Bel Fuse America Inc.	Delaware
Bel Fuse Delaware Inc.	Delaware
Bel Fuse California Inc.	Delaware

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BEL FUSE INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Column A -----	Column B -----	Column C -----	Column D -----	Column E -----	Column F -----
Description -----	Balance at Beginning of period -----	Additions -----		Deductions (describe) -----	Balance at close of period -----
		(1) Charged to profit and loss or income -----	(2) Charged to other accounts (describe) -----		
Year ended December 31, 1998					
Allowance for doubtful accounts	\$227,000 =====	\$ 90,000 =====	\$ -- =====	\$ -- =====	\$317,000 =====
Allowance for excess and obsolete inventory	\$522,000 =====	\$242,000 =====	\$ -- =====	\$ -- =====	\$764,000 =====
Year ended December 31, 1997					
Allowance for doubtful accounts	\$195,000 =====	\$ 32,000 =====	\$ -- =====	\$ -- =====	\$227,000 =====
Allowance for excess and obsolete inventory	\$100,000 =====	\$422,000 =====	\$ -- =====	\$ -- =====	\$522,000 =====
Year ended December 31, 1996					
Allowance for doubtful accounts	\$155,000 =====	\$ 40,000 =====	\$ -- =====	\$ -- =====	\$195,000 =====
Allowance for excess and obsolete inventory	\$141,000 =====	\$600,000 =====	\$ -- =====	\$641,000 (a) =====	\$100,000 =====

(a) Write offs.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statements (2-93572, 33-45809 and 33-53462) on Forms S-8 of Bel Fuse Inc. of our report dated March 19, 1999 appearing in this Annual Report on Form 10-K of Bel Fuse Inc. for the year ended December 31, 1998.

DELOITTE & TOUCHE LLP

March 26, 1999
New York, New York

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM BEL FUSE INC. AND SUBSIDIARIES FINANCIAL STATEMENTS AT DECEMBER 31, 1998 AND THE TWELVE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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