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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 (Fee Required)

For the Fiscal Year Ended December 31, 1996

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. []

Aggregate market value of voting stock held by non-affiliates as of March
15, 1997 was approximately \$52,903,541 (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, 1997: 5,073,195

Documents incorporated by reference:

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Bel Fuse Inc.'s Definitive Proxy Statement for the 1997 Annual Meeting
of Stockholders is incorporated by reference into Part III.
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BEL FUSE INC.

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PART I

ITEM 1. BUSINESS

GENERAL

Bel Fuse Inc. (the "Company"), organized under New Jersey law, 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.

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. Although applications tend to overlap, the magnetic components manufactured by the Company fall into three major groups:

1. PULSE TRANSFORMERS

These small transformers offer the end user an inexpensive method to provide isolation, impedance matching, and removal of DC from a data signal. The major customers are manufacturers of network and telecommunications hardware such as Ethernet, Fast Ethernet, ATM, ISDN, T1, E1, E3, CEPT, Modems and xDSI.

2. DELAY LINES, FILTERS AND DC/DC CONVERTERS

These components are primarily supplied to the same customer base as pulse transformers. They are densely packaged combinations of wire-wound components and other passive and active components such as capacitors, resistors and silicon integrated circuits (IC's). They perform the functions of timing, signal conditioning and power conversion.

3. POWER TRANSFORMERS, LINE CHOKES, COILS

The basic functions of power transformers include AC voltage conversion and isolation. Power transformers convert the power from the supply line to the supply circuitry of a given electronic instrument such as a telecommunications application, TV set-top box, computer, add in card, or peripheral. Generally these products include a switchmode or flyback power supply transformer, various DC filtering inductors and line chokes used to block the conducted and radiated emissions of power supplies.

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PACKAGED MODULES AND THICK FILM HYBRIDS

The Company supplies packaged modules to end users in several other industries 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 world-wide market. They are used in such products as televisions, VCR's, power supplies, computers, telephones and networking assemblies.

MARKETING

The Company sells its products to approximately 500 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 regional sales personnel throughout the world. As of December 31, 1996, the Company had a sales staff of 24 persons that supported 42 sales representative organizations and 9 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 or are shipped directly to 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 three customers who manufacture electronic equipment in excess of ten percent of 1996 consolidated sales. The amounts and percentage of consolidated sales were approximately \$12,853,000 (19.6%), \$7,313,000 (11.2%) and \$6,670,000 (10.2%), respectively.

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RESEARCH AND DEVELOPMENT

The Company's research and development efforts in 1996 were spread amongst all of the Company's current product groups. The Company maintains continuing programs to improve the reliability of its products and to design specialized assembly equipment to increase manufacturing efficiencies. The Company's research and development facilities are located in California, Indiana, and Hong Kong. Research and development costs amounted to \$3,529,000 in 1996.

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 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.

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 25, 1997 was approximately \$19.5 million, as compared with a backlog of \$28.0 million as of February 29, 1996. Management expects that all but \$4 million of the Company's backlog as of February 25, 1997 will be shipped by December 31, 1997.

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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 six U.S. registered trademarks -- BELIMITER, BELFUSE, BEL, SLO-BEL, MICROBEL 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 "Managements' Discussion and Analysis of Financial Condition and Results of Operations".

EMPLOYEES

As of December 31, 1996, the Company had 832 full-time employees. The Company employed 84 people in its U.S. facilities and 748 throughout the rest of the world excluding workers employed 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, and (e) the Company's reliance on certain substantial customers. Such factors, as well as shortfalls in the Company's results of operations as compared with analysts' expectations, capital market conditions and general and economic conditions, may also cause substantial volatility in the market price of the Company's Common Stock.

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ITEM 2. PROPERTIES

The Company currently occupies approximately 265,000 square feet of manufacturing, warehouse, office, technical and staff quarter space worldwide. The Company has additional production processing arrangements with subcontractors 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 and Indiana in the U.S.A. and in the United Kingdom in Europe. During March, 1996 the Company's office in France was closed. The Company also owns an idle facility of 46,300 square feet in Illinois. Approximately 68% of the 265,000 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

In March 1996, legal proceedings were commenced in New York State Supreme Court and New Jersey Superior Court relating to a claim by Peers & Co., a former investment banker of the Company, seeking certain fees in connection with the Company's acquisition of common stock of Pulse Engineering, Inc. ("Pulse") and the subsequent acquisition of Pulse by Technitrol, Inc. This claim was settled during December, 1996. The settlement did not have a material impact on the Company's financial statements.

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 1996.

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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.

Positions and Offices

Name and Age -----	Officer Since -----	With the Company/ Business Experience -----
Elliot Bernstein, 73	1954	Chairman of the Board, Chief Executive Officer and Director
Daniel Bernstein, 43	1985	President, Managing Director of the Company's Macau Subsidiary and Director
Robert H. Simandl, 68	1967	Secretary and Director
Arnold Sutta, 70	1985	Vice President
Peter Christoffer, 55	1986	Vice President
Colin Dunn, 52	1992	Vice President and Treasurer
Joseph Meccariello, 46	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 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, Counsellor 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 supervised the engineering and production of thick film hybrids 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

The Company's common stock, par value \$.10 per share (the "Common Stock"), is 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 -----
Year Ended December 31, 1995:		
First Quarter.....	\$ 9 1/2	\$ 7 3/4
Second Quarter.....	12 1/2	8 1/4
Third Quarter.....	14 1/4	11
Fourth Quarter.....	13 1/4	10 3/8
Year Ended December 31, 1996:		
First Quarter.....	\$20 1/4	\$10 1/2
Second Quarter.....	22 1/8	15 1/4
Third Quarter.....	17	8 1/4
Fourth Quarter.....	14 1/8	10 1/4

The Common Stock is reported under the symbol BELF in the NASDAQ National Market.

(b) HOLDERS

As of March 21, 1997, there were 249 registered shareholders of the Company's Common Stock plus an estimated 3,729 beneficial shareholders.

(c) DIVIDENDS

The Company has not paid any cash dividends and has no current plans to pay any such dividends. There are no contractual restrictions on the Company's ability to pay dividends.

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ITEM 6. SELECTED FINANCIAL DATA

	Years Ended December 31,				
	1996 -----	1995 -----	1994 -----	1993 -----	1992 -----
	(In thousands of dollars, except per share data)				

Selected Statements of Operations Data:

Net sales	\$65,458	\$70,706	\$45,747	\$47,460	\$50,354
Cost of sales	46,539	50,590	36,349	32,711	31,726
Selling, general and administrative expenses	11,494	12,554	11,458	11,338	10,181
Gain on sale of building - net	--	--	--	--	11,410
Other income - net (a)	2,306	1,758	--	--	--
Earnings (loss) before income taxes	9,731	9,320	(1,761)	4,005	20,132
Income tax provision (benefit)	1,925	1,222	(203)	222	1,204
Net earnings (loss)	7,806	8,098	(1,558)	3,783	18,928
Earnings (loss) per common share	1.54	1.62	(.32)	.77	3.88

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

As of December 31,				
1996	1995	1994	1993	1992
(In thousands of dollars, except per share data)				

Selected Balance Sheet Data:

Working capital.....	\$36,873	\$28,644	\$22,670	\$27,875	\$26,966
Total assets.....	71,614	64,475	51,653	53,122	50,005
Stockholders' equity.....	63,399	55,889	45,926	48,270	44,423
Book value per share.....	12.50	11.06	9.25	9.78	9.04

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ITEM 7. MANagements' 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 imply 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,		
	1996	1995	1994
Net sales.....	100.0%	100.0%	100.0%
Cost of sales.....	71.1	71.5	79.5
Selling, general and administrative expenses.....	17.6	17.8	25.0
Other income, net of interest expense.....	3.5	2.5	.7
Earnings (loss) before income taxes.....	14.9	13.2	(3.8)
Income tax provision (benefit).....	2.9	1.7	(.4)
Net earnings (loss).....	11.9	11.5	(3.4)

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 (Decrease) from Prior Period	
	1996 Compared with 1995	
	1995 Compared with 1994	
Net sales.....	(7.4)%	54.6%
Cost of sales.....	(8.0)	39.2
Selling, general and administrative expenses...	(8.4)	9.6

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SALES

Net sales decreased 7.4% from 1995 to 1996 from approximately \$70.7 million to \$65.5 million. The Company attributes this decrease primarily to a general softening in the market place during the second and third quarters of 1996 as previously disclosed and the elimination of certain low margin products.

Net sales increased 54.6% from 1994 to 1995 from approximately \$45.7 million to \$70.7 million. The Company attributes this increase primarily to strong demand from OEM customers for Network products and increased sales to the automotive industry. Increased Network sales are due to a greater focus by the Company on certain key OEM accounts and sales growth resulting from improvements in the Company's engineering service and support to major OEM customers.

COST OF SALES

Cost of sales as a percentage of net sales decreased .4% from 71.5% in 1995 to 71.1% in 1996. The decrease in the cost of sales percentage is primarily attributable to lower material content associated with the current sales mix and the elimination of certain low margin products. The Company regularly reviews its inventory for slow moving, obsolete and overstocked inventory. The Company generally uses the direct write-off method for such inventory except for items that have a high scrap value or overstocked positions, where the reserve method is generally used. As at December 31, 1996 the inventory reserve for those items was approximately \$100,000.

Cost of sales as a percentage of net sales decreased 8% from 79.5% in 1994 to 71.5% in 1995. The decrease in the costs of sales percentage is primarily attributable to increased sales, which resulted in better absorption of indirect labor costs and overhead and the move to lower cost manufacturing facilities in the Far East. These factors were offset in part by higher material content associated with the manufacture of packaged modules.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The percentage relationship of selling, general and administrative expenses to net sales remained relatively constant for the year 1996 compared to the year 1995. Selling, general and administrative expenses decreased in dollar amount by 8.4%. The Company attributes the decrease in dollar amount of such expenses primarily to accrued severance amounts principally associated with the closing of the Company's sales office in France during 1995 along with the Company's continued cost containment measures during 1996.

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SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Continued)

The percentage relationship of selling, general and administrative expenses to net sales decreased 7.2% to 17.8% in 1995 from 25.0% in 1994. The Company attributes the decrease primarily to the increase in sales. Selling, general and administrative expenses increased in dollar amount by 9.6%. The Company attributes the increase in the dollar amount of such expenses primarily to increases in commission and other sales related expenses, due to increased sales, accrued severance amounts principally associated with the closing of the Company's sales office in France and increases in administrative salaries and related office expenses. During 1994, the Company incurred a \$1,190,000 charge related to severance costs and moving expenses associated with a move to lower cost production facilities.

OTHER INCOME AND EXPENSES; GAIN ON SALE

Other income consisting of net realized gains on the sale of marketable securities and interest and dividends earned on marketable securities and on cash equivalents, increased by \$544,374 or 30.9%, in 1996 from 1995. The increase is primarily due to the gain on the sale of 112,485 shares of Technitrol, Inc. common stock and to higher earnings on invested funds due to higher average balances in 1996 compared to 1995, offset in part by a loss on

other marketable securities.

Other income increased by approximately \$1,457,000 in 1995 from 1994. The increase is primarily due to the Company's realizing approximately \$1,483,000 of gains from the partial liquidation of the Company's investment in Pulse's common stock upon Pulse's acquisition by Technitrol, Inc. in September, 1995 offset in part by losses on the sale of other marketable securities.

PROVISION FOR INCOME TAXES

The Company has historically followed a practice of reinvesting substantially all of the earnings of foreign subsidiaries in the expansion of its foreign operations. If the unrepatriated funds 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 funds were repatriated during 1996, 1995 or 1994. (See Note 5 of Notes to Consolidated Financial Statements).

The provision for income taxes for 1996 was \$1,925,000 as compared to \$1,222,000 in 1995. This increase is due primarily to the higher pretax earnings, including the gain on the sale of the Technitrol, Inc. common stock, for the year 1996 versus 1995. The 1995 provision for income taxes was reduced by the use of a net operating loss carryforward which was no longer available in 1996.

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PROVISION FOR INCOME TAXES (Continued)

The income tax provision was \$1,222,000 in 1995 as compared to a benefit of \$203,000 in 1994. The Company attributes this change primarily to the earnings before income tax provision in 1995 versus a loss before income tax provision in 1994. The utilization of United States and Far East net operating loss carryforward and general business credits in the United States in 1995 reduced income taxes by approximately \$577,000.

The Company's effective tax rate has been lower than the statutory United States corporate rate primarily as a result of lower rates in Hong Kong and Macau. In 1995 the tax rate was impacted by the utilization of net operating loss carryforward in the United States, Hong Kong and Macau and the utilization of general business credits in the United States. During 1996 and 1994 there was no utilization of a net operating loss carryforward.

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.

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 fund its operations for the near term.

The Company has lines of credit, all of which were unused at December 31, 1996, in the aggregate amount of \$7,000,000, of which \$5,000,000 is from domestic banks and \$2,000,000 is from foreign banks.

During 1996, the Company's cash increased by \$15.2 million, reflecting \$14.3 million provided by operating activities, \$6.3 million from the sale of marketable securities and \$3.3 million from contractor repayments and proceeds from the exercise of stock options offset in part by \$3.0 million in purchases of marketable securities and \$2.7 million in purchases of plant and equipment.

The Company has historically followed a practice of reinvesting the earnings of foreign subsidiaries in The Far East. If the unrepatriated funds

were distributed to the parent corporation, such funds would be subject to United States federal income taxes. No funds were repatriated during 1996 or 1995.

The Company's shareholders' equity increased by \$7.5 million from December 31, 1995, reflecting the Company's net earnings of \$7.8 million, the exercise of incentive stock options and the utilization for U.S. tax purposes of incentive stock option deductions of \$169,000, offset by a decrease of \$458,000 in net unrealized gains on marketable securities.

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LIQUIDITY AND CAPITAL RESOURCES (Continued)

Cash, accounts receivable and marketable securities comprised approximately 49.4% and 39.7% of the Company's total assets at December 31, 1996 and 1995, respectively. The Company's working capital ratio (i.e., the ratio of current assets to current liabilities) was 5.9 to 1 and 4.6 to 1 at December 31, 1996 and 1995, respectively.

ACCOUNTING STANDARDS

For information regarding certain recently promulgated accounting standards, see Note 1 of the Notes to the Company's Consolidated Financial Statements.

OTHER MATTERS

The territories of Hong Kong and Macau will revert to the People's Republic of China pursuant to long-term land leases which expire in the middle of 1997 and the end of 1999, respectively. 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 52% 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 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 paragraph as well as those set forth under "Business--Risks and Uncertainties" in this Form 10-K.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY 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, 1996 and 1995, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. 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 presents fairly, in all material respects, the financial position of Bel Fuse Inc. and its subsidiaries at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 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, present fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP

March 4, 1997
New York, New York

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	December 31,	
	1996	1995
Current Assets:		
Cash and cash equivalents	\$23,498,491	\$ 8,343,925
Marketable securities (Note 2)	2,981,020	5,556,740
Accounts receivable - less allowance for doubtful accounts of \$195,000 and \$155,000	8,866,440	11,705,344
Inventories (Note 3)	8,411,540	10,799,731
Prepaid expenses and other current assets (Note 9)	479,012	239,511
Deferred income taxes	101,000	-
Total Current Assets	44,337,503	36,645,251
Property, plant and equipment - net (Notes 4 and 9)	26,321,014	26,662,351
Other assets (Note 9)	955,491	1,168,072
TOTAL ASSETS	\$71,614,008	\$64,475,674
	=====	=====

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	December 31,	
	1996	1995
Current Liabilities:		
Accounts payable	\$ 3,297,825	\$ 3,374,433
Accrued expenses	3,846,626	4,049,366
Income taxes payable (Note 5)	320,460	539,924
Deferred income taxes	--	38,000
Total Current Liabilities	7,464,911	8,001,723
Deferred income taxes (Note 5)	750,000	584,000
Total Liabilities	8,214,911	8,585,723
Commitments and Contingencies (Notes 5, 6, 7, 8 and 9)		
Stockholders' Equity (Note 8):		
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		
5,070,820 and 5,051,445 shares	507,082	505,145
Additional paid-in capital	6,978,900	6,811,900
Retained earnings	55,920,836	48,115,306
Net unrealized gain on		
marketable securities (Note 2)	--	457,600
Cumulative currency translation		
adjustment	(7,721)	--
Total Stockholders' Equity	63,399,097	55,889,951
TOTAL LIABILITIES AND STOCKHOLDERS'		
EQUITY	\$71,614,008	\$64,475,674
	=====	=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	1996	1995	1994
Net sales	\$65,457,521	\$70,706,311	\$45,746,724
Costs and Expenses:			
Cost of sales	46,539,465	50,590,056	36,349,461
Selling, general and			
administrative	11,493,869	12,554,649	11,458,246
	58,033,334	63,144,705	47,807,707
Income (loss) from			
operations	7,424,187	7,561,606	(2,060,983)
Other income (net)	2,306,896	1,762,522	306,477
Interest expense	553	4,053	6,553
Earnings (loss) before			
income taxes	9,730,530	9,320,075	(1,761,059)
Income tax provision			
(benefit) (Note 6)	1,925,000	1,222,000	(203,000)
Net earnings (loss)	\$ 7,805,530	\$ 8,098,075	\$ (1,558,059)
Earnings (loss) per			
common share	\$ 1.54	\$ 1.62	\$ (.32)
Weighted average number			
of common shares outstanding	5,063,776	5,010,778	4,947,060

See notes to consolidated financial statements.

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

	Common Stock		Additional Paid-in Capital	Retained Earnings	Net Unrealized Gain (Loss) on Marketable Securities	Cumulative Currency Translation Adjustment	Total
	Shares Outstanding	Par Value					
Balance, January 1, 1994	4,934,288	\$493,429	\$6,201,682	\$41,575,290	\$ --	\$	\$48,270,401
Exercise of stock options	30,907	3,091	87,305	--	--		90,396
Net unrealized loss on marketable securities	--	--	--	--	(876,647)		(876,647)
Net (loss)	--	--	--	(1,558,059)	--		(1,558,059)
Balance, December 31, 1994	4,965,195	496,520	6,288,987	40,017,231	(876,647)		45,926,091
Exercise of stock options	86,250	8,625	301,913	--	--		310,538
Tax benefits arising from the non-qualified dispositions of incentive stock options	--	--	221,000	--	--		221,000
Net unrealized gain on marketable securities	--	--	--	--	1,334,247		1,334,247
Net earnings	--	--	--	8,098,075	--		8,098,075
Balance, December 31, 1995	5,051,445	505,145	6,811,900	48,115,306	457,600		55,889,951
Exercise of stock options	19,375	1,937	125,000	--	--		126,937
Tax benefits arising from the non-qualified dispositions of incentive stock options	--	--	42,000	--	--	--	42,000
Net unrealized gain on marketable securities	--	--	--	--	(457,600)		(457,600)
Cumulative currency translation adjustment	--	--	--	--	--	(7,721)	(7,721)
Net earnings	--	--	--	7,805,530	--	--	7,805,530
Balance, December 31, 1996	5,070,820	\$507,082	\$6,978,900	\$55,920,836	\$ --	\$ (7,721)	\$63,399,097

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	1996	1995	1994
Cash flows from operating activities:			
Net income (loss)	\$ 7,805,530	\$ 8,098,075	\$ (1,558,059)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,995,967	2,955,181	2,619,083
Deferred income taxes	389,000	50,000	(374,000)
Tax effect of non-qualifying disposition of incentive stock options	42,000	221,000	-
Net (gain) loss on sale of marketable securities	(1,265,710)	(1,359,343)	134,743
Provision for doubtful accounts	40,000	85,000	16,175
Loss on disposal/abandonment of property and equipment	9,926	74,805	167,094
Changes in operating assets and liabilities	4,261,263	(3,089,366)	(1,791,443)
Net Cash Provided by (used in) Operating Activities	14,277,976	7,035,352	(786,407)
Cash flows from investing activities:			

Purchase of property, plant and equipment	(2,675,352)	(7,444,915)	(6,318,700)
Purchase of marketable securities	(2,981,020)	(1,329,414)	(4,924,030)
Proceeds from sale of marketable securities	6,259,657	7,140,470	5,545,242
Proceeds from sale of equipment	31,330	-	807,764
Proceeds from repayment by contractors	122,759	89,000	29,000
	-----	-----	-----
Net Cash Provided by (used in) Investing Activities	757,374	(1,544,859)	(4,860,724)
	-----	-----	-----

(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,		
	1996	1995	1994
	-----	-----	-----
Cash flows from financing activities:			
Proceeds from exercise of stock options	126,937	310,538	90,396
Proceeds from borrowings	-	-	300,000
Repayment of borrowings	-	(300,000)	(3,139)
	-----	-----	-----
Net Cash Provided by Financing Activities	126,937	10,538	387,257
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents.....	(7,721)	-	-
	-----	-----	-----
Net Increase (Decrease) in Cash and Cash Equivalents	15,154,566	5,501,031	(5,259,874)
Cash and Cash Equivalents - beginning of year	8,343,925	2,842,894	8,102,768
	-----	-----	-----
Cash and Cash Equivalents - end of year	\$23,498,491	\$8,343,925	\$ 2,842,894
	=====	=====	=====

(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,		
	1996	1995	1994
Changes in operating assets and liabilities consist of:			
(Increase) decrease in accounts receivable	\$2,798,904	(3,710,373)	(2,033,279)
(Increase) decrease in inventories	2,388,191	(2,033,528)	61,742
(Increase) decrease in prepaid expenses and other current assets	(364,171)	631,253	(836,351)
Decrease in other assets	191,236	80,405	63,703
Increase (decrease) in accounts payable	(76,608)	203,025	1,910,315
Increase (decrease) in accrued expenses	(456,825)	1,199,928	(957,573)
Increase (decrease) in income taxes payable	(219,464)	539,924	-
	\$4,261,263	\$ (3,089,366)	\$ (1,791,443)
Supplementary information:			
Cash paid during year for:			
Interest	\$ 553	\$ 5,828	\$ 4,778
Income taxes	\$1,712,013	\$ 428,834	\$ 680,783
Supplemental disclosure of non-cash investing and financing activities:			
Unrealized (gain) loss on marketable securities	\$ (457,600)	\$ (1,334,247)	\$ 876,647

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") 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 AND 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.

MARKETABLE SECURITIES - The Company classifies its investments in debt and equity securities as "available for sale", and accordingly, reflects unrealized gains and losses, net of deferred income taxes, as a separate component of

stockholders' equity.

The fair values of marketable securities are estimated based on quoted market prices. Realized gains or losses from the sales of marketable securities are based on the specific identification method.

CONCENTRATION OF CREDIT RISK - Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable, temporary cash investments and 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 and 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.

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, certain expenses which have been deducted for financial reporting purposes which are not currently deductible for income tax purposes and taxes on unrealized gains on marketable securities.

LONG-LIVED ASSETS - Effective January 1, 1996, the Company adopted Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets for Long-Lived Assets to be Disposed of". This Statement establishes accounting standards for the measurement of the impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets. This Statement requires that an asset to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Long-lived assets are assessed for recoverability on an ongoing basis. In evaluating the value and future benefits of long-lived assets, the carrying value would be reduced by the excess, if any, of the long-lived assets over management's estimates of the anticipated undiscounted future net cash flows of the related asset. The adoption of this Statement did not have a material effect on the Company's financial position or results of operations.

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 for pro forma net income and earnings per share.

EARNINGS (LOSS) PER COMMON SHARE - Earnings (loss) per common share are computed using the weighted average number of common shares outstanding during the year. The dilutive effect of outstanding options were not material in 1996 and 1995 and were not considered in 1994 as their effect was antidilutive.

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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)

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. The fair value of marketable securities are based on quoted market prices, or based on bid prices for the principal only strips.

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

2. MARKETABLE SECURITIES

	Amortized Cost	Estimated Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
	-----	-----	-----	-----
December 31, 1996:				
U.S. Government				
agencies	\$2,000,211	\$2,000,211	\$ --	\$ --
Commercial paper	980,809	980,809	--	--
	-----	-----	-----	-----
	\$2,981,020	\$2,981,020	\$ --	\$ --
	=====	=====	=====	=====
December 31, 1995:				
Municipalities	\$1,329,414	\$1,325,576	\$ --	\$ (3,838)
U.S. Government agencies				
- collateralized				
mortgage				
obligations (1)	987,716	779,180	--	(208,536)
Equities:				
Common stock (2)	1,678,638	3,185,434	1,636,300	(129,504)
Preferred stock	319,212	266,550	--	(52,662)
	-----	-----	-----	-----
	\$4,314,980	\$5,556,740	\$1,636,300	\$ (394,540)
	=====	=====	=====	=====

(1) Includes principal only strips valued at amortized cost of \$987,716 and an estimated fair value of \$779,180 at December 1995.

(2) Includes 112,485 shares of Technitrol, Inc. common stock at a cost of \$945,120.

Gross realized gains were \$1,956,597 in 1996 (\$1,510,815 in 1995 and \$34,964 in 1994). Gross realized losses were \$690,887 in 1996 (\$151,472 in 1995 and \$169,707 in 1994).

All debt securities at December 31, 1996 mature prior to December 31, 1997.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3. INVENTORIES

	December 31,	
	1996	1995
Raw materials	\$ 5,718,079	\$ 7,059,330
Work in process	89,660	191,518
Finished goods	2,603,801	3,548,883
	<u>\$ 8,411,540</u>	<u>\$10,799,731</u>
	=====	=====

4. PROPERTY, PLANT AND EQUIPMENT

	December 31,	
	1996	1995
Land	\$ 835,218	\$ 835,218
Buildings and improvements	13,510,703	13,481,550
Machinery and equipment	32,856,003	30,379,639
Idle property held for sale	935,000	935,000
	<u>48,136,924</u>	<u>45,631,407</u>
Less accumulated depreciation	<u>21,815,910</u>	<u>18,969,056</u>
	<u>\$26,321,014</u>	<u>\$26,662,351</u>
	=====	=====

Depreciation expense for the years ended December 31, 1996, 1995 and 1994 was \$2,974,622, \$2,933,835, and \$2,597,735, respectively.

5. INCOME TAXES

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

	Years Ended December 31,		
	1996	1995	1994
Current:			
Federal	\$ 931,000	\$ 654,000 (a)	\$ --
Foreign	540,000	464,000 (b)	162,000
State	65,000	54,000	9,000
	<u>1,536,000</u>	<u>1,172,000</u>	<u>171,000</u>
Deferred:			
Federal	268,000	(195,000)	-
Foreign	121,000	245,000	(374,000)
	<u>389,000</u>	<u>50,000</u>	<u>(374,000)</u>
	<u>\$1,925,000</u>	<u>\$1,222,000</u>	<u>\$ (203,000)</u>
	=====	=====	=====

(a) Reduced by \$177,000 for utilization of a net operating loss carryforward and \$175,000 of tax credits carryforwards.

(b) Reduced by \$224,000 for utilization of a net operating loss carryforward.

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,		
	1996	1995	1994
Tax provision (benefit) computed at the Federal statutory rate....	\$ 3,309,000	\$ 3,169,000	\$ (599,000)
Increase (decrease) in taxes resulting from:			
Lower tax rates applicable to foreign operations	(1,349,000)	(1,356,000)	--
Utilization of Federal and foreign net operating loss carryforward and various Federal tax credits	--	(576,000)	--
Effect of unused U.S. tax losses	--	--	163,000
Effect of unused foreign tax losses	--	--	107,000
Other, net	(35,000)	(15,000)	126,000
	\$ 1,925,000	\$ 1,222,000	\$ (203,000)
	=====	=====	=====

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,			
	1996		1995	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Depreciation	\$4,420,000	\$ 750,000	\$3,780,000	\$ 585,000
Net operating loss carryforward	--	--	(904,000)	(252,000)
Net unrealized gain (loss) on marketable securities	--	--	895,000	304,000
Other temporary differences	(297,000)	(101,000)	(786,000)	(267,000)
Valuation allowances (1)	--	--	904,000	252,000
	\$4,123,000	\$ 649,000	\$3,889,000	\$ 622,000
	=====	=====	=====	=====

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BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. INCOME TAXES (Continued)

(1) Valuation allowances relate to net operating losses in foreign countries as the realization of this deferred tax benefit is not more than likely. Such net operating losses expired in 1996 associated with the closing of a foreign facility.

It is management's intention to permanently reinvest a substantial portion of the earnings of foreign subsidiaries in the expansion of its foreign operations. No funds were repatriated during 1996, 1995 or 1994. Unrepatriated earnings, upon which income taxes have not been accrued, amounted to approximately \$51,570,000 at December 31, 1996. The related amount of income taxes would approximate \$12,165,000.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. OPERATIONS IN GEOGRAPHIC AREAS, FOREIGN OPERATIONS AND EXPORT SALES

	United States -----	Foreign Countries(1) -----	Adjustments and Eliminations -----	Consolidated -----
1996				
- ----				
Sales to unaffiliated customers	\$41,538,256	\$23,919,265	\$ -	\$65,457,521
Transfers between geographic areas	4,356,898	30,148,968	(34,505,866)	-
	-----	-----	-----	-----
Total Revenues	\$45,895,154	\$54,068,233	\$ (34,505,866)	\$65,457,521
	=====	=====	=====	=====
Operating income	\$ 1,500,248	\$ 5,923,939	\$ -	\$ 7,424,187
	=====	=====	=====	=====
Identifiable assets as at December 31, 1996	\$21,716,125	\$59,458,585	\$ (9,560,702)	\$71,614,008
	=====	=====	=====	=====
1995				
- ----				
Sales to unaffiliated customers	\$44,702,623	\$26,003,688	\$ -	\$70,706,311
Transfers between geographic areas	6,580,116	35,775,197	(42,355,313)	-
	-----	-----	-----	-----
Total Revenues	\$51,282,739	\$61,778,885	\$ (42,355,313)	\$70,706,311
	=====	=====	=====	=====
Operating income	\$ 1,155,081	\$ 6,406,525	\$ -	\$ 7,561,606
	=====	=====	=====	=====
Identifiable assets as at December 31, 1995	\$23,407,811	\$52,011,394	\$ (10,943,531)	\$64,475,674
	=====	=====	=====	=====
1994				
- ----				
Sales to unaffiliated customers	\$25,917,319	\$19,829,405	\$ -	\$45,746,724
Transfers between geographic areas	1,674,378	17,256,984	(18,931,362)	-
	-----	-----	-----	-----
Total Revenues	\$27,591,697	\$37,086,389	\$ (18,931,362)	\$45,746,724
	=====	=====	=====	=====
Operating (loss)	\$ (621,758)	\$ (1,439,225)	\$ -	\$ (2,060,983)
	=====	=====	=====	=====
Identifiable assets as at December 31, 1994	\$15,184,984	\$44,958,132	\$ (8,490,081)	\$51,653,035
	=====	=====	=====	=====

(1) Consist principally of operations in the Far East.

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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. Operating income (loss) represents total revenue less operating expenses. In computing operating income (loss), none of the following items have been included: interest income or expense, other income and income taxes.

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

The territories of Hong Kong and Macau will revert to the People's Republic of China pursuant to long-term land leases which expire in the middle of 1997 and the end of 1999, respectively. 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 52% 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 could have a material adverse effect on the Company.

The Company's research and development facilities are located in California, Indiana, and Hong Kong. Research and development costs amounted to \$3,529,000 in 1996, \$3,384,000 in 1995 and \$2,993,000 in 1994.

The Company had sales in excess of ten percent to customers who manufacture electronic equipment as follows: The amounts and percentages were approximately \$12,853,000 (19.6%), \$7,313,000 (11.2%) and \$6,670,000 (10.2%) in 1996; \$9,163,000 (13%) and \$8,606,000 (12%) in 1995 and \$4,602,000 (10%) in 1994.

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. The expense for the years ended December 31, 1996, 1995 and 1994 amounted to approximately \$136,000, \$137,000 and \$125,000, 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, 1996, 1995 and 1994 amounted to approximately \$267,000, \$311,000 and \$345,000, 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, 1996, the Fund owned 16,847 shares of Bel Fuse Inc. common stock.

8. STOCK OPTION PLAN

The Company has a Qualified Stock Option Plan (the "Plan") which provides for the granting to key employees of "Incentive Stock Options" within the meaning of Section 422 of the Internal Revenue Code of 1954, as amended. The Plan provides for the issuance of 700,000 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 no option will be exercisable after five years from the date granted. 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 1996 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:

Net earnings - as reported	\$7,805,530
Net earnings - pro forma	\$7,667,434
Earnings per share - as reported	\$1.54
Earnings per share - pro forma	\$1.51

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 1996: dividends yield of -0-%, expected volatility of 52%, risk-free interest rate of 5.1%, and expected lives of 6 years.

On May 26, 1994, the Company cancelled 103,500 options to employees exercisable at \$9.125 to \$9.75 per share and regraded them at an option price of \$6.50 per share (market value at May 26, 1994). On May 26, 1994, the Company granted options to employees covering 43,000 shares at option prices of \$6.50 to \$7.00 per share and on September 27, 1994, 40,000 options to officers of the Company at an option price of \$7.70 per share.

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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 1996, 1995 and 1994 is as follows:

	1996		1995		1994
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares
Options outstanding, beginning of year	142,000	\$6.92	242,750	\$5.73	203,782
Options exercised	(19,375)	6.55	(86,250)	3.60	(30,907)
Options granted	71,000	14.00	-	-	186,500
Options cancelled	(7,625)	8.59	(14,500)	3.60	(116,625)
Options outstanding, end of year	186,000	\$9.59	142,000	\$6.92	242,750

Options price range	=====	=====	=====	=====	=====
at end of year	\$6.50 to \$14.00		\$3.75 to \$7.70	-	\$2.34 to \$7.70
Option price range for					
exercised shares	\$3.75 to \$7.00		\$2.34 to \$7.00	-	\$2.34 to \$3.75
Options available for					
grant at end of year	155,000		218,375	-	203,875
Weighted-average fair value					
of options, granted during					
the year	\$7.78	\$ -	\$ -	\$ -	\$ -

The following table summarizes information about fixed-price stock options outstanding at December 31, 1996:

Range of Exercise Prices -----	Number Outstanding at December 31, 1996 -----	Weighted- Average Remaining Contractual Life -----	Weighted Average Exercise Price -----	Number Exercisable at December 31, 1996 -----	Weighted- Average Exercise Price -----
\$ 6.50 to \$ 7.70	117,000	3 years	\$ 7.00	41,000	\$ 7.16
\$14.00	69,000	5 years	\$14.00	--	--
-----	-----			-----	-----
\$ 6.50 to \$14.00	186,000			41,000	
=====	=====			=====	

9. RELATED PARTY TRANSACTIONS

At December 31, 1996 accrued expenses includes compensation payable to the Company's President in the amount of \$100,000.

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BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. COMMITMENTS AND CONTINGENCIES

LEASES

The Company leases various facilities. Certain 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,	
1997		\$391,000
1998		287,000
1999		184,000
2000		65,000
Thereafter		55,000

		\$982,000
		=====

Rental expense was approximately \$442,000, \$474,000 and \$318,000 for the years ended December 31, 1996, 1995 and 1994, respectively.

CREDIT FACILITIES

The Company has two domestic unsecured lines of credit amounting to \$5,000,000 which was unused at December 31, 1996. The lines of credit are renewable annually.

The Company's Hong Kong subsidiary has an unsecured line of credit of

approximately \$2,000,000 which expires in August, 1997 and was unused at December 31, 1996. Borrowing on the line of credit is guaranteed by the U.S. parent.

PRODUCTION ARRANGEMENTS

The Company's Hong Kong subsidiary has an agreement with a contractor in the People's Republic of China for the assembly of electronic components. The Company advanced the contractor monies for the construction of a 50,000 square foot facility of which \$226,000 is outstanding at December 31, 1996. The Company is obligated to the contractor in the amount of approximately \$259,000 a year through 2003 for minimum labor charges which will be offset in part by the \$226,000 owed to the Company by the contractor.

LITIGATION

In March 1996, legal proceedings were commenced relating to a claim by a former investment banker of the Company seeking certain fees in connection with the Company's acquisition of common stock of Pulse Engineering, Inc. ("Pulse") and the subsequent acquisition of Pulse by Technitrol, Inc. This claim was settled during December, 1996. The settlement did not have a material impact on the Company's financial position or results of operations.

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

	March 31, 1996	June 30, 1996	September 30, 1996	December 31, 1996	Total Year Ended December 31, 1996
Net sales	\$17,262,328	\$16,143,604	\$14,426,471	\$17,625,118	\$65,457,521
Gross profit	5,221,978	4,820,460	3,805,931	5,069,687	18,918,056
Net earnings	2,232,909	2,186,273	1,231,936	2,154,412	7,805,530
Earnings per share (1)	\$.44	\$.43	\$.24	\$.42	\$1.54

	March 31, 1995	June 30, 1995	September 30, 1995	December 31, 1995	Total Year Ended December 31, 1995
Net sales	\$15,849,971	\$18,110,282	\$17,567,632	\$19,178,426	\$70,706,311
Gross profit	\$ 4,212,339	\$ 4,720,512	\$ 4,977,803	\$ 6,205,601	\$20,116,255
Net earnings	\$ 1,473,572	\$ 1,496,735	\$ 1,979,700	\$ 3,148,068	\$ 8,098,075
Earnings per share (1)	\$.30	\$.30	\$.39	\$.62	\$1.62

(1) Earnings per share is computed on a quarterly basis. The quarterly amounts of earnings per share may not agree to the total for the year.

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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 1997 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

The Company hereby incorporates by reference the applicable information from its definitive proxy statement for its 1996 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 1997 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 1997 Annual Meeting of Shareholders.

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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, 1996 and 1995	F-2 - F-3
Consolidated Statements of Operations for Each of the Three Years in the Period Ended December 31, 1996	F-4
Consolidated Statements of Stockholders' Equity for Each of the Three Years in the Period Ended December 31, 1996	F-5
Consolidated Statements of Cash Flows for Each of the Three Years in the Period Ended December 31, 1996	F-6 - F-8
Notes to Consolidated Financial Statements	F-9 - F-19
Selected Quarterly Financial Data - Years Ended December 31, 1996 and 1995 (Unaudited)	F-20
2. Financial statement schedules filed as part of this report:	
Schedule II: Valuation and Qualifying Accounts	S-1
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.

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ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES
AND REPORTS ON FORM 8-K (Continued)

Exhibit No.:

- 3.1 Certificate of Incorporation, as amended -- Incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1992.
- 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 Lease dated March 20, 1992 between the Company's Central Coil Company, Inc. subsidiary (as lessee) and lessor. -- Incorporated by reference to Exhibit 10.12 of the Company's Annual Report on Form 10-K for the year ended December 31, 1991.
- 10.5 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.
- 10.6 Contract for purchase of the new manufacturing and office space of the Company's Macau subsidiary located in Macau, dated May 4, 1993 between Fundicio e Construciones Mecanicas (Macau) S.A.R.L. (seller) and Accessorios Electronicos "Bel Fuse" Macau LDA (buyer) -- Incorporated by reference to Exhibit 10-11 of the Company's Annual Report on Form 10-K for the year ended December 31, 1993.

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ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES
AND REPORTS ON FORM 8-K (Continued)

Exhibit No.:

- 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) The Company did not file any reports on Form 8-K during the quarter ended December 31, 1996.

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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 28, 1997

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 28, 1997
/s/ DANIEL BERNSTEIN ----- Daniel Bernstein	President, (Principal Financial and Accounting Officer) and Director	March 28, 1997
/s/ HOWARD B. BERNSTEIN ----- Howard B. Bernstein	Director	March 28, 1997
/s/ ROBERT H. SIMANDL ----- Robert H. Simandl	Director	March 28, 1997
/s/ PETER GILBERT ----- Peter Gilbert	Director	March 28, 1997
/s/ JOHN TWEEDY -----	Director	March 28, 1997

John Tweedy

Director

March 28, 1997

John Johnson

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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 Fuse Acquisition Corporation	Delaware
Bel Fuse Europe Ltd.	United Kingdom

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, 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
	=====	=====	=====	=====	=====
Year ended December 31, 1995					
Allowance for doubtful accounts	\$ 70,000	\$ 85,000	\$ --	\$ --	\$155,000
	=====	=====	=====	=====	=====
Allowance for excess and obsolete inventory	\$ --	\$141,000	\$ --	\$ --	\$141,000
	=====	=====	=====	=====	=====
Year ended December 31, 1994					
Allowance for doubtful accounts	\$ 70,000	\$ 16,175	\$ --	\$ 16,175 (a)	\$ 70,000
	=====	=====	=====	=====	=====

(a) Write offs.

INDEPENDT 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 4, 1997 appearing in this Annual Report on Form 10-K of Bel Fuse Inc. for the year ended December 31, 1996.

/s/ DELOITTE & TOUCHE LLP
- -----
Deloitte & Touche LLP

March 26, 1997
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, 1996 AND THE TWELVE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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