FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1996

OR

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

For the transition period from ____________ to ___________

Commission file number: 0-11676

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
(Address of principal executive offices)
(Zip Code)

201-432-0463
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

At May 1, 1996, there were 5,054,445 shares of Common Stock, $.10 par value, outstanding.

BEL FUSE INC.

INDEX

		Page Number
Part I.	Financial Information	
Item 1.	Financial Statements	1
	Consolidated Balance Sheets as of March 31, 1996 (unaudited) and December 31, 1995	2 - 3
	Consolidated Statements of Operations for the Three Months Ended March 31, 1996 and 1995 (unaudited)	4
	Consolidated Statements of Cash Flows for the Three Months Ended March 31, 1996 and 1995 (unaudited)	5 - 6
	Notes to Consolidated Financial	

	Statements (unaudited)	7 - 8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	9 - 11
Part II.	Other Information	
Item 1.	Legal Proceedings	12
Item 6.	Exhibits and Reports on Form 8-K	12
Signatures		13

PART I. Financial Information

Item 1. Financial Statements

Certain information and footnote disclosures required under generally accepted accounting principles have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. It is suggested that the following consolidated financial statements be read in conjunction with the year-end consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1995.

The results of operations for the three month period ended March 31, 1996, are not necessarily indicative of the results to be expected for the entire fiscal year or for any other period.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 1996 (unaudited)	December 31, 1995
Current Assets:		
Cash and cash equivalents	$12,052,634	$ 8,343,925
Marketable securities	5,701,320	5,556,740
Accounts receivable, less allowance for doubtful accounts of $155,000	10,515,351	11,705,344
Inventories	10,406,607	10,799,731
Prepaid expenses and other current assets	524,833	239,511
Total Current Assets	39,200,745	36,645,251
Property, plant and equipment - net	26,369,821	26,662,351
Unamortized excess of cost over fair value of assets acquired	139,747	145,579
Other assets	960,677	1,022,493
TOTAL ASSETS	$66,670,990	$64,475,674

(Continued)

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 1996 (unaudited)	December 31, 1995
Current Liabilities:		
Accounts payable	$ 2,717,133	$ 3,374,433
Accrued expenses	4,086,405	4,049,366
Income taxes payable	598,895	539,924
Deferred income taxes	366,000	38,000
Total Current Liabilities	7,768,433	8,001,723
Deferred income taxes	532,000	584,000
Total Liabilities	8,300,433	8,585,723
Stockholders' Equity:		
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 5,055,445 and 5,051,445 shares	505,545	505,145
Additional paid-in capital	6,836,000	6,811,900
Retained earnings	50,348,215	48,115,306
Net unrealized gain on marketable securities	680,797	457,600
Total Stockholders' Equity	58,370,557	55,889,951
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$66,670,990	$64,475,674

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
Sales	$17,262,328	$15,849,971
Costs and Expenses:		
Cost of sales	12,040,350	11,637,932
Selling, general and administrative expenses	2,794,291	2,680,975
	14,834,641	14,318,907
Income from operations	2,427,687	1,531,064
Other income - net	166,222	51,395
Interest (expense)	--	(2,887)
Earnings before income taxes	2,593,909	1,579,572
Income tax provision	361,000	106,000
Net earnings	$ 2,232,909	$ 1,473,572
Earnings per common share	$ .44	$ .30
Weighted average number of common shares outstanding	5,051,857	4,969,594

See notes to consolidated financial statements.

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

	Three Months Ended March 31, 1996	1995
Cash flows from operating activities:		
Net income	$ 2,232,909	$ 1,473,572
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	763,745	640,495
Deferred income taxes	104,000	98,000
Net loss on sale of marketable securities	888	66,702
Changes in operating assets and liabilities	633,300	(2,162,820)
Net Cash Provided by Operating Activities	3,734,842	115,949
Cash flows from investing activities:		
Purchase of property, plant and equipment	(465,383)	(1,143,452)
Proceeds from sale of marketable securities	400,000	620,938
Proceeds from repayment by contractor	14,750	7,250
Net Cash (used in) Investing Activities	(50,633)	(515,264)
Cash flows from financing activities:		
Proceeds from exercise of stock options	24,500	33,938
Repayment of borrowings	--	(300,000)
Net Cash Provided by (used in) Financing Activities	24,500	(266,062)
Net Increase (Decrease) in Cash	3,708,709	(665,377)
Cash and Cash Equivalents - beginning of period	8,343,925	2,842,894
Cash and Cash Equivalents - end of period	$12,052,634	$ 2,177,517

(Continued)

See notes to consolidated financial statements.

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

	Three Months Ended March 31, 1996	1995
Changes in operating assets and liabilities consist of:		
Decrease (increase) in accounts receivable	$1,189,993	$(1,942,259)
Decrease (increase) in inventories	393,124	(801,546)
Decrease (increase) in prepaid expenses and other current assets	(301,983)	482,244
Decrease in other assets	61,819	35,324
Decrease in accounts payable	(657,300)	(457,517)
Increase (decrease) in accrued expenses	(110,824)	520,934
Increase in income taxes payable	58,471	--
	$ 633,300	$(2,162,820)
Supplementary information:		
Cash paid during the period for:		
Interest	$ --	$ 2,887
Income taxes	$ 184,000	$ 11,000
Supplemental disclosures of non-cash activities:		
Unrealized gains on marketable securities	$ 223,197	$ 740,665

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. The consolidated balance sheet as of March 31, 1996, and the consolidated statements of operations and cash flows for the three months ended March 31, 1996 and 1995 have been prepared by the Company and are unaudited. In the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for all periods presented have been made. Certain items in the March 31, 1995 financial statements have been reclassified to conform to March 31, 1996 classifications. The information for December 31, 1995 was derived from audited financial statements.

2. Earnings Per Share--Earnings per common share are computed using the weighted average number of common shares outstanding during the period. The dilutive effect of outstanding options at March 31, 1996 and 1995 was not material.

3. In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation", which is effective for the Company beginning January 1, 1996. SFAS No. 123 requires expanded diclosures of stock-based compensation arrangements with employees in notes to annual financial statements and encourages (but does not require) compensation cost to be measured based on the fair value of the equity instrument awarded. Companies are permitted, however, to continue to apply APB Opinion No. 25, which recognizes compensation cost based on the intrinsic value of the equity instrument awarded. The Company will continue to apply APB Opinion No. 25 to its stock based compensation awards to employees and will disclose the required pro forma effect on net income and earnings per share in its annual financial statements.

4. Inventories consist of the following:

	March 31, 1996	December 31, 1995
Raw materials	$ 7,328,712	$ 7,059,330
Work-in-process	67,243	191,518
Finished goods	3,010,652	3,548,883
	$10,406,607	$10,799,731

5. Property, plant and equipment consists of the following:

	March 31, 1996	December 31, 1995
Land	$ 835,218	$ 835,218
Buildings and improvements	13,571,011	13,481,550
Machinery and equipment	30,755,561	30,379,639
Idle property held for sale	935,000	935,000
	46,096,790	45,631,407
Less accumulated depreciation and amortization	19,726,969	18,969,056
Net property, plant and equipment	$26,369,821	$26,662,351

6. INCOME TAXES

Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" (SFAS 109), provides for the recognition of deferred assets subject to a valuation allowance. At December 31, 1994, the Company established a valuation allowance equal to the full amount of the tax effect of the net operating loss carryforward. For the three months ended March 31, 1995, the Company recognized $286,000, as a reduction of United States and Far East tax expense.

7. SUBSEQUENT EVENT

During April, 1996 the Company sold 112,485 shares of Technitrol, Inc. ("Technitrol") common stock for net proceeds of approximately $3.6 million.

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

a. Results of Operations

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items included in the Company's consolidated statements of operations and the percentage increase for such items.

	Percentage of Net Sales	
	Three Months Ended March 31,	
	1996	1995
Net sales	100.0%	100.0%
Cost of sales	69.8	73.4
Selling, general and administrative expenses	16.2	16.9
Other income, net of interest expense	1.0	.3
Earnings before income tax provision	15.0	10.0
Income tax provision	*	*
Net earnings	12.9	9.3

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

	Increase from Prior Period
	Three Months Ended March 31, 1996 compared with 1995
Net sales	8.9%
Cost of sales	3.5
Selling, general and administrative expenses	4.2
Other income--net	*
Earnings before income tax provision	64.2
Income tax provision	*
Net earnings	51.5

* Percentage not meaningful

Sales

Net sales increased 8.9% from $15,849,971 during the first three months of 1995 to $17,262,328 during the first three months of 1996. 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 primarily to a greater focus on certain key OEM accounts and sales growth 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 3.6% from 73.4% during the first three months of 1995 to 69.8% during the first three months of 1996. The decrease in the cost of sales percentage is primarily attributable to (i) increased sales, which resulted in better absorption of indirect labor and overhead and (ii) lower material content associated with the current sales mix.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales decreased from 16.9% for the first three months of 1995 to 16.2% for the first three months of 1996. The Company attributes the decrease primarily to the increase in sales, as the Company was able to leverage the increase in the dollar amount of such expenses over an increased revenue base. Selling, general and administrative expenses increased in dollar amount by 4.2%. The Company attributes the increase in the dollar amount of such expenses primarily to increases in commissions and other sales related expenses due to higher sales.

Other Income and Expenses

Other income, consisting of earnings on cash equivalents and marketable securities and net realized losses on the sale of marketable securities, increased by approximately $118,000 from the first three months of 1995 to the first three months of 1996. This increase is primarily due to higher earnings on invested funds due to higher average balances and lower net realized losses in the first three months of 1996 compared to the first three months of 1995.

Provision for Income Taxes

The provision for income taxes for the first three months of 1996 was $361,000 as compared to $106,000 for the first three months of 1995. The Company attributes this change primarily to the higher earnings before income tax for the first three months of 1996 versus 1995.

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 and the utilization of tax benefits arising from the operating loss carryforward in the United States and the Far East.

Liquidity and Capital Resources

Historically, the Company has financed its capital expenditures through operating cash flows. 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 March 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 April, 1996 the Company sold 112,485 shares of Technitrol, Inc. ("Technitrol") common stock for net proceeds of approximately $3.6 million.

During the first three months of 1996, the Company's cash increased by $3.7 million, principally reflecting $3.7 million provided by operating activities and $400,000 from the sale of marketable securities offset in part by $465,000 in purchases of property, plant and equipment.

The Company has historically followed a policy 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 the first three months of 1996 or 1995.

The Company's shareholders' equity increased by $2.5 million from December 31, 1995 to March 31, 1996, reflecting the Company's first three months profit of $2.2 million, an increase of $223,000 net unrealized gain on marketable securities and the exercise of incentive stock options of $25,000.

Cash, accounts receivable and marketable securities comprised approximately 42.4% and 39.7% of the Company's total assets at March 31, 1996 and December 31, 1995, respectively. The Company's current ratio (i.e., the ratio of current assets to current liabilities) was 5.1 to 1 and 4.6 to 1 at March 31, 1996 and December 31, 1995, respectively.

PART II. Other Information

Item 1. Legal Proceedings

See Item 3 of the Company's Form 10-K for the year ended December 31, 1995.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: Exhibit 27.1 Financial Data Schedule.

(b) There were no Current Reports on Form 8-K filed by the registrant during the quarter ended March 31, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BEL FUSE INC.

By: /s/ DANIEL BERNSTEIN

Daniel Bernstein, President
(Principal Financial and
Accounting Officer)

Dated: May 14, 1996

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM BEL FUSE INC. AND SUBSIDIARIES FINANCIAL STATEMENTS AT MARCH 31, 1996 AND THE THREE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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MAR-31-1996
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