U.S. 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, 2001

[ ] 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.)

206 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: Class A Common Stock, $.10 par value; Class B 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 1, 2002 was approximately $41,445,882 (based upon the closing sales price of those shares reported on the National Association of Securities Dealers Automated Quotation System for that day).

Aggregate market value of non-voting stock held by non-affiliates as of March 1, 2002 was approximately $146,994,200 (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 1, 2002: 2,674,913 Class A Common Stock; 8,182,502 Class B Common Stock.

Documents incorporated by reference:

Bel Fuse Inc.'s Definitive Proxy Statement for the 2002 Annual Meeting of Stockholders is incorporated by reference into Part III.

BEL FUSE INC.

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FORWARD LOOKING INFORMATION

The Company's quarterly and annual operating results are affected by a wide variety of factors that could materially and adversely affect revenues and profitability, including the following: (a) the dramatic impact of current conditions in the telecommunication market on the Company's customers; (b) the general conditions in the electronics industry; (c) the risk that the Company may be unable to respond adequately to rapidly changing technology developments in its industry; (d) risks associated with its the Company's Far East operations; (e) the highly competitive nature of the Company's industry and the impact the competitors' new products and pricing may have upon the Company; (f) 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; (g) the Company's reliance on certain substantial customers; (h) risks associated with the Company's ability to manufacture and deliver products in a manner that is responsive to its customers' needs; (i) the risk of foreign currency fluctuations; and (j) other market and competitive factors impacting the Company's customers. As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, financial condition, operating results, and stock prices. Furthermore, this document and other documents filed by the Company with the Securities and Exchange Commission (the "SEC") contain certain Forward-Looking Statements under the Private Securities Litigation Reform Act of 1995 ("Forward-Looking Statements") with respect to the business of the Company. These Forward-Looking Statements are subject to certain risks and uncertainties, including those mentioned above, and those detailed in Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2001, which could cause actual results to differ materially from these Forward-Looking Statements. The Company undertakes no obligation to publicly release the results of any revisions to these Forward-Looking Statements which may be necessary to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. An investment in the Company involves various risks, including those mentioned above and those which are detailed from time to time in the Company's SEC filings.

PART I

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 206 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 May 11, 2001, the Company acquired 100% of the common stock of E-Power Ltd. ("E-Power") and the assets and business of Current Concepts, Inc. ("Current Concepts") for an aggregate $6,285,000 in cash (including acquisition expenses). The Company will be required to make contingent purchase price payments up to approximately $7.6 million should the acquired companies reach various sales levels. The transactions were accounted for using the purchase method of accounting and, accordingly, the results of operations of Current Concepts and E-Power have been included in the Company's financial statements since the date of acquisition. The excess of the purchase price over net assets acquired and other intangible assets is approximately $5.7 million and is being amortized on a straight-line basis over 4 to 15 years. Effective January 1, 2002 goodwill will no longer be subject to amortization. The Company will test for impairment using an independent appraiser. The Company will discontinue the amortization of goodwill effective January 1, 2002. See Note 1 of Notes to Consolidated Financial Statements.

Product Groups

Power Products

In 2001, the Company entered into the market for power conversion products focusing on providing non-isolated DC/DC converters designed specifically to power low voltage silicon devices. The need for converting one DC voltage to another is growing rapidly as the developers of integrated circuits are now commonly adjusting the supply voltage as a means of optimizing device performance. The Company develops both standard and custom DC/DC converters. These products leverage the Company's existing manufacturing capabilities and are marketed primarily to the Company's existing customer base.

Magnetic Components

The Company manufactures a broad range of magnetic components used in networking, telecommunications, high speed data transmission equipment, automotive and consumer products. These wire-wound devices perform such functions as signal delay, signal timing, signal conditioning, impedance matching, filtering, isolation, power conversion and power transfer. Transformers for networking and telecommunication applications are developed based on market requirements for emerging technologies, often to support an integrated circuit (IC) design.

Integrated Connector Modules

These modules combine the Company's magnetic components with combinations of RJ45 and USB connectors. In addition to connectivity, these modules provide the signal conditioning, electro-magnetic interference suppression and signal isolation which were previously performed by multiple, discrete components.

Value-added Modules

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.

Miniature, Micro and Chip 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.

Marketing

The Company sells its products to more than 800 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, 2001, the Company had a sales and support staff of 34 persons that supported 58 sales representative organizations and 1 non-exclusive distributor.

The Company has written agreements with all of its sales representative organizations and major distributor. 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 7 of Notes to Consolidated Financial Statements.

The Company did not have sales to any one customer in excess of ten percent of 2001 consolidated sales.

Research and Development

The Company's research and development efforts in 2001 were spread among all of the Company's current product groups. The Company's research and development facilities are located in California, Indiana, Texas, Massachusetts, Hong Kong and China. 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 $4,967,000 in 2001. The Company plans to close its Indiana and Texas facilities by the end of the third quarter of 2002 and relocate them in California. The Company is currently looking for property to purchase in San Diego, California where its research and development facility will be located. The Company's statements regarding its plans to close facilities and relocate them constitute Forward Looking Statements. Actual experience could differ materially from such statements for a variety of factors, including applicable legal and regulatory requirements and other logistical issues.

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 supplier. While such a termination could produce a disruption in production, the Company believes that the termination of business with any one of its suppliers would not have a material adverse effect on its long-term operations. Actual experience could differ materially from this belief as a result of a number of factors, including the time required to locate an alternative source and the nature of the demand for the Company's products. In the past the Company has experienced shortages in certain raw materials, such as capacitors and ferrites, when these materials were in great demand. Even though the Company may have more then one supplier for certain materials, it is possible that these materials may not be available to the Company in sufficient quantities or at the time desired by the Company.

Backlog

The Company manufactures products against firm orders and projected usage by customers. Cancellation and return arrangements are either negotiated by the Company on a transactional basis or contractually determined. The Company's backlog of orders as of February 25, 2002 was approximately $13.0 million, as compared with a backlog of $46 million as of February 25, 2001. Management expects that all of the Company's backlog as of February 25, 2002 will be shipped by December 31, 2002. Such expectation constitutes a Forward-Looking Statement. Factors that could cause the Company to fail to ship all such orders by year-end include unanticipated supply difficulties, changes in customer demand and new customer designs. The Company's major customers have negotiated shorter lead times on purchase orders and have implemented consignment inventory programs 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 be obtained 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 August 29, 2020.

The Company utilizes eight U.S. registered trademarks - BELFUSE, BEL, BELMAG, BELSTACK, BELSTICK, BELCOMBO, SURFUSE and COMPONENTS FOR A CONNECTED PLANET- 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.

Employees

As of December 31, 2001, the Company had 866 full-time employees. The Company employed 114 people in its U.S. facilities and 752 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.

Item 2. PROPERTIES

The Company currently occupies approximately 519,000 square feet of manufacturing, warehouse, office, technical and staff quarter space worldwide. In addition to the Company's principal corporate offices in New Jersey, the Company maintains facilities in The People's Republic of China and its Special Administrative Regions ("SAR") of Hong Kong and Macau in the Far East, in California, Texas, Massachusetts 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 40% of the 519,000 square feet the Company occupies is owned, while the remainder is leased. The Company plans to close its Indiana and Texas facilities by the end of the third quarter of 2002 and relocate them in California. The statements regarding its plans to close facilities and relocate them constitute Forward Looking Statements. Actual experience could differ materially from such statements for a variety of factors, including applicable legal and regulatory requirements and other logistical issues. See Note 11 of Notes to Consolidated Financial Statements for additional information pertaining to leased properties.

Item 3. LEGAL PROCEEDINGS

The Company commenced an arbitration proceeding before the American Arbitration Association against Lucent Technologies, Inc. in or about December 2000. The arbitration arises out of an Agreement for the Purchase and Sale of Assets, dated October 2, 1998 (the "Asset Purchase Agreement"), among Bel Fuse, Lucent Technologies, Inc. and Lucent Technologies Maquiladores, Inc., and a related Global Procurement Agreement, dated October 2, 1998 (the "Supply Agreement"), between Lucent Technologies, Inc., as Buyer, and Bel Fuse, as Supplier. Pursuant to the Asset Purchase Agreement, the Company purchased substantially all of the assets of Lucent's signal transformer business. Pursuant to the Supply Agreement, Lucent agreed that except for limited instances where Lucent was obligated to purchase product elsewhere, for a term of 3-1/2 years, Lucent would be obligated, on an as required basis, to purchase from the Company all of Lucent's requirements for signal transformer products. The Supply Agreement also provided that the Company would be given the opportunity to furnish quotations for the sale of other products.

The Company is seeking monetary damages for alleged breaches by Lucent of the Asset Purchase Agreement and the Supply Agreement. In its answer, Lucent denied many of the material allegations made by the Company and also asserted two counterclaims. The counterclaims seek recovery for alleged losses, including loss of revenue, sustained by Lucent as a result of the Company's alleged breach of various provisions of the Supply Agreement. The parties are currently engaged in extensive discovery proceedings. The Company believes it has substantial and meritorious claims against and defenses to Lucent and its counterclaims. However, the Company cannot predict how the arbitrator will decide this matter and whether it will have a material effect on the 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 2001.

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
Daniel Bernstein, 48	1985	President, Chief Executive Officer and Director
Robert H. Simandl, 73	1967	Secretary and Director
Colin Dunn, 57	1992	Vice President of Finance and Treasurer
Joseph Meccariello, 51	1995	Vice President of Manufacturing
Dennis Ackerman, 39	2001	Vice President of Operations
Dwayne Vasquez 39	2001	Vice President of Sales

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.

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.

Colin Dunn joined the Company in 1991 as Finance Manager and in 1992 was named Vice President of Finance and Treasurer. He is currently a director of Bel Fuse Ltd and Bel Fuse Macau LDA. 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.

Dennis Ackerman joined the Company in 1986 and has held the positions of customer service manager, sales manager, purchasing manager and operations manager. In 2001 he was named Vice President of Operations.

Dwayne Vazquez joined the Company in 2001 as Director of Sales. In October 2001 he was promoted to Vice President of Sales with responsibility for the Company's worldwide sales organization. From 1997 to 2001 he was Director of Sales and Marketing at Ericson Microelectronics, Power Module Division in Richardson, Texas where he was responsible for driving revenue in the DC/DC and Board Mounted Power product markets.

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 on the Nasdaq National 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 on Nasdaq for each quarter during the past two years.

	Class A High	Class B High	Class A Low	Class B Low
Year Ended December 31, 2000				
First Quarter	$25.75	$24.50	$18.50	$16.56
Second Quarter	29.50	28.81	14.81	14.88
Third Quarter	44.94	41.75	25.00	22.31
Fourth Quarter	46.00	44.94	28.75	27.00
Year Ended December 31, 2001				
First Quarter	$39.75	$39.94	$19.75	$20.00
Second Quarter	31.75	33.50	20.25	20.57
Third Quarter	30.00	31.45	17.55	18.55
Fourth Quarter	24.25	26.69	18.00	19.25

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

(b) Holders

As of March 1, 2002 there were 146 registered shareholders of the Company's Class A Common Stock and 166 registered shareholders of Class B Common Stock. The Company estimates that there were 2,190 beneficial shareholders of Class A Common Stock and 4,661 beneficial shareholders of Class B Common Stock.

(c) Dividends

There are no contractual restrictions on the Company's ability to pay dividends. On February 1, 2001, May 1, 2001, August 1, 2001, and November 1, 2001 the Company paid a $.05 per share dividend to all shareholders of record of class B Common Stock in the total amount of $399,070, $400,036, $402,150, and $402,304, respectively. On February 1, 2000, May 1, 2000, August 1, 2000 and November 1, 2000, the Company paid a $.05 per share dividend to all shareholders of record of Class B Common Stock in the total amount of $393,908, $395,356, $395,504 and $396,091, respectively. On February 1, 2002 the Company paid a $.05 per share dividend to all shareholders of record at January 11, 2002 of Class B Common Stock in the total amount of $404,351.

Item 6. SELECTED FINANCIAL DATA

	Years Ended December 31,				
	2001	2000	1999	1998	1997
	(In thousands of dollars, except per share data)				
Selected Statements of Operations Data: (a)					
Net sales	$ 96,045	$ 145,227	$ 119,464	$ 90,754	$ 73,531
Cost of sales	89,603	88,479	76,113	58,654	50,724
Selling, general and administrative expenses	21,561	23,284	19,502	16,648	13,830
Other income - net (b)	2,411	3,912	878	1,579	1,428
Earnings (loss) before income taxes	(12,709)	37,376	24,727	17,031	10,405

Income tax provision (benefit)	(547)	5,159	3,435	1,813	1,555
Net earnings (loss)	(12,162)	32,217	21,292	15,218	8,850
Earnings (loss) per common share - basic (c)	(1.13)	3.04	2.03	1.47	0.87
Earnings (loss) per common share - diluted (c)	(1.13)	2.94	1.98	1.45	0.86
Cash dividends declared per Class B common share	0.20	0.20	0.20	--	--

	As of December 31,				
	2001	2000	1999	1998	1997
	(In thousands of dollars, except per share data)				
Selected Balance Sheet Data:					
Working capital	$ 83,698	$ 97,720	$ 66,768	$ 40,899	$ 44,750
Total assets	147,517	169,513	125,138	103,625	83,152
Stockholders' equity	129,463	141,016	110,254	88,806	72,829
Book value per share (b)	12.02	13.25	10.46	8.56	7.11
Return on average total assets, %	(7.60)	21.87	18.25	12.50	11.60
Return on average Stockholders' equity, %	(8.80)	25.64	20.93	19.00	13.10

(a) On May 11, 2001, the Company acquired 100% of the common stock of E-Power Ltd ("E-Power") and the assets and business of Current Concepts, Inc. ("Current Concepts") for an aggregate of $6,285 in cash (including acquisition expenses). The transactions were accounted for using the purchase method of accounting and, accordingly, the results of operations of Current Concepts and E-Power have been included in the Company's financial statements since the date of acquisition.

(b) Includes gains of $1,081 from the sale of marketable securities during 2000.

(c) After giving retroactive effect to a two for one stock split payable in the form of a dividend on December 1, 1999.

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.

Critical Accounting Policies

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to product returns, bad debts, inventories, intangible assets, investments, income taxes and contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The Company makes purchasing decisions principally based upon firm sales orders from customers, the availability and pricing of raw materials and projected customer requirements. Future events that could adversely affect these decisions and result in significant charges to the Company's operations include slow down in customer demand as the Company is currently experiencing, customers delaying the issuance of sales orders to the Company, miscalculating customer requirements, technology changes which render the raw materials and finished goods obsolete, and cancellation or loss of customers and/or cancellation of sales orders. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon the aforementioned assumptions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

The Company seeks sales and profit growth by expanding its existing customer base, developing new products and by pursuing strategic acquisitions that meet the Company's criteria relating to the market for the products; the Company's ability to efficiently manufacture the product; synergies that are created by the acquisition; and a purchase price that represents fair value. If the Company's evaluation of a target company misjudges its technology, estimated future sales and profitability levels, or inability to keep pace with the latest technology, these factors could impair the value of the investment, which could materially adversely affect the Company's profitability.

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.

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,		
	2001	2000	1999
Net sales	100.0%	100.0%	100.0%
Cost of sales	93.3%	60.9%	63.7%
Selling, general and administrative expenses	22.4%	16.0%	16.3%
Other income, net of interest expense	2.5%	2.7%	0.7%
Earnings (loss) before income taxes	(13.2)%	25.8%	20.7%
Income tax provision (benefit)	(0.6)%	3.6%	2.9%
Net earnings (loss)	(12.6)%	22.2%	17.8%

	Increase (decrease) from Prior Period	
	2001 compared with 2000	2000 compared with 1999
Net sales	(33.9)%	21.6%

Cost of sales	1.3%	16.3%
Selling, general and administrative expenses	(7.4)%	19.4%
Net earnings	(137.8)%	51.3%

Sales

Net sales decreased 33.9% from approximately $145.2 million in 2000 to approximately $96.0 million in 2001. The Company attributes this decrease to the decline in demand affecting the global electronics industry. Although all product lines experienced sales decreases except for integrated connector modules ("ICM"), the telecommunications and networking segments were particularly depressed. The Company is experiencing both volume reductions and price degradation as the number of manufacturers with saleable products increases and customers take aggressive price positions.

Several of the Company's customers are facing difficult market conditions. Some customers have delayed purchase orders, while others have cancelled purchase orders outright. Certain customers continue to have surplus inventories, thereby reducing their need for the Company's products. As a result of these potential difficulties, the Company believes that first quarter 2002 revenue levels and earnings are not likely to improve upon fourth quarter 2001 results exclusive of charges for fixed asset write-offs and restructuring related expenses. The Company expects to incur additional severance and employee relocation charges of up to approximately $1,000,000 (net of taxes) during the first nine months of 2002. This projection represents a Forward-Looking Statement. Actual results could differ materially from this statement, depending in large part upon market conditions in the Company's industry.

Net sales increased 21.6% from approximately $119.5 million in 1999 to approximately $145.2 million in 2000. The Company attributes this increase primarily to an increased volume of sales of ICMs, magnetic components and fuses.

Cost of Sales

Cost of sales as a percentage of net sales increased from 60.9% in 2000 to 93.3% in 2001. The increase in the cost of sales percentage is primarily attributable to a $14.6 million inventory write-off of surplus and obsolete inventory and non-cancelable purchase commitments. This provision reflected the Company's assessment of then current business levels and its belief that its customers will ultimately seek next generation products when and if a recovery occurs. Additionally, the Company incurred a charge during the fourth quarter of 2001 in the total amount of $5.6 million for the write down of fixed assets due to changing customer preferences and projected lower volumes in mature product lines and other charges related to the consolidation of the Company's engineering facilities. Also contributing to the increase in cost of sales are manufacturing inefficiencies due to reduced sales volume and sales with lower or no gross profit margins.

Cost of sales as a percentage of net sales decreased from 63.7% in 1999 to 60.9% in 2000. The decrease is primarily attributable to lower labor and factory overhead expenses, the move of Telcom production to the Far East from Texas during the fourth quarter of 1999 and higher sales volume which results in greater manufacturing efficiencies offset, in part, by higher raw 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 increased from 16.0% in 2000 to 22.4% in 2001. The Company attributes the percentage increase primarily to decreased sales. Selling, general and administrative expenses decreased in dollar amount by approximately 7.4%. The Company attributes the decrease in dollar amount of such expenses to reduced sales and marketing salaries and related expenses, offset in part by a salary continuance of approximately $700,000 due under the terms of the late Chairman of the Board's employment agreement and a charge in the amount of $533,000 related to the modification of the terms of certain non-qualified incentive stock options held by the estate of the Chairman of the Board. The Company's Chairman passed away in July 2001. Additionally, the Company incurred severance costs in the Far East of $460,000.

The percentage relationship of selling, general and administrative expenses to net sales decreased from 16.3% in 1999 to 16.0% in 2000. The Company attributes the percentage decrease primarily to increased sales. Selling, general and administrative expenses increased in dollar amount by 19.4% over 1999. The Company attributes the increase in the dollar amount of such expenses primarily to increases in commissions and other sales related expense due to increased sales, and increases in sales, marketing and customer service salaries.

Other Income - net

Other income, consisting principally of a gain on the sale of marketable securities during 2000 and interest earned on cash and cash equivalents, decreased by approximately 1,501,000 during the year 2001 compared to the year 2000. The decrease is due to the $1.0 million gain on the sale of marketable securities during 2000 and lower interest income due to lower interest rates earned on cash and cash equivalents despite higher cash and cash equivalent balances during 2001.

Other income, consisting principally of interest earned on cash and cash equivalents and gains on the sale of marketable securities, increased by approximately $3.0 million from the year 1999 to 2000. The increase is due to the gains on the sale of marketable securities and higher interest income as the Company maintained higher cash and cash equivalent balances during 2000.

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. Management has identified $20 million of foreign earnings that may not be permanently reinvested. Deferred income taxes in the amount of approximately $6.1 million have been provided on such earnings ($(.1) million during 2001, $2.1 million during 2000 and $4.1 million during 1999 and prior years.

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 (benefit) for income taxes for 2001 was $(547,000) as compared to $5,159,000 for 2000. The decrease in the provision is due primarily to foreign losses arising from inventory writedowns, United States and foreign losses arising from fixed asset write-offs and severance related expenses in 2001 and lower United States taxes resulting from the gain on the sale of marketable securities in 2000 versus 2001 offset in part by pretax profit in 2001 before these charges.

The provision for income taxes for 2000 was $5.2 million as compared to $3.4 million in 1999. The increase in the provision is due primarily to higher United States taxes, resulting from the gains on the sale of marketable securities and higher foreign earnings subject to taxes in 2000 versus 1999.

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.

Cost Control Measures

In light of the current market in the Company's industry, the Company continues to review its operating structures in efforts to control costs. Such measures can be expected to result in a consolidation of the Company's operations and the recognition of related charges in future periods. The Company expects to incur additional severance and employee relocation charges of up to approximately $1.0 million (net of taxes) during the first nine months of 2002. The description of this expectation constitutes a Forward Looking Statement. Actual results could differ materially from such expectation as a result of a number of factors, including the Company's ability to effect its relocation plans, the economic condition of the Company's industry and other factors that relate to the extent to which the Company is able to restore its profitability.

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 fund its operations for the near term. Such statement constitutes a Forward Looking Statement. Factors which could cause the Company to require additional capital include, among other things, a further softening in the demand for the Company's existing products, an inability to respond to customer demand for new products, potential acquisitions requiring substantial capital, future expansion of the Company's operations and net losses that could result in net cash being used in operating, investing and/or financing activities which result in net decreases in cash and cash equivalents. Net losses may result in the loss of domestic and foreign credit facilities and preclude the Company from raising debt or equity financing in the open markets.

The Company has two domestic unsecured lines of credit amounting to $11,000,000 which were unused at December 31, 2001. The $1 million line of credit is renewable annually. The $10 million line of credit is a three year line and is renewable during May 2002. The Company will seek to renew this credit line although there can be no assurance that it will be able to do so. Borrowings under a $10 million line of credit are secured by a first priority security interest in 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 was unused at December 31, 2001. The line of credit expires in December 31, 2002. Borrowing on the line of credit is guaranteed by the U.S. parent.

For information regarding further commitments under the Company's operating leases, see Note 11 of Notes to the Company's Consolidated Financial Statements.

On May 11, 2001, the Company acquired 100% of the common stock of E-Power Ltd. ("E-Power") and the assets and business of Current Concepts, Inc. ("Current Concepts") for an aggregate of $6,285,000 in cash (including acquisition expenses). The Company will be required to make contingent purchase price payments up to approximately $7.6 million should the acquired companies reach various sales levels. The transactions were accounted for using the purchase method of accounting and, accordingly, the results of operations of Current Concepts and E-Power have been included in the Company's financial statements since the date of acquisition. The excess of the purchase price over the net assets acquired is approximately $5.7 million and is being amortized on a straight-line basis over 4 to 15 years. The Company will discontinue the amortization of goodwill effective January 1, 2002 and will measure the impairment of goodwill in accordance with SFAS No. 142.

The Company has completed the construction of new corporate offices in Jersey City in the amount of $2.8 million. As of December 31, 2001 there are no outstanding liabilities in connection with this project.

During 2001 the Chairman of the Board passed away. Under the terms of his employment agreement dated October 29, 1997, the Company is obligated to pay his Estate the balance due on his employment agreement which approximates $895,000 (of which $195,000 was expensed in prior years) through December 31, 2003 plus health insurance benefits. In addition, the Board of Directors unanimously agreed to modify the terms of certain options held by the late Chairman's Estate. This resulted in a compensation charge of $533,000 for the year ended December 31, 2001.

On May 9, 2000 the Board of Directors authorized the repurchase of up to 10% of the Company's outstanding common shares from time to time in market or privately negotiated transactions. As of December 31, 2001 the Company had purchased and retired 23,600 Class B shares at a cost of approximately $808,000, which reduced the number of Class B common shares outstanding.

During 2001, the Company's cash and cash equivalents increased by approximately $6.9 million, reflecting approximately $21.0 million provided by operating activities, $3.7 from the sale of marketable securities and $1.3 million from the exercise of stock options, offset, in part, by approximately $6.0 million in purchases of plant and equipment, $5.9 for the payment for acquisitions, approximately $1.6 million in dividends and $5.9 in purchases of marketable securities.

Cash, marketable securities and cash equivalents and accounts receivable comprised approximately 55.2% and 51.9% of the Company's total assets at December 31, 2001 and 2000, respectively. The Company's current ratio (i.e., the ratio of current assets to current liabilities) was 7.2 to 1 and 5.5 to 1 at December 31, 2001 and 2000, respectively.

At December 31, 2001, the Company was obligated under non-cancelable operating leases and purchase commitments for raw materials as follows:

Years Ended December 31,	Leases	Purchase Commitments
2002	$ 502,000	$2,800,000
2003	382,000	--
2004	209,000	--
2005	141,000	--
2006	75,000	--
	$1,309,000	$2,800,000

Other Matters

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

The Territory of Hong Kong became a Special Administrative Region ("SAR") of The People's Republic of China in the middle of 1997. The territory of Macau became a SAR of The People's Republic of China at the end of 1999. Management cannot presently predict what future impact, if any, this 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 48% 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.

New Accounting Pronouncements

Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, is effective for all fiscal years beginning after June 15, 2000. SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Under SFAS 133, certain contracts that were not formerly considered derivatives may now meet the definition of a derivative. The Company adopted SFAS 133 effective January 1, 2001. The adoption of SFAS 133 has not had a significant impact on the consolidated financial position, results of operations, or cash flows of the Company.

On June 29, 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Intangible Assets". Major provisions of these Statements are as follows: all business combinations initiated after June 30, 2001 must use the purchase method of accounting; the pooling of interest method of accounting is prohibited; goodwill and intangible assets with indefinite lives are not amortized but are tested for impairment annually, except in certain circumstances, and whenever there is an impairment indicator; all acquired goodwill must be assigned to reporting units for purposes of impairment testing; effective January 1, 2002, goodwill will no longer be subject to amortization. The Company tested for impairment of goodwill as of January 1, 2002 using an independent appraiser which resulted in no impairment of goodwill under FASB 142. The Company will discontinue the amortization of goodwill effective January 1, 2002. This will result in a reduction of amortization expense of approximately $860,000 during 2002.

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations". SFAS No. 143 addresses financial accounting and reporting for obligations and costs associated with the retirement of tangible long-lived assets. The Company is required to implement SFAS No. 143 on January 1, 2003, and has not yet determined the impact that this statement will have on its results of operations or financial position.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets", effective for fiscal years beginning after December 15, 2001. Under SFAS No. 144 assets held for sale will be included in discontinued operations if the operations and cash flows will be or have been eliminated from the ongoing operations of the entity and the entity will not have any significant continuing involvement in the operations of the component. The Company is planning to adopt SFAS No. 144 in its year beginning January 1, 2002. The Company believes the adoption of SFAS No. 144 will not have a material impact on the Company's results of operations or financial position.

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, marketable securities, accounts receivable, accounts payable and accrued expenses are a reasonable approximation of their fair value.

The Company's business in this regard is subject to certain risks, including, but not limited to, differing economic conditions, loss of significant customers, changes in political climate, differing tax structures, other regulations and restrictions and foreign exchange rate volatility. The Company's future results could be materially and adversely impacted by changes in these or other factors.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the consolidated financial statements listed in the accompanying Index to Consolidated Financial Statements for the information required by this item.

BEL FUSE INC
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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, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2001. Our audits also included the financial statement schedule listed in the Index at Item 14. These financial statements and the 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 auditing standards generally accepted in the United States of America. 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 as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. 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.

March 13, 2002
New York, New York

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2001	December 31, 2000
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 69,278,574	$ 62,587,033
Marketable securities	2,342,663	231,431
Accounts receivable - less allowance of $945,000 and $945,000	9,814,914	25,165,748
Inventories	13,870,822	30,259,606
Prepaid expenses and other current assets	269,275	318,120
Refundable income taxes	826,859	--
Deferred income taxes	817,000	654,000
Total Current Assets	97,220,107	119,215,938
Property, plant and equipment - net	36,353,951	39,738,064
Goodwill - net of amortization of $5,811,188 and $3,548,401	13,653,521	10,241,051
Other assets	288,943	318,352
TOTAL ASSETS	$147,516,522	$169,513,405

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2001	December 31, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 4,624,185	$ 13,038,299
Accrued expenses	8,492,425	8,058,326

Dividends payable	405,000	399,700
Total Current Liabilities	13,521,610	21,496,325
Deferred income taxes	4,532,000	7,001,000
Total Liabilities	18,053,610	28,497,325
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, no par value, authorized 1,000,000 shares; none issued	--	--
Class A common stock, par value $.10 per share - authorized 10,000,000 shares; outstanding 2,664,637 and 2,646,828 shares, respectively (net of 1,072,770 treasury shares)	266,464	264,683
Class B common stock, par value $.10 per share - authorized 30,000,000 shares; outstanding 8,105,117 and 7,993,783 shares, respectively (net of 3,218,310 treasury shares)	810,512	799,379
Additional paid-in capital	11,674,768	9,419,553
Retained earnings	116,699,114	130,470,576
Cumulative other comprehensive income	12,054	61,889
Total Stockholders' Equity	129,462,912	141,016,080
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$147,516,522	$169,513,405

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2001	2000	1999
Net Sales	$ 96,044,817	$ 145,226,811	$ 119,463,650
Costs and expenses:			
Cost of sales	89,603,327	88,478,545	76,112,866
Selling, general and administrative	21,561,028	23,284,152	19,501,988
	111,164,355	111,762,697	95,614,854
Income (loss) from operations	(15,119,538)	33,464,114	23,848,796
Other income - net	2,410,566	3,912,347	878,037
Earnings (loss) before provision for income taxes	(12,708,972)	37,376,461	24,726,833
Income tax provision (benefit)	(547,000)	5,159,000	3,435,000
Net earnings (loss)	$ (12,161,972)	$ 32,217,461	$ 21,291,833
Earnings (loss) per common share - basic	$ (1.13)	$ 3.04	$ 2.03
Earnings (loss) per common share - diluted	$ (1.13)	$ 2.94	$ 1.98
Weighted average number of common shares outstanding - basic	10,715,921	10,582,916	10,476,670
Weighted average number of			

common shares outstanding - diluted	10,715,921	10,953,540	10,777,485

See notes to consolidated financial statements.

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

	Total	Comprehensive Income	Retained Earnings	Cumulative Other Comprehensive Income (loss)	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital
Balance, January 1, 1999	$88,806,159		$79,728,787	$ (4,711)	$ 260,331	$ 780,993	$8,040,759
Exercise of stock options	662,821				2,889	10,038	649,894
Tax benefits arising from the non-qualified disposition of incentive stock options	121,000						121,000
Cash dividends on Class B common stock	(1,180,855)		(1,180,855)				
Currency translation adjustment	15,275	$ 15,275		15,275			
Unrealized gain on marketable securities-net of taxes	537,704	537,704		537,704			
Net earnings	21,291,833	21,291,833	21,291,833				
Comprehensive Income		$21,844,812					
Balance, December 31, 1999	110,253,937		99,839,765	548,268	263,220	791,031	8,811,653
Exercise of stock options	962,516				1,463	10,708	950,345
Tax benefits arising from the non-qualified disposition of incentive stock options	438,000						438,000
Cash dividends on Class B common stock	(1,586,650)		(1,586,650)				
Currency translation adjustment	26,607	$ 26,607		26,607			
Purchase and retirement of common stock	(807,805)					(2,360)	(805,445)
Issuance of stock warrants for consulting services	25,000						25,000
Decrease in marketable securities-net of taxes	(512,986)	(512,986)		(512,986)			
Net earnings	32,217,461	32,217,461	32,217,461				
Comprehensive Income		$31,731,082					
Balance, December 31, 2000	141,016,080		130,470,576	61,889	264,683	799,379	9,419,553

See notes to consolidated financial statements.

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

	Total	Comprehensive Income	Retained Earnings	Cumulative Other Comprehensive Income (loss)	Class A Common Stock	Class B Common Stock	Additional Paid-in Capital
Exercise of stock options	1,328,129				1,781	11,133	1,315,215
Tax benefits arising from the non-qualified disposition of incentive stock options	382,000						382,000

Cash dividends on Class B common stock	(1,609,490)		(1,609,490)				
Modifications of terms of stock option	533,000						533,000
Currency translation adjustment	3,165	$ 3,165		3,165			
Issuance of common stock warrants for consulting services	25,000						25,000
Decrease in marketable securities-net of taxes	(53,000)	(53,000)		(53,000)			
Net loss	(12,161,972)	(12,161,972)	(12,161,972)				
Comprehensive loss		$(12,211,807)					
Balance, December 31, 2001	$129,462,912		$116,699,114	$ 12,054	$266,464	$810,512	$11,674,768

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2001	2000	1999
Cash flows from operating activities:			
Net income (loss)	$(12,161,972)	$ 32,217,461	$ 21,291,833
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	7,784,577	5,931,755	6,100,768
Inventory write-off	14,586,000	--	--
Loss on write-off/sale of fixed assets	3,957,267	--	--
Restructuring charges	1,056,000	--	--
Other	941,575	493,269	126,929
Deferred income taxes	(2,592,000)	1,783,000	1,634,000
Gain on sale of marketable securities	--	(1,081,437)	--
Changes in operating assets and liabilities	7,400,734	(941,946)	(5,908,708)
Net Cash Provided by Operating Activities	20,972,181	38,402,102	23,244,822
Cash flows from investing activities:			
Purchase of property, plant and equipment	(5,975,441)	(8,127,595)	(5,272,130)
Purchase of marketable securities	(5,864,808)	(773,253)	(1,357,335)
Payment for acquisitions-net of cash acquired	(5,943,046)	--	(43,806)
Proceeds from sale of marketable securities	3,663,213	3,024,432	--
Proceeds from sale of equipment	89,164	865	136,953
Net Cash Used in Investing Activities	(14,030,918)	(5,875,551)	(6,536,318)

See notes to consolidated financial statements.

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

Year Ended December 31,

	2001	2000	1999
Cash flows from financing activities:			
Repurchase of common stock	--	(807,805)	--
Loan repayments	29,000	104,000	128,804
Proceeds from exercise of stock options	1,328,129	962,516	662,821
Dividends paid to common shareholders	(1,606,851)	(1,580,858)	(1,041,185)
Net Cash Used in Financing Activities	(249,722)	(1,322,147)	(249,560)
Net Increase in Cash and Cash Equivalents	6,691,541	31,204,404	16,458,944
Cash and Cash Equivalents - beginning of year	62,587,033	31,382,629	14,923,685
Cash and Cash Equivalents - end of year	$ 69,278,574	$ 62,587,033	$ 31,382,629
Changes in operating assets and liabilities consist of:			
(Increase) decrease in accounts receivable	$ 15,351,628	$ (6,377,235)	$ (1,742,976)
(Increase) decrease in inventories	1,863,260	(6,048,952)	(2,363,091)
(Increase) decrease in prepaid expenses and other current assets	73,287	(87,300)	(109,755)
(Increase) in prepaid taxes	(826,859)	--	--
Decrease in other assets	29,409	54,123	76,778
Increase (decrease) in accounts payable	(8,446,636)	8,662,384	(609,925)
(Decrease) increase in accrued expenses	(643,355)	3,096,884	(1,391,342)
Increase (decrease) in income taxes payable	--	(241,850)	231,603
	$ 7,400,734	$ (941,946)	$ (5,908,708)

See notes to consolidated financial statements.

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

	Year Ended December 31,		
	2001	2000	1999
Supplementary information:			
Cash paid during the year for:			
Income taxes	$2,421,000	$3,183,000	$1,598,000
Details of acquisition:			
Fair value of assets acquired (excluding cash of $341,954)	$ 267,789		
Intangibles	5,675,257		
Cash paid for acquisition	$5,943,046		

See 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. Operations are managed on a geographic basis. 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 intercompany transactions and balances have been eliminated.

USE OF ESTIMATES - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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, 2001 and 2000, cash equivalents approximate $50,588,000 and $53,128,000, respectively.

MARKETABLE SECURITIES - The Company classifies its investments in equity securities as "available for sale", and accordingly, reflects unrealized gains and losses, net of deferred income taxes, as cumulative other comprehensive income.

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.

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

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 instrument.

INVENTORIES - Inventories are stated at the lower of weighted average cost or market.

REVENUE RECOGNITION - Revenue is recognized when products are shipped and title passes to customers.

AMORTIZATION OF INTANGIBLES - Goodwill represents the excess of purchase price and related costs over the value assigned to the net tangible assets acquired in a business acquisition. Goodwill and other intangible assets are amortized on a straight-line basis over 4 to 15 years. Amortization expense was $2,263,000 in 2001, $1,506,000 in 2000, and $1,518,000 in 1999.

Subsequent to January 1, 2002, the Company will evaluate the recoverability of goodwill by estimating the future discounted cash flows of the reporting units to which the goodwill relates. This evaluation will be made whenever events or changes in circumstances indicate the carrying amount may not be fully recoverable. Estimated cash flows will be determined by disaggregating the Company's business segments into operational and organizational levels for which meaningful identifiable cash flows can be determined. When estimated future discounted cash flows are less than the carrying amount of the reporting unit, impairment loss will be charged to operations.

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

In determining the estimated future cash flows, the Company will consider current and projected future levels of income as well as business trends, prospects, and market and economic conditions. Prior to December 31, 2001, the assessment of recoverability and measurement of impairment was based on undiscounted cash flows.

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

INCOME TAXES - The Company accounts for income taxes using an asset and liability approach under which deferred income taxes are recognized by applying enacted tax rates applicable to future years to the differences between the financial statement carrying amounts and the tax bases of reported assets and liabilities.

Except for a portion of foreign earnings, an income tax provision has not been recorded for U.S. federal income taxes on the undistributed earnings of foreign subsidiaries as such earnings are intended to be permanently reinvested in those operations. Such earnings would become taxable upon the sale or liquidation of these foreign subsidiaries or upon the repatriation of dividends.

The principal items giving rise to deferred taxes are the use of accelerated depreciation methods for plant and equipment, the assumed repatriation of a portion of foreign earnings and certain expenses which have been deducted for financial reporting purposes which are not currently deductible for income tax purposes and the future tax benefit of certain foreign net operating loss carryforward.

STOCK - BASED COMPENSATION - The Company accounts for employee stock options in accordance with the provisions of Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees". Accordingly, stock options granted to employees are recorded using the intrinsic value method. The Company has adopted the disclosure-only provisions of 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.

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

On July 6, 2001 the Chairman of the Board passed away. The Board of Directors unanimously agreed to modify the terms of certain options held by the late Chairman's Estate. This resulted in a compensation charge of $533,000 for the year ended December 31, 2001.

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, 2001, the Company wrote-off property and equipment with a net book value of approximately $3,950,000.

EARNINGS (LOSS) PER COMMON SHARE - Basic earnings (loss) per common share are computed by dividing net earnings (loss) 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 and warrants which, if exercised, would have a dilutive effect on earnings per share. The number of potential common shares outstanding were 218,212, 370,624, and 300,815 for the years ended December 31, 2001, 2000 and 1999, respectively. During the year ended December 31, 2001 potential common shares outstanding were omitted from the calculation of loss per share as the effect would be antidilutive. During the two years ended December 31, 2000, there were no antidilutive options and warrants 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 - Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, is effective for all fiscal years beginning after June 15, 2000. SFAS 133, as amended, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. Under SFAS 133, certain contracts that were not formerly considered derivatives may now meet the definition of a derivative. The Company adopted SFAS 133 effective January 1, 2001. The adoption of SFAS 133 has not had a significant impact on the consolidated financial position, results of operations, or cash flows of the Company.

On June 29, 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Intangible Assets". Major provisions of these Statements are as follows: all business combinations initiated after June 30, 2001 must use the purchase method of accounting; the pooling of interest method of accounting is prohibited; goodwill and intangible assets with indefinite lives are not amortized but are tested for impairment annually, except in certain circumstances, and whenever there is an impairment indicator; all acquired goodwill must be assigned to reporting units for purposes of impairment testing; effective January 1, 2002, goodwill will no longer be subject to amortization. The Company tested for impairment of goodwill as of January 1, 2002 using an independent appraiser which resulted in no impairment of goodwill under FASB 142. The Company will discontinue the amortization of goodwill effective January 1, 2002. This will result in a reduction of amortization expense of approximately $860,000 during 2002.

In June 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations". SFAS No. 143 addresses financial accounting and reporting for obligations and costs associated with the retirement of tangible long-lived assets. The Company is required to implement SFAS No. 143 on January 1, 2003, and has not yet determined the impact that this statement will have on its results of operations or financial position.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-lived Assets", effective for fiscal years beginning after December 15, 2001. Under SFAS No. 144 assets held for sale will be included in discontinued operations if the operations and cash flows will be or have been eliminated from the ongoing operations of the entity and the entity will not have any significant continuing involvement in the operations of the component. The Company is planning to adopt SFAS No. 144 in its year beginning January 1, 2002. The Company believes the adoption of SFAS No. 144 will not have a material impact on the Company's results of operations or financial position.

2. ACQUISITION

On May 11, 2001, the Company acquired 100% of the common stock of E-Power Ltd. ("E-Power") and the assets and business of Current Concepts, Inc. ("Current Concepts") for an aggregate of $6,285,000 in cash (including acquisition expenses). The Company will be required to make contingent purchase price payments of up to approximately $7.6 million should the acquired companies reach various sales levels. The transactions were accounted for using the purchase method of accounting and, accordingly, the results of operations of Current Concepts and E-Power have been included in the Company's consolidated financial statements since the date of acquisition. Purchase price allocations were based on independent formal appraisals. The excess of the purchase price over net assets acquired and other intangible assets is approximately $5.7 million and is being amortized on a straight-line basis over a period

of 4 to 15 years. The Company will discontinue the amortization of goodwill effective January 1, 2002 and will measure the impairment of goodwill in accordance with SFAS No. 141. The following unaudited pro forma summary results of operations assumes that both Current Concepts and E-Power had been acquired as of January 1, 2000:

	Year Ended December 31,	
	2001	2000
	(Dollars in thousands except per share data)	
Sales	$ 96,133	$ 145,929
Net income (loss)	(13,321)	31,173
Earnings (loss) per share-diluted ...	$ (1.24)	$ 2.85

The information above is not necessarily indicative of the results of operations that would have occurred if the acquisitions had been consummated as of January 1, 2000, nor should such information be construed as being a representation of the future results of operations of the Company.

3. MARKETABLE SECURITIES

At December 31, 2001 and 2000 respectively, marketable securities have a cost of approximately $2,396,000 and $186,000, an estimated fair value of approximately $2,343,000 and $231,000, gross unrealized (loss) gain of approximately $(53,000) and $(513,000) and realized gain of approximately $1,081,000 during 2000. The realized gain in 2000 is included in other income - net.

4. INVENTORIES

Inventories consist of the following:

	December 31,	
	2001	2000
Raw materials	$ 9,289,702	$16,486,878
Work in process	67,638	91,095
Finished goods	4,513,482	13,681,633
	$13,870,822	$30,259,606

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31, 2001	December 31, 2000
Land	$ 1,660,466	$ 1,164,436
Buildings and improvements	16,931,722	16,027,254
Machinery and equipment	54,586,642	57,654,254
Idle property held for sale	250,000	935,000
	73,428,830	75,780,944
Less accumulated depreciation	37,074,879	36,042,880
	$36,353,951	$39,738,064

Depreciation expense for the years ended December 31, 2001, 2000, and 1999 was $5,521,000, $4,425,000, and $4,585,000, respectively.

6. INCOME TAXES

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

	Years Ended December 31, 2001	2000	1999
Current:			
Federal	$1,674,000	$1,758,000	$ 907,000
Foreign	244,000	1,367,000	729,000
State	127,000	251,000	165,000
	2,045,000	3,376,000	1,801,000
Deferred:			
Federal	(1,616,000)	1,806,000	1,691,000
Foreign	(976,000)	(23,000)	(57,000)
	(2,592,000)	1,783,000	1,634,000
	$ (547,000)	$5,159,000	$3,435,000

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

	Years Ended December 31, 2001	2000	1999
Tax provision (benefit) computed at the Federal statutory rate of 34%	$(4,321,000)	$12,708,000	$ 8,407,000
Increase (decrease) in taxes resulting from:			

Lower tax rates applicable to foreign operations ...	3,155,000	(7,376,000)	(4,924,000)
Repatriation of foreign passive income	543,000	--	--
State taxes, net of federal benefit	84,000	166,000	109,000
Other, net	(8,000)	(339,000)	(157,000)
	$ (547,000)	$ 5,159,000	$ 3,435,000

6. INCOME TAXES (continued)

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,			
	2001		2000	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Deferred Liabilities- non-current				
Depreciation and amortization	$10,917,000	$ 739,000	$11,334,000	$ 872,000
Unremitted earnings of foreign subsidiaries not permanently reinvested	20,180,000	6,054,000	20,430,000	6,129,000
Foreign net operating loss carryforward	(8,000,000)	(696,000)	--	--
Provisions for which no current benefit is expected	(3,913,000)	(1,565,000)	--	--
	$19,184,000	$ 4,532,000	$31,764,000	$7,001,000
Deferred Assets (Liabilities)-current				
Unrealized appreciation (depreciation) in marketable securities	$ 50,000	$ 20,000	$ (45,000)	$ (18,000)
Other temporary differences	1,943,000	797,000	1,635,000	672,000
	$ 1,993,000	$ 817,000	$ 1,590,000	$ 654,000

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.

The Company has foreign net operating loss carry-forwards which expire during the years ended 2004 through 2006.

6. INCOME TAXES (continued)

It is management's intention to permanently reinvest the majority of the earnings of foreign subsidiaries in the expansion of its foreign operations. $1,810,000 of earnings were repatriated during 2001. No earnings were repatriated during 2000, or 1999. Unrepatriated earnings, upon which U.S. income taxes have not been accrued, approximate $90.0 million at December 31, 2001. Estimated income taxes related to unrepatriated foreign earnings would approximate $27.0 million. Management has identified approximately $20.2 million of foreign earnings that may not be permanently reinvested. Deferred income taxes in the amount of approximately $6.1 million have been provided on such earnings ($(.1) million during 2001 $2.1 million during 2000 and $4.1 million during 1999 and prior years).

7. 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 Information". Operations are managed on a geographic basis. 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 amount and percentages of the Company's sales were $20,707,000 (14.3%), $17,622,000 (12.1%) and $15,483,000 (10.2%) in 2000 and $24,066,000 (20.1%), $21,118,000 (17.7%) and $12,733,000 (10.7%) in 1999, respectively. No customers represented in excess of ten percent of consolidated sales in 2001. The loss of any of these customers could have a material adverse effect on the Company's results of operations, financial position and cash flows.

	2001	2000	1999
Revenue from unrelated entities and country of Company's domicile:			
North America	$ 47,257,490	$ 84,389,919	$ 69,603,111
Asia/Pacific	22,895,848	30,021,853	23,675,905
Hong Kong	13,906,574	14,292,061	7,622,297
United Kingdom	1,296,138	2,211,792	347,745
Europe	10,354,125	13,903,454	17,835,412
Other	334,642	407,732	379,180
	$ 96,044,817	$ 145,226,811	$ 119,463,650
Total Revenues:			
United States	$ 46,989,911	$ 84,875,000	$ 72,048,046
Asia	75,523,422	121,230,526	104,083,997
Less intergeographic revenues	(26,468,516)	(60,878,715)	(56,668,393)
	$ 96,044,817	$ 145,226,811	$ 119,463,650
Income (loss) from Operations:			
United States	$ (1,877,751)	$ 3,735,292	$ 2,299,951
Asia	(13,241,713)	29,728,822	21,548,845
	$ (15,119,464)	$ 33,464,114	$ 23,848,796
Identifiable Assets:			
United States	$ 47,116,502	$ 49,925,968	$ 51,770,893
Asia	112,651,502	123,634,713	87,826,707
Less intergeographic eliminations	(12,251,482)	(4,047,276)	(14,459,318)
Total Identifiable Assets	$ 147,516,522	$ 169,513,405	$ 125,138,282

Capital Expenditures:			
United States	$ 1,583,417	$ 2,337,330	$ 1,334,885
Asia	4,392,024	5,790,265	3,937,245
	$ 5,975,441	$ 8,127,595	$ 5,272,130
Depreciation and Amortization expense:			
United States	$ 1,477,180	$ 1,262,419	$ 1,208,414
Asia	6,307,397	4,669,336	4,892,354
	$ 7,784,577	$ 5,931,755	$ 6,100,768

7. 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 gross profit 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 became a Special Administrative Region ("SAR") of the People's Republic of China in the middle of 1997. The territory of Macau became a SAR of the People's Republic of China at the end of 1999. Management cannot presently predict what future impact, this will have on the Company, if any, 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 48% of its identifiable assets are located in The People's Republic of China and its SARs of Hong Kong and Macau. Accordingly, events which may result 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, Massachusetts, Hong Kong and China. Research and development costs, which are expensed as incurred, amounted to $4,967,000 in 2001, $6,229,000 in 2000, and $5,932,000 in 1999. The Company plans to close its Indiana and Texas facilities by the end of the third quarter of 2002 and relocate them in California. The Company is currently looking for property to purchase in San Diego, California where its research and development facility will be located.

8. RETIREMENT FUND AND PROFIT SHARING PLAN

The Company maintains a domestic profit sharing plan and 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, 2001, 2000, and 1999 amounted to approximately $216,000, $261,000, and $281,000, respectively. As of December 31, 2001, the plans owned 30,346 and 132,946 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

8. 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, 2001, 2000, and 1999 amounted to approximately $665,000, $518,000, and $511,000, respectively. As of December 31, 2001, the plan owned 4,820 and 22,406 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

9. 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 2,400,000 shares. Substantially all options outstanding become exercisable twenty-five percent (25%) one year from the date of grant and twenty-five percent (25%) for each year of the three years thereafter. The price of the options granted pursuant to the Plan is not to 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 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" (SFAS No. 123). 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 2001, 2000 and 1999 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:

9. STOCK OPTION PLAN (Continued)

	December 31,		
	2001	2000	1999
Net earnings (loss) - as reported ..	$(12,161,972)	$32,217,461	$21,291,833
Net earnings (loss) - pro forma	$(14,416,817)	$30,576,995	$20,373,438
Earnings (loss) per share - basic - as reported	$ (1.13)	$ 3.04	$ 2.03
Earnings (loss) per share - basic - pro forma	$ (1.35)	$ 2.89	$ 1.95
Earnings (loss) per share - diluted - as reported	$ (1.13)	$ 2.94	$ 1.98
Earnings (loss) per share - diluted - pro forma	$ (1.35)	$ 2.79	$ 1.89

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 2001, 2000 and 1999, respectively: dividends yield of .7%, .8% and .8%; expected volatility of 76% in 2000 for Class A, and 41%, 85% and 82% for Class B; risk-free interest rate of 5%, 5% and 5%, and expected lives of 5 years.

9. STOCK OPTION PLAN (Continued)

Information regarding the Company's Plan for 2001, 2000, and 1999 is as follows after giving retroactive effect to a two for one stock split on December 1, 1999:

	2001		2000		1999	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Options outstanding, beginning of year	822,429	$13.07	568,137	$ 9.03	523,400	$ 6.07
Options exercised	(129,143)	$10.27	(121,708)	$ 7.91	(129,263)	$ 5.13
Options granted	213,100	$29.50	376,000	$17.34	174,000	$15.40
Options cancelled	(28,271)	$14.05	--	$ --	--	$ --
Options outstanding, end of year	878,115	$17.44	822,429	$13.07	568,137	$ 9.03
Options price range at end of year	$5.75 to $29.50		$5.75 to $19.00		$5.75 to $15.44	
Options price range for exercised shares	$5.75 to $17.00		$5.75 to $15.44		$3.25 to $7.00	
Options available for grant at end of year	152,000		337,000		713,000	
Weighted-average fair value of options, granted during the year	$ 12.16		$ 9.28		$ 9.61	

9. STOCK OPTION PLAN (continued)

The following table summarizes information about fixed-price stock options outstanding at December 31, 2001:

Range of Exercise Prices	Number Outstanding at December 31, 2001	Weighted-Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2001	Weighted-Average Exercise Price
$ 5.75 to $ 7.00	208,515	1 year	$ 6.26	165,264	$ 6.33
$15.38 to $15.44	105,000	2 years	$15.41	23,000	$15.42
$17.00 to $19.00	351,500	3 years	$17.37	111,500	$17.79
$29.50	213,100	4 years	$29.50	--	$ --
	878,115			299,764	

10. COMMON STOCK

On November 5, 1999 the Board of Directors declared a two for one stock split to be paid in the form of a special dividend of one share of Class B common stock for each share of Class A and Class B outstanding. The special stock dividend was payable on December 1, 1999 to all Class A and Class B shareholders of record on November 22, 1999. The Board also approved an amendment to the Company's certificate of incorporation increasing the number of authorized shares of Class B common stock from 10,000,000 shares to 30,000,000 shares.

During 2000 the Board of Directors of the Company authorized the purchase of up to ten percent (10%) of the Company's outstanding common shares. As of December 31, 2001 the Company purchased and retired 23,600 Class B common shares at a cost of approximately $808,000, which reduced the number of Class B common shares outstanding.

11. 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,	
2002	$ 502,000
2003	382,000
2004	209,000
2005	141,000
2006	75,000
	$1,309,000

Rental expense was approximately $830,000, $670,000, and $600,000, for the years ended December 31, 2001, 2000, and 1999, respectively.

Credit Facilities

The Company has two domestic unsecured lines of credit amounting to $11 million which were unused at December 31, 2001. The $1 million line of credit is renewable annually. The $10 million line of credit is a three year line and is renewable during May 2002. Borrowings under the $11 million line of credit are secured by a first priority security interest in 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 million which was unused as of December 31, 2001. The line of credit expires December 31, 2002. Borrowing on the line of credit is guaranteed by the U.S. parent.

Facilities

The Company has completed the construction of new corporate offices in Jersey City, New Jersey in the amount of $2.8 million. As of December 31, 2001, there are no outstanding liabilities in connection with this project.

Legal Proceedings

The Company commenced an arbitration proceeding before the American Arbitration Association against Lucent Technologies, Inc. in or about December 2000. The arbitration arises out of an Agreement for the Purchase and Sale of Assets, dated October 2, 1998 (the "Asset Purchase Agreement"), among Bel Fuse, Lucent Technologies, Inc. and Lucent Technologies Maquiladores, Inc., and a related Global Procurement Agreement, dated October 2, 1998 (the "Supply Agreement"), between Lucent Technologies, Inc., as Buyer, and Bel Fuse, as

Supplier. Pursuant to the Asset Purchase Agreement, the Company purchased substantially all of the assets of Lucent's signal transformer business. Pursuant to the Supply Agreement, Lucent agreed that except for limited instances where Lucent was obligated to purchase product elsewhere, for a term of 3 1/2 years, Lucent would be obligated, on an as required basis, to purchase from the Company all of Lucent's requirements for signal transformer products. The Supply Agreement also provided that the Company would be given the opportunity to furnish quotations for the sale of other products.

The Company is seeking monetary damages for alleged breaches by Lucent of the Asset Purchase Agreement and the Supply Agreement. In its answer, Lucent denied many of the material allegations made by the Company and also asserted two counterclaims. The counterclaims seek recovery for alleged losses, including loss of revenue, sustained by Lucent as a result of the Company's alleged breach of various provisions of the Supply Agreement. The parties are currently engaged in extensive discovery proceedings. The Company believes it has substantial and meritorious claims against and defenses to Lucent and its counterclaims. However, the Company cannot predict how the arbitrator will decide this matter and whether it will have a material effect on the financial statements.

SELECTED QUARTERLY FINANCIAL DATA
(Unaudited)

	Quarter Ended				Total Year Ended
	March 31, 2001	June 30, 2001	September 30, 2001	December 31, 2001 (2)	December 31, 2001
Net sales	$33,703,785	$ 22,076,118	$23,291,790	$16,973,124	$ 96,044,817
Gross profit (loss)	13,432,220	(7,310,879)	4,350,224	(4,030,075)	6,441,490
Net earnings (loss)	7,576,682	(11,110,114)	(400,294)	(8,228,246)	(12,161,972)
Earnings (loss) per share - basic (1)	$ 0.71	$ (1.04)	$ (0.04)	$ (0.77)	$ (1.14)
Earnings (loss) per share - diluted (1)	$ 0.68	$ (1.04)	$ (0.04)	$ (0.77)	$ (1.17)

	Quarter Ended				Total Year Ended
	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000	December 31, 2000
Net sales	$26,133,179	$33,721,946	$41,560,409	$43,811,277	$145,226,811
Gross profit	9,428,734	12,778,998	16,815,062	17,725,472	56,748,266
Net earnings........	4,471,801	6,559,484	10,184,167	11,002,009	32,217,461
Earnings per share - basic	$ 0.42	$ 0.62	$ 0.96	$ 1.04	$ 3.04
Earnings per share - diluted	$ 0.41	$ 0.60	$ 0.92	$ 0.98	$ 2.91

(1) Quarterly amounts of earnings per share may not agree to the total for the year due to the use of potential common shares outstanding in computing diluted earnings per common share during the first quarter of 2001 and omitting potential common shares outstanding in computing loss per common share for the year ended 2001, as those shares would be antidilutive.

(2) During the fourth quarter of 2001, management concluded that $700,000 of accruals, recorded in the fourth quarter of 2000, were no longer required. Such accruals, which related to its Far East operations, were reversed in the fourth quarter of 2001.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Item 10. DIRECTORS OF THE REGISTRANT

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2002 annual meeting of shareholders that is responsive to the information required with respect to this Item.

Item 11. EXECUTIVE COMPENSATION

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2002 annual meeting of shareholders that is responsive to the information required with respect to this Item.

Item 12. SECURITY OWNERSHIP OF CENTRAL BENEFICIAL OWNERS AND MANAGEMENT

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2002 annual meeting of shareholders that is responsive to the information required with respect to this Item.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2002 annual meeting of shareholders that is responsive to the information required with respect to this Item.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

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	Notes to Consolidated Financial Statements	F-10 - F-27
	Selected Quarterly Financial Data - Years Ended December 31, 2001 and 2000 (Unaudited)	F-28
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) Reports on Form 8-K

The Company did not file any current reports on Form 8-K during the three month period ended December 31, 2001.

(c) Exhibits

3.1 Certificate of Incorporation, as amended, is incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

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.

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.

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

/s/ COLIN DUNN

Colin Dunn, Vice President of Finance and Chief Financial Officer

Dated: March 28, 2002

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Daniel Bernstein and Colin Dunn as his/her attorney-in-fact and agent, with full power of substitution and resubstitution, for him/her and in his/her name, place, and stead, in any and all capacities, to sign and file any and all amendments to this Annual Report on Form 10-K, with all exhibits thereto and hereto, and other documents with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

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/ DANIEL BERNSTEIN - Daniel Bernstein	President, Chief Executive Officer and Director	March 28, 2002
/s/ HOWARD B. BERNSTEIN Howard B. Bernstein	Director	March 28, 2002

/s/ ROBERT H. SIMANDL Robert H. Simandl	Director	March 28, 2002
/s/ PETER GILBERT Peter Gilbert	Director	March 28, 2002
/s/ JOHN TWEEDY John Tweedy	Director	March 28, 2002
/s/ JOHN JOHNSON John Johnson	Director	March 28, 2002

EX - 22.1

Subsidiaries of the Registrant

Name	Jurisdiction of Incorporation
Bel Fuse Limited	Hong Kong
Bel Fuse Macau LDA	Macau
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
Bel Ventures Inc.	Delaware
Bel Power Products Inc.	Delaware
Bel Power (Hangzhou) Co. Ltd.	China

EX-23.1

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 13, 2002, appearing in this Annual Report on Form 10-K of Bel Fuse Inc. for the year ended December 31, 2001.

March 21, 2002
New York, New York

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

Column A	Column B	Column C	Column D	Column E	Column F
		Additions			
Description	Balance at beginning of period	Charged to profit and loss or income	Charged to other accounts (describe)	Deductions describe)	Balance at close of period
Year ended December 31, 2001					
Allowance for doubtful accounts	$ 945,000	$ --	$ --	$ --	$ 945,000
Allowance for excess and obsolete inventory	$2,847,000	$14,586,000	$ --(a)	$10,692,000	$ 6,269,000
Year ended December 31, 2000					
Allowance for doubtful accounts	$ 661,000	$ 1,454,000	$ --(a)	$ 1,170,000	$ 945,000
Allowance for excess and obsolete inventory	$1,542,000	$ 1,644,000	$ --(a)	$ 339,000	$ 2,847,000
Year ended December 31, 1999					
Allowances for doubtful accounts	$ 317,000	$ 344,000	$ --	$ --	$ 661,000
Allowance for excess and obsolete inventory	$ 764,000	$ 1,468,000	$ --(a)	$ (690,000)	$ 1,542,000

(a) Write offs.