



Bel Reports 18% Increase in Revenue to A Second Quarter Record \$72.5 Million

Second Quarter Results

Paced by higher sales in Bel's Modules and Magnetics product groups, net sales for the three months ended June 30, 2008 reached a second quarter record \$72,454,000, a sequential increase of 19% when compared to net sales of \$60,869,000 for the first quarter of 2008 and 18% higher than net sales of \$61,612,000 reported for the second quarter of 2007.

Net earnings for this year's second quarter of \$1,811,000 include a non-cash pre-tax charge of \$2,353,000 for the other-than-temporary impairment of Bel's holdings in Toko Inc. (TSE: 6801). Excluding this charge, Bel's second quarter net earnings would have sequentially increased 51% for the quarter, compared to net earnings of \$2,167,000 for the first quarter of 2008.

Net earnings for the second quarter of 2007 were \$6,158,000, which included a pre-tax gain of \$880,000 on the sale of real estate in the Far East and a pre-tax gain of \$2,508,000 from the partial disposition of Bel's holdings in Toko Inc., offset by a \$500,000 accrual for performance bonuses awarded by the Board in connection with the Toko investment, a \$1,200,000 warranty claim and increased legal expenses of approximately \$450,000, primarily associated with defending patent claims.

Net earnings per diluted Class A common share were \$0.14 for this year's second quarter. For the second quarter of 2007, net earnings per diluted Class A common share were \$0.49. For the first quarter of 2008, net earnings per diluted Class A common share were \$0.17. Net earnings per diluted Class B common share were \$0.16 for this year's second quarter. Diluted Class B common share earnings were \$0.52 for last year's second quarter, and \$0.19 per diluted Class B common share for this year's first quarter.

"As in the first quarter 2008, our profitability in the second quarter continued to be affected by higher labor and raw materials costs and the weakness of the dollar against the Chinese yuan. We hired a total of approximately 5,000 workers since the Chinese New Year holiday, including approximately 1,500 workers during the second quarter, in order to meet continued strong demand for our products. The inefficiencies and overtime expenses associated with training these new workers contributed to lower gross margin in this year's first half versus last year.

"As these workers complete their training and become more productive, our efficiencies will increase, overtime expenses will decline and gross margin will improve. We will implement a corporate-wide cost reduction plan in the third quarter to further streamline the organization. Finally, we increased product pricing in July, which should help alleviate the strain on margins from the cost increases we absorbed in the year's first half," said Daniel Bernstein, Bel's CEO and President.

"We continue to seek acquisition opportunities with the potential to increase shareholder value," Bernstein concluded.

First Half Results

For the six months ended June 30, 2008, net sales increased 8% to \$133,323,000. This compares to net sales of \$123,419,000 for the first six months of 2007. Net earnings decreased to \$3,978,000 compared to net earnings of \$10,167,000 for last year's first half.

For the first six months of 2008, net earnings were \$0.31 and \$0.34 per diluted Class A and Class B common share, respectively. For the first six months of 2007, net earnings were \$0.81 and \$0.86 per diluted Class A and Class B common share, respectively.

Balance Sheet Highlights

At June 30, 2008, Bel reported cash, cash equivalents and marketable securities of approximately \$111,449,000, working capital of

approximately \$177,992,000, a current ratio of 5.8-to-1, total long-term obligations of \$17,039,000, and shareholders' equity of \$248,075,000. At December 31, 2007, cash, cash equivalents and marketable securities were approximately \$107,690,000, working capital was approximately \$173,171,000, the current ratio was 6.2-to-1, total long-term obligations were \$16,273,000, and shareholders' equity was \$244,527,000.

During the first half of 2008, Bel repurchased 25,496 Class A shares at a cost of \$766,000.

Conference Call

Bel has scheduled a conference call at 11:00 a.m. EDT today. To participate in the call, dial (212) 231-2900, reservation #21383061. A simultaneous webcast of the conference call may be accessed from the [Investor Info](#) link at www.belfuse.com. A replay will be available after 1:00 p.m. EDT, for a period of 20 days, at this same Internet address. For a telephone replay, dial (800) 633-8284, reservation #21383061 after 1:00 p.m. EDT.

About Bel

Bel (www.belfuse.com) and its subsidiaries are primarily engaged in the design, manufacture and sale of products used in networking, telecommunications, high speed data transmission, and consumer electronics. Products include magnetics (discrete components, power transformers and MagJack®s), modules (DC-DC converters, integrated analog front end modules and custom designs), circuit protection (miniature, micro and surface mount fuses) and interconnect devices (passive jacks, plugs and cable assemblies). Bel operates facilities around the world.

Forward-Looking Statements

Except for historical information contained in this news release, the matters discussed in this press release (including statements regarding the impact of price increases, corporate cost reductions and acquisition possibilities) are forward looking statements that involve risks and uncertainties. Among the factors that could cause actual results to differ materially from such statements are: the market concerns facing our customers, the continuing viability of sectors that rely on our products, the effect of business and economic conditions; capacity and supply constraints or difficulties; product development, commercializing or technological difficulties; the regulatory and trade environment; risks associated with foreign currencies; uncertainties associated with legal proceedings; the market's acceptance of the Company's new products and competitive responses to those new products and the risk factors detailed from time to time in the Company's SEC reports. In light of the risks and uncertainties, there can be no assurance that any forward-looking statement will in fact prove to be correct. We undertake no obligation to update or revise any forward-looking statements.

[\(tables attached\)](#)

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