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BEL FUSE INC /NJ  
Form 10-K  
March 19, 2001

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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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, 2000

[ ] 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  
-----

(State or other jurisdiction of  
incorporation or organization)

22-1463699  
-----

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

198 VAN VORST STREET, JERSEY CITY, NEW JERSEY 07302  
(201) 432-0463  
-----

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

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

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

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

Yes  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. [ ]

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Aggregate market value of voting stock held by non-affiliates as of March 8, 2001 was approximately \$60,800,000 (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 8, 2001 was approximately \$187,043,000 (based upon the closing sales price of those shares reported on the National Association of Securities Dealers Automated Quotation System for that day).

Number of shares of Common Stock outstanding as of March 8, 2001: 2,654,202 Class A Common Stock; 8,025,437 Class B Common Stock

Documents incorporated by reference:

Bel Fuse Inc.'s Definitive Proxy Statement for the 2001 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 (a) the risk that it may be unable to respond adequately to rapidly changing technological developments in its industry, (b) risks associated with its Far East operations described herein under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations - Other Matters," (c) the highly competitive nature of the Company's industry and the impact that competitors' new products and pricing may have upon the Company, (d) the likelihood that revenues may vary significantly from one accounting period to another accounting period due to a variety of factors, including customers' buying decisions, the Company's product mix and general market and economic conditions, (e) the Company's reliance on certain substantial customers, and (f) risks associated with the Company's ability to manufacture and deliver products in a manner that is responsive to its customers' needs. 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 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 this Annual Report on Form 10-K for the year ended December 31, 2000, which could cause actual results to differ significantly 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

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to Bel Fuse Inc. and its consolidated subsidiaries unless otherwise specified.

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On October 2, 1998, the Company acquired the manufacturing assets, primarily consisting of inventory and fixed assets, of Lucent Technologies, Inc.'s ("Lucent") Power Systems Signal Transformer product line in exchange for approximately \$27 million in cash. Under the terms of the agreement, the Company, among other things, was to be provided new product opportunities and continue to supply the majority of Lucent's telecom magnetic requirements. The Company has moved substantially all of the manufacturing of this business to the People's Republic of China. The Company has established research and development support and legacy product manufacturing in Dallas, Texas.

### Product Groups

#### Magnetic Components

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

#### Integrated Connector Modules

These modules combine RJ-45 and USB connectors with the Company's magnetic components. 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.

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#### 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 500 customers throughout North America, Western Europe and the Far East. Sales are made through independent sales representative organizations and authorized distributors who are overseen

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by the Company's sales personnel throughout the world. As of December 31, 2000, the Company had a sales staff of 25 persons that supported 51 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 had sales to three customers in excess of ten percent of 2000 consolidated sales. The amount and percentage of consolidated sales were approximately \$20,707,000 (14.3%), \$17,622,000 (12.1%) and \$15,483,000 (10.2%), respectively. The sales to these customers represent various products manufactured by the Company. 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.

### Research and Development

The Company's research and development efforts in 2000 were spread among all of the Company's current product groups. The Company's research and development facilities are located in California, Indiana, Texas, and Hong Kong. In addition, the Company maintains continuing programs to improve the reliability of its products and to design specialized assembly equipment to increase manufacturing efficiencies. Research and development costs amounted to \$6,229,000 in 2000.

### 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.

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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. The preceding sentence constitutes a Forward-Looking Statement.

### 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, 2001 was approximately \$46 million, as compared with a backlog of \$31.5 million as of February 25, 2000. Management expects that all of the Company's backlog as of February 25, 2001 will be shipped by December 31, 2001. 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.

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### Trademarks and Patents

The Company has been granted a number of U.S. patents and has additional U.S. patent applications pending relating to its products. While the Company believes that the issued patents are defensible 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 March 11, 2001 to August 29, 2020.

The Company utilizes eight U.S. registered trademarks - BELFUSE, BEL, BELMAG, BELSTACK, BELSTICK, SLO-BEL, SURFUSE and Components for a Connected World - 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.

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### Employees

As of December 31, 2000, the Company had 1,101 full-time employees. The Company employed 117 people in its U.S. facilities and 984 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.

### Risks and Uncertainties

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

### Item 2. Properties

The Company currently occupies approximately 490,000 square feet of

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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 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 43% of the 490,000 square feet the Company occupies is owned, while the remainder is leased. See Note 11 of Notes to Consolidated Financial Statements for additional information pertaining to leased properties.

### Item 3. Legal Proceedings

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

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

No matters were submitted to a vote of the Company's shareholders during the fourth quarter of 2000.

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### Item 4A. Executive Officers of the Registrant

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

Name and Age -----	Officer Since -----	Positions and Offices With the Company/ Business Experience -----
Elliot Bernstein, 77	1954	Chairman of the Board, Chief Executive Officer and Director
Daniel Bernstein, 47	1985	President, Managing Director of the Company's Macau Subsidiary and Director
Robert H. Simandl, 72	1967	Secretary and Director
Arnold Sutta, 74	1985	Vice President of Sales
Peter Christoffer, 59	1986	Vice President of Research and Development
Colin Dunn, 56	1992	Vice President of Finance and Treasurer
Joseph Meccariello, 50	1995	Vice President of Manufacturing

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

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

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

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

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

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

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

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

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## PART II

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

#### (a) Market Information

On July 9, 1998 the shareholders approved an amendment to the Company's Certificate of Incorporation authorizing a new voting Class A Common Stock, par value \$.10 per share, and a new non-voting Class B Common Stock, par value \$.10 per share ("Class A" and "Class B," respectively), which are traded 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, after giving retroactive effect to a two for one stock split payable in the form of a dividend on December 1, 1999. On that date, the Company issued one share of Class B Common Stock for each share of Class A Common Stock and Class B Common Stock outstanding on the applicable record date.

	Class A High -----	Class B High -----	Class A Low -----	Class B Low -----
Year Ended December 31, 1999				
First Quarter	\$24.75	\$20.00	\$15.31	\$12.50
Second Quarter	21.19	18.63	13.38	12.88
Third Quarter	19.31	17.19	14.00	12.63

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Fourth Quarter	37.38	35.00	16.68	14.56
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

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

(b) Holders

As of March 1, 2001 there were 110 registered shareholders of the Company's Class A Common Stock and 133 registered shareholders of Class B Common Stock. The Company estimates that there were 2,482 beneficial shareholders of Class A Common Stock and 4,907 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, 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, 1999, May 1, 1999, August 1, 1999 and November 1, 1999, the Company paid a \$.10 per share dividend to all shareholders of record of Class B Common Stock in the total amount of \$254,239, \$261,988, \$262,356 and \$262,469, respectively. On February 1, 2001 the Company paid a \$.05 per share dividend to all shareholders of record at January 11, 2001 of Class B Common Stock in the total amount of \$399,700.

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Item 6. Selected Financial Data

	Years Ended December 31,			
	2000	1999	1998	1997
	----	----	----	----
	(In thousands of dollars, except per share data)			
Selected Statements of Operations Data:				
Net sales	\$145,227	\$119,464	\$ 90,754	\$ 73,111
Cost of sales	88,479	76,113	58,654	50,000
Selling, general and administrative expenses	23,284	19,502	16,648	13,111
Other income - net (a)	3,912	878	1,579	1,111
Earnings before income taxes	37,376	24,727	17,031	10,111
Income tax provision	5,159	3,435	1,813	1,111
Net earnings	32,217	21,292	15,218	8,000
Earnings per common share - basic (b)	3.04	2.03	1.47	0.80
Earnings per common share - diluted (b)	2.94	1.98	1.45	0.78

	As of December 31,			
	2000	1999	1998	1997
	----	----	----	----
	(In thousands of dollars, except per share data)			

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### Selected Balance Sheet Data:

Working capital	\$ 97,720	\$ 65,077	\$ 40,899	\$ 44,
Total assets	169,513	125,249	103,625	83,
Stockholders' equity	141,016	110,254	88,806	72,
Book value per share (b)	13.25	10.46	8.56	7
Return on average total assets, %	21.87	18.25	12.50	11
Return on average Stockholders' equity, %	25.64	20.93	19.00	13

(a) Includes gains of \$1,081 and \$1,267 from the sale of marketable securities during 2000 and 1996, respectively.

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

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

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

#### Results of Operations

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

	Percentage of Net Sales		
	Years Ended December 31,		
	2000	1999	1998
	----	----	----
Net sales	100.0%	100.0%	100.0%
Cost of sales	60.9%	63.7%	64.6%
Selling, general and administrative expenses	16.0%	16.3%	18.3%
Other income, net of interest expense	2.7%	0.7%	1.7%
Earnings before income taxes	25.8%	20.7%	18.8%
Income tax provision	3.6%	2.9%	2.0%
Net earnings	22.2%	17.8%	16.8%
	Increase from Prior Period		
	-----		
	2000 compared with 1999	1999 compared with 1998	
	-----		
Net sales	21.6%	31.6%	

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Cost of sales	16.3%	29.8%
Selling, general and administrative expenses	19.4%	17.1%
Net earnings	51.3%	39.9%

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### Sales

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 integrated connector modules ("ICM"), magnetic components and fuses.

Net sales increased 31.6% from approximately \$90.8 million in 1998 to approximately \$119.5 million in 1999. The Company attributes this increase primarily to the inclusion of sales of telecom magnetic products of the signal transformer product line recently acquired from Lucent, and increased fuse sales.

### Cost of Sales

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.

Cost of sales as a percentage of net sales decreased from 64.6% in 1998 to 63.7% in 1999. The decrease in the cost of sales percentage is primarily attributable to lower labor and factory overhead costs as a percentage of sales offset, in part, by higher material content, principally attributed to differences in sales mix.

### Selling, General and Administrative Expenses

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.

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The percentage relationship of selling, general and administrative expenses to net sales decreased from 18.3% in 1998 to 16.3% in 1999. The Company attributes the percentage decrease primarily to increased sales. Selling, general and administrative expenses increased in dollar amount by 17.1%. The Company attributes the increase in dollar amount of such expenses primarily to increases in sales and marketing salaries and other sales related expenses and amortization of goodwill resulting from the acquisition of the signal transformer product line acquired from Lucent in the fourth quarter of 1998.

### Other Income - Net

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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.

Other income, consisting principally of interest earned on cash and cash equivalents, decreased by approximately \$700,000 from the year 1998 to 1999. The decrease is primarily due to the use of cash and cash equivalents in the acquisition of the signal transformer business for Lucent.

### 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 (\$2.1 million during 2000, \$2.0 million during 1999 and \$2.0 million in years prior to 1998).

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

The provision for 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 provision for income taxes in 1999 was \$3.4 million as compared to \$1.8 million in 1998. The increase in the provision is due primarily to higher foreign earnings and an increase in foreign effective tax rates in 1999 versus 1998.

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

### Inflation

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

### Liquidity and Capital Resources

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

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expansion of the Company's operations.

The Company has two domestic unsecured lines of credit amounting to \$11,000,000 which were unused at December 31, 2000. The lines of credit are renewable annually. 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 expires in October 2001. Borrowing on the line of credit is guaranteed by the U.S. parent.

The Company has contracted for the reconstruction and addition of new corporate offices in Jersey City in the amount of \$2.6 million. As of December 31, 2000 approximately \$1.8 million has been paid towards this contract.

On May 10, 2000 the Board of Directors authorized the repurchase of up to 10% of the Company's outstanding Class A and Class B shares from time to time in market or privately negotiated transactions. As of December 31, 2000 the Company had repurchased 23,600 Class B shares at a total cost of approximately \$808,000.

During 2000, the Company's cash and cash equivalents increased by approximately \$31.2 million, reflecting approximately \$38.4 million provided by operating activities, \$3.0 from the sale of marketable securities and \$1.0 from the exercise of stock options, offset, in part, by approximately \$8.1 million in purchases of plant and equipment, approximately \$1.6 million in dividends and \$.8 million in purchases of marketable securities.

Cash, marketable securities and cash equivalents and accounts receivable comprised approximately 51.9% and 42.2% of the Company's total assets at December 31, 2000 and 1999, respectively. The Company's current ratio (i.e., the ratio of current assets to current liabilities) was and 5.5 to 1 and 7.5 to 1 at December 31, 2000 and 1999, respectively.

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### 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 49% 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. Management has concluded that the adoption of SFAS 133 will not have a significant impact on the financial position, results of operations, or cash flows of the Company.

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In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements". SAB 101 summarizes certain of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. The Company adopted the provisions of SAB 101 during the fourth quarter ended December 31, 2000. Such adoption has not had a material impact on the Company's consolidated results of operations, financial position or cash flows.

In March, 2000, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 44 (FIN No. 44), Accounting for Certain Transactions Involving Stock Compensation - an interpretation of APB 25. FIN No. 44 clarifies (i) the definition of employees for purposes of applying APB Opinion No. 25, (ii) the criteria for determining whether a plan qualifies as a noncompensatory plan, (iii) the accounting consequences of various modifications to the terms of a previously fixed stock option or award, and (iv) the accounting for an exchange of stock compensation awards in a business combination. FIN No. 44 was effective July 1, 2000. This standard has not had a significant impact on the Company's consolidated results of operations, financial position or cash flows.

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### Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Fair Value of Financial Instruments -- The following disclosure of the estimated fair value of financial instruments is made in accordance with the requirements of Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments". The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies.

However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

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

The Company's carrying values of cash, 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.

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## BEL FUSE INC. INDEX

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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, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2000. Our audits also included the financial statement schedule listed in the Index at Item 14. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with 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, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 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.

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/S/ DELOITTE & TOUCHE LLP

March 7, 2001  
New York, New York

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BEL FUSE INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

	December 31, 2000 -----	December 31, 1999 -----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 62,587,033	\$ 31,382,629
Marketable securities	231,431	2,253,039
Accounts receivable - less allowances of \$945,000 and \$661,000	25,165,748	18,815,513
Inventories	30,259,606	24,210,654
Prepaid expenses and other current assets	318,120	334,820
Deferred income taxes	654,000	--
	-----	-----
Total Current Assets	119,215,938	76,996,655
	-----	-----
Property, plant and equipment - net	39,738,064	36,021,708
Goodwill - net of amortization of \$3,548,401 and \$2,042,008	10,241,051	11,747,444
Other assets	318,352	372,475
	-----	-----
TOTAL ASSETS	\$169,513,405 =====	\$125,138,282 =====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

	December 31, 2000 -----	December 31, 1999 -----
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 13,038,299	\$ 4,375,915

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Accrued expenses	8,058,326	4,969,672
Income taxes payable	--	241,850
Dividends payable	399,700	393,908
Deferred income taxes	--	247,000
	-----	-----
Total Current Liabilities	21,496,325	10,228,345
	-----	-----
Deferred income taxes	7,001,000	4,656,000
	-----	-----
Total Liabilities	28,497,325	14,884,345
	-----	-----
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 2,646,828 and 2,632,197 shares, respectively (net of 1,072,770 treasury shares)	264,683	263,220
Class B common stock, par value \$.10 per share - authorized 30,000,000 shares; outstanding 7,993,783 and 7,910,306 shares, respectively (net of 3,218,310 treasury shares)	799,379	791,031
Additional paid-in capital	9,419,553	8,811,653
Retained earnings	130,470,576	99,839,765
Cumulative other comprehensive income	61,889	548,268
	-----	-----
Total Stockholders' Equity	141,016,080	110,253,937
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$169,513,405	\$125,138,282
	=====	=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,	
	2000	1999
	-----	-----
Net Sales	\$145,226,811	\$119,463,650
	-----	-----
Costs and expenses:		
Cost of sales	88,478,545	76,112,866
Selling, general and administrative	23,284,152	19,501,988
	-----	-----
	111,762,697	95,614,854
	-----	-----

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Income from operations	33,464,114	23,848,796	1
Other income (net)	3,912,347	878,037	
	-----	-----	---
Earnings before income taxes	37,376,461	24,726,833	1
Income tax provision	5,159,000	3,435,000	
	-----	-----	---
Net earnings	\$ 32,217,461	\$ 21,291,833	\$ 1
	=====	=====	===
Earnings per common share - basic	\$ 3.04	\$ 2.03	\$
	=====	=====	===
Earnings per common share - diluted	\$ 2.94	\$ 1.98	\$
	=====	=====	===
Weighted average number of common shares outstanding - basic	10,582,916	10,476,670	1
	=====	=====	===
Weighted average number of common shares outstanding - diluted	10,953,540	10,777,485	1
	=====	=====	===

See notes to consolidated financial statements.

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

	Total	Compre- hensive Income	Retained Earnings	Cumulative Other Compre- hensive Income (loss)	Common Stock
	-----	-----	-----	-----	-----
Balance, January 1, 1998	\$72,829,410		\$64,771,298	\$ 20,167	\$ 1,024,384
Exercise of stock options	863,138				16,016
Effect of splitting Common stock into A and B shares					(1,040,400)
Tax benefits arising from the non-qualified disposition of incentive sock options	181,000				
Cash dividends on Class B Common stock-\$ .10 per share	(260,331)		(260,331)		
Currency translation adjustment	(24,878)	\$ (24,878)		(24,878)	
Net earnings	15,217,820	15,217,820	15,217,820		
		-----			
Comprehensive Income		\$15,192,942			
		=====			
Balance, December 31, 1998	88,806,159		79,728,787	(4,711)	--
Exercise of stock options	662,821				
Tax benefits arising from the non-qualified disposition of					

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incentive sock options	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		
		=====		

See notes to consolidated financial statements.

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

	Total	Compre- hensive Income	Retained Earnings	Cumulative Other Compre- hensive Income (loss)	Common Stock	
	-----	-----	-----	-----	-----	-----
Balance, December 31, 1999	110,253,937		99,839,765	548,268	--	
Exercise of stock options	962,516					
Tax benefits arising from the non-qualified disposition of incentive sock options	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)					
Issuance of stock warrants for consulting services	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	\$ --	\$ --
	=====		=====	=====	=====	=====

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

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	Years Ended December 31,		
	2000	1999	1998
	----	----	----
Cash flows from operating activities:			
Net income	\$ 32,217,461	\$ 21,291,833	\$ 15,217,820
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	5,931,755	6,100,768	4,128,868
Other	493,269	126,929	303,108
Deferred income taxes	1,783,000	1,634,000	416,000
Gain on sale of marketable securities	(1,081,437)	--	--
Changes in operating assets and liabilities	(941,946)	(5,908,708)	(4,250,999)
	-----	-----	-----
Net Cash Provided by Operating Activities	38,402,102	23,244,822	15,814,797
	-----	-----	-----
Cash flows from investing activities:			
Purchase of property, plant and equipment	(8,127,595)	(5,272,130)	(3,652,388)
Purchase of marketable securities	(773,253)	(1,357,335)	(2,830,415)
Payment for acquisition	--	(43,806)	(27,514,000)
Proceeds from sale of marketable securities	3,024,432	--	2,829,840
Proceeds from sale of equipment	865	136,953	14,291
	-----	-----	-----
Net Cash (Used in) Investing Activities	(5,875,551)	(6,536,318)	(30,986,217)
	-----	-----	-----

See notes to consolidated financial statements.

(Continued)

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

	Year Ended December 31,		
	2000	1999	1998
	----	----	----
Cash flows from financing activities:			
Repurchase of common stock	(807,805)	--	--
Loan repayments	104,000	128,804	166,450
Dividends paid to common shareholders	(1,580,858)	(1,041,185)	--
Proceeds from exercise of stock options	962,516	662,821	863,130
	-----	-----	-----
Net Cash Provided by			

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(used in) financing activities	(1,322,147)	(249,560)	1,029,59
Net Increase (decrease) in Cash and Cash Equivalents	31,204,404	16,458,944	(14,308,28
Cash and Cash Equivalents - beginning of year	31,382,629	14,923,685	29,231,96
Cash and Cash Equivalents - end of year	\$ 62,587,033	\$ 31,382,629	\$ 14,923,68
Changes in operating assets and liabilities consist of:			
Increase in accounts receivable	\$ (6,377,235)	\$ (1,742,976)	\$ (5,981,15
Increase in inventories	(6,048,952)	(2,363,091)	(2,215,62
Increase in prepaid expenses and other current assets	(87,300)	(109,755)	(142,04
Decrease in other assets	54,123	76,778	131,51
Increase (decrease) in accounts payable	8,662,384	(609,925)	1,517,94
(Decrease) increase in accrued expenses	3,096,884	(1,391,342)	2,665,64
Increase (decrease) in income taxes payable	(241,850)	231,603	(227,26
	\$ (941,946)	\$ (5,908,708)	\$ (4,250,99

See notes to consolidated financial statements.

(Continued)

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

	Year Ended December 31,		
	2000	1999	1998
	----	----	----
Supplementary information:			
Cash paid during the year for:			
Income Taxes	\$ 3,183,000	\$ 1,598,000	\$ 1,261,000
	=====	=====	=====
Details of acquisition:			
Fair value of assets acquired			\$27,514,000
Liabilities assumed			--
			-----
Net cash paid for acquisition			\$27,514,000
			=====
Warrants issued in connection with consulting services	\$ 25,000		
	=====		

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See notes to consolidated financial statements.

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### 1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bel Fuse Inc. and its subsidiaries (the "Company") operate in one industry segment and are engaged in the design, manufacture and sale of products used in local area networking, telecommunication, business equipment and consumer electronic applications. 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, 2000 and 1999, cash equivalents approximate \$53,128,000 and \$19,586,000, 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 a separate component of stockholders' equity.

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

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

**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.

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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 3 1/2 to 15 years. Amortization expense was \$1,506,000 in 2000, \$1,518,000 in 1999, and \$394,000 in 1998.

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.

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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.

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 Options 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.

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 discounted future net cash flows of the related long-lived asset. As of December 31, 2000, management concluded that no impairment exists.

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EARNINGS PER COMMON SHARE - Basic earnings per common share are computed by dividing net earnings by the weighted average number of common shares outstanding during the year. Diluted earnings per common share are computed by dividing net earnings by the weighted average number of common shares and potential common shares outstanding during the year. Potential common shares used in computing diluted earnings per share relate to stock options and warrants which, if exercised, would have a dilutive effect on earnings per share. The number of potential common shares outstanding were 370,624, 300,815, and 166,214 for the years ended December 31, 2000, 1999 and 1998, respectively. During the three years ended December 31, 2000, there were no antidilutive options and warrants omitted from the calculation of diluted earnings per share.

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 will adopt SFAS 133 effective January 1, 2001. Management has concluded that the adoption of SFAS 133 will not have a significant impact on the financial position, results of operations, or cash flows of the Company.

In December 1999, the Securities and Exchange Commission (SEC) issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements". SAB 101 summarizes certain of the SEC's views in applying generally accepted accounting principles to revenue recognition in financial statements. The Company adopted the provisions of SAB 101 during the fourth quarter ended December 31, 2000. Such adoption has not resulted in a material impact on the Company's consolidated results of operations, financial position or cash flows.

In March, 2000, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 44 (FIN No. 44), Accounting for Certain Transactions Involving Stock Compensation - an interpretation of APB 25. FIN No. 44 clarifies (i) the definition of employees for purposes of applying APB Opinion No. 25, (ii) the criteria for determining whether a plan qualifies as a noncompensatory plan, (iii) the accounting consequences of various modifications to the terms of a previously fixed stock option or award, and (iv) the accounting for an exchange of stock compensation awards in a business combination. FIN No. 44 was effective July 1, 2000. This standard has not had a significant impact on the Company's consolidated results of operations, financial position or cash flows.

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### 2. ACQUISITION

On October 2, 1998, the Company acquired the manufacturing assets, primarily consisting of inventory and fixed assets, of Lucent Technologies, Inc.'s ("Lucent") signal transformer product line in exchange for approximately \$27 million in cash. Under the terms of the agreement, the Company, among other things, was to be provided new product opportunities and continue to supply the majority of Lucent's telecom magnetic requirements. The Company has moved substantially all of the manufacturing of this business to the People's Republic of China. The Company has established research and development, support and legacy product manufacturing in Dallas, Texas.

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

	Year Ended December 31, 1998
-----	
Dollars in thousands Except per share data)	
Sales	\$123,418
Net earnings (1)	25,003
Diluted earnings per common share (2)	\$ 2.37

- (1) In arriving at net earnings, income taxes were estimated based upon assumptions as to the geographic area in which the operating income would have been earned by the Company.
- (2) After giving retroactive effect to a two for one stock split payable in the form of a dividend on December 1, 1999.

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 3. MARKETABLE SECURITIES

At December 31, 2000 and 1999 respectively, marketable securities have a cost of \$186,000 and \$1,357,000, an estimated fair value of \$231,000 and \$2,253,000, gross unrealized gain of \$45,000 and \$896,000 and realized gain of \$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,	
-----	
2000	1999
-----	

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Raw materials	\$16,486,878	\$11,811,699
Work in process	91,095	100,273
Finished goods	13,681,633	12,298,682
	-----	-----
	\$30,259,606	\$24,210,654
	=====	=====

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31,	
	2000	1999
	-----	-----
Land	\$ 1,164,436	\$ 1,164,436
Buildings and improvements	16,027,254	14,282,892
Machinery and equipment	57,654,254	51,331,262
Idle property held for sale	935,000	935,000
	-----	-----
	75,780,944	67,713,590
Less accumulated depreciation	36,042,880	31,691,882
	-----	-----
	\$39,738,064	\$36,021,708
	=====	=====

Depreciation expense for the years ended December 31, 2000, 1999, and 1998 was \$4,425,000, \$4,585,000, and \$3,735,000, respectively.

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. INCOME TAXES

The provision for income taxes consists of the following:

	Years Ended December 31,		
	2000	1999	1998
	-----	-----	-----
Current:			
Federal	\$ 1,758,000	\$ 907,000	\$ 935,000
Foreign	1,367,000	729,000	352,000
State	251,000	165,000	200,000
	-----	-----	-----
	3,376,000	1,801,000	1,487,000
	-----	-----	-----
Deferred:			
Federal	1,806,000	1,691,000	180,000
Foreign	(23,000)	(57,000)	146,000
	-----	-----	-----
	1,783,000	1,634,000	326,000
	-----	-----	-----
	\$ 5,159,000	\$ 3,435,000	\$ 1,813,000
	=====	=====	=====

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

	Years Ended December 31,		
	2000	1999	1998
Tax provision computed at the Federal statutory rate	\$ 12,708,000	\$ 8,407,000	\$ 5,791,000
Increase (decrease) in taxes resulting from:			
Lower tax rates applicable to foreign operations	(7,376,000)	(4,924,000)	(4,255,000)
State taxes, net of federal benefit	166,000	109,000	132,000
Other, net	(339,000)	(157,000)	145,000
	\$ 5,159,000	\$ 3,435,000	\$ 1,813,000

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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,			
	2000		1999	
	Temporary Difference	Tax Effect	Temporary Difference	Tax Effect
Deferred Liabilities- non-current				
Depreciation and amortization	\$11,334,000	\$ 872,000	\$13,961,000	\$ 604,000
Unremitted earnings foreign subsidiaries not permanently reinvested	20,430,000	6,129,000	13,507,000	4,052,000
	\$31,764,000	\$ 7,001,000	\$27,468,000	\$ 4,656,000
Deferred Assets (Liabilities)-current				
Unrealized appreciation in marketable securities	\$ (45,000)	\$ (18,000)	\$ (896,000)	\$ (358,000)
Other temporary				

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differences	1,635,000	672,000	278,000	111,000
	-----	-----	-----	-----
	\$ 1,590,000	\$ 654,000	\$ (618,000)	\$ (247,000)
	=====	=====	=====	=====

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.

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. No earnings were repatriated during 2000, 1999, or 1998. Unrepatriated earnings, upon which U.S. income taxes have not been accrued, approximate \$102.3 million at December 31, 2000. Estimated income taxes related to unrepatriated foreign earnings would approximate \$30.7 million. Management has identified approximately \$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 (\$2.1 million during 2000 and \$2.0 million during 1999 and \$2.0 million in years prior to 1998).

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 to three customers were approximately \$20,707,000 (14.3%), \$17,622,000 (12.1%) and \$15,483,000 (10.2%) in 2000, \$24,066,000 (20.1%), \$21,118,000 (17.7%) and \$12,733,000 (10.7%) in 1999, respectively; sales and related percentages to two customers were; \$23,055,000 (25.4%) and \$13,385,000 (14.7%) in 1998, respectively. 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.

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	2000	1999	1998
	----	----	----
Revenue from unrelated entities and country			

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of Company's domicile:			
United States (1)	\$ 84,389,919	\$ 69,603,111	\$ 47,884,195
Asia/Pacific	30,021,853	23,675,905	17,914,000
Hong Kong	14,292,061	7,622,297	4,337,000
United Kingdom	2,211,792	347,745	1,657,000
Europe	13,903,454	17,835,412	17,656,000
Other	407,732	379,180	1,306,000
	-----	-----	-----
	\$ 145,226,811	\$ 119,463,650	\$ 90,754,195
	=====	=====	=====
Total revenues:			
United States	\$ 84,875,000	\$ 72,048,046	\$ 49,641,429
Asia	121,230,526	104,083,997	75,662,502
Less intergeographic revenues	(60,878,715)	(56,668,393)	(34,549,736)
	-----	-----	-----
	\$ 145,226,811	\$ 119,463,650	\$ 90,754,195
	=====	=====	=====
Income from Operations:			
United States	\$ 3,735,292	\$ 2,299,951	\$ 1,877,219
Asia	29,728,822	21,548,845	13,574,811
	-----	-----	-----
	\$ 33,464,114	\$ 23,848,796	\$ 15,452,030
	=====	=====	=====
Identifiable Assets:			
United States	\$ 49,925,968	\$ 51,770,893	\$ 42,374,486
Asia	123,634,713	87,826,707	66,096,256
Less intergeographic eliminations	(4,047,276)	(14,459,318)	(4,846,114)
	-----	-----	-----
Total identifiable assets	\$ 169,513,405	\$ 125,138,282	\$ 103,624,628
	=====	=====	=====
Capital Expenditures:			
United states	\$ 2,337,330	\$ 1,334,885	\$ 469,286
Asia	5,790,265	3,937,245	3,183,102
	-----	-----	-----
	\$ 8,127,595	\$ 5,272,130	\$ 3,652,388
	=====	=====	=====
Depreciation and Amortization expense:			
United States	\$ 1,262,419	\$ 1,208,414	\$ 639,637
Asia	4,669,336	4,892,354	3,489,231
	-----	-----	-----
	\$ 5,931,755	\$ 6,100,768	\$ 4,128,868
	=====	=====	=====

(1) Includes Mexico and Canada

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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transferred to the United States for sale. Income from operations represents total revenue less operating expenses.

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

The territory of Hong Kong 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 49% of its identifiable assets are located in The People's Republic of China and its special administrative regions ("SAR") 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 and Hong Kong. Research and development costs, which are expensed as incurred, amounted to \$6,229,000 in 2000, \$5,932,000 in 1999, and \$4,989,000 in 1998.

### 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, 2000, 1999, and 1998 amounted to approximately \$261,000, \$281,000, and \$174,000, respectively. As of December 31, 2000, the plans owned 34,873 and 140,792 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

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## BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 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, 2000, 1999, and 1998 amounted to approximately \$518,000, \$511,000, and \$516,000, respectively. The Company has agreed to repurchase its stock, from the plan, if no market exists, should it be requested to do so by the trustees of the Company's Far East plan. As of December 31, 2000, the plan owned 4,820 and 22,079 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 (25%) percent one year from the date

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of grant and twenty-five (25%) percent for each year of the three years thereafter. The price of the options granted pursuant to the Plan 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. All outstanding options as of July 9, 1998 were split equally into Class A Common Stock and Class B Common Stock. The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (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 2000, 1999 and 1998 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:

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. STOCK OPTION PLAN (Continued)

	December 31,		
	2000	1999	1998
Net earnings - as reported	\$ 32,217,461	\$ 21,291,833	\$ 15,217,820
Net earnings - pro forma	\$ 30,576,995	\$ 20,373,438	\$ 14,717,692
Earnings per share - basic - as reported	\$ 3.04	\$ 2.03	\$ 1.47
Earnings per share - basic - pro forma	\$ 2.89	\$ 1.95	\$ 1.43
Earnings per share - diluted - as reported	\$ 2.94	\$ 1.98	\$ 1.45
Earnings per share - diluted - pro forma	\$ 2.79	\$ 1.89	\$ 1.41

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 2000, 1999 and 1998, respectively: dividends yield of .8%, .8% and 0%; expected volatility of 76%, 0% and 65% for Class A and 85%, 82% and 59% for Class B; risk-free interest rate of 5%, 5% and 5.05%, and expected lives of 5 years.

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. STOCK OPTION PLAN (Continued)

Information regarding the Company's Plan for 2000, 1999, and 1998 is as follows after giving retroactive effect to a two for one stock split on December 1, 1999:

2000	1999
----- Weighted- Average	----- Weighted- Average

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	Shares	Exercise Price	Shares	Exercise Price
Options out-standing, beginning of year	568,137	\$ 9.03	523,400	\$ 6.07
Options exercised	(121,708)	\$ 7.91	(129,263)	\$ 5.13
Options granted	376,000	\$ 17.34	174,000	\$15.40
Options cancelled	--		--	\$ --
Options out-standing, end of year	822,429	\$ 13.07	568,137	\$ 9.03
Options price range at end of year	\$5.75 to \$19.00		\$5.75 to \$15.44	\$3.
Options price range for exercised shares	\$5.75 to \$15.44		\$3.25 to \$7.00	\$3.
Options available for grant at end of year	337,000		713,000	
Weighted-average fair value of options, granted during the year	\$9.28		\$9.61	

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BEL FUSE INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. STOCK OPTION PLAN (continued)

The following table summarizes information about fixed-price stock options outstanding at December 31, 2000:

Range of Exercise Prices	Number Outstanding at December 31, 2000	Weighted-Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2000
\$5.75 to \$7.00	292,429	2 years	\$ 6.36	127,793
\$15.38 to \$15.44	154,000	3 years	\$ 15.41	21,000
\$17.00 to \$19.00	376,000	4 years	\$ 17.34	--
	822,429			148,793

10. COMMON STOCK

On July 9, 1998, the shareholders approved an amendment to Article VI of the Company's Certificate of Incorporation that (i) authorized a new voting

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

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.

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### BEL FUSE INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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. During the year 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, -----	
2001	\$ 425,000
2002	271,000
2003	208,000
2004	141,000
2005	135,000
2006	72,000
	-----
	\$1,252,000
	=====

Rental expense was approximately \$670,000, \$600,000, and \$521,000, for the years ended December 31, 2000, 1999, and 1998, respectively.

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##### Credit Facilities

The Company has two domestic unsecured lines of credit amounting to \$11,000,000 which were unused at December 31, 2000. The lines of credit are

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renewable annually. Borrowings under the \$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 expires in October 2001. Borrowing on the line of credit is guaranteed by the U.S. parent.

### Facilities

The Company has contracted for the renovation and addition of new corporate offices in Jersey City in the amount of \$2.6 million. As of December 31, 2000, \$1.8 million has been paid towards this contract.

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### SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

	Quarter Ended				Total End Decemb 200
	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000	
Net sales	\$26,133,179	\$33,721,946	\$41,560,409	\$43,811,277	\$145,2
Gross profit	9,428,734	12,778,998	16,815,062	17,725,472	56,7
Net earnings	4,471,801	6,559,484	10,184,167	11,002,009	32,2
Earnings per share					
- basic (1) (2)	\$ 0.42	\$ 0.62	\$ 0.96	\$ 1.04	\$
Earnings per share - diluted (1) (2)	\$ 0.41	\$ 0.60	\$ 0.92	\$ 0.98	\$

  

	Quarter Ended				Total En Decemb 19
	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999	
Net sales	\$30,758,768	\$28,451,932	\$30,536,478	\$29,716,472	\$119,4
Gross profit	10,444,162	10,512,466	10,931,466	11,462,471	43,3
Net earnings	5,121,033	4,717,579	5,315,398	6,137,823	21,2
Earnings per share					
- basic (1) (2)	\$ 0.49	\$ 0.45	\$ 0.51	\$ 0.58	\$
Earnings per share - diluted (1) (2)	\$ 0.48	\$ 0.44	\$ 0.50	\$ 0.57	\$

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- (1) Quarterly amounts of earnings per share may not agree to the total for the year due to rounding.
- (2) After giving retroactive effect to a two for one stock split payable in the form of a dividend on December 1, 1999.

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

None.

PART III

The information required by Items 10 through 13 is included in the Company's 2001 definitive proxy statement under the captions Election of Directors, Beneficial Ownership of the Company's Stock, Section 16(a) Beneficial Ownership Reporting Compliance; Summary of Cash and Certain Other Compensation; Employment Agreement; Option Exercises and Holdings; the Board of Directors; Committees of the Board; Directors' Compensation. Compensation Committee Interlocks and Insider Participation; and Vote Required Shares Entitled to Vote Principal Shareholders. Such information is incorporated herein by reference, pursuant to General Instruction G(3).

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PART IV

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

	PAGE
	----
(a) Financial Statements	
1. Financial statements filed as a part of this Annual Report on Form 10-K:	
Independent Auditors' Report	F-1
Consolidated Balance Sheets as of December 31, 2000 and 1999	F-2 - F-3
Consolidated Statements of Operations for Each of the Three Years in the Period Ended December 31, 2000	F-4
Consolidated Statements of Stockholders' Equity for Each of the Three Years in the Period Ended December 31, 2000	F-5 - F-6
Consolidated Statements of Cash Flows for Each of the Three Years in the Period Ended December 31, 2000	F-7 - F-9

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Notes to Consolidated Financial Statements F-10 - F-26

Selected Quarterly Financial Data - Years Ended  
December 31, 2000 and 1999 (Unaudited) F-27

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, 2000.

- (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.

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### Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K (continued)

#### EXHIBIT NO.:

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

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

EXHIBIT NO.:

- 10.6 Agreement for the Purchase and Sale of Assets by and among Lucent Technologies Inc. and Lucent Technologies Maquiladoras Inc. (each as Seller) and Bel Fuse Inc. (Buyer) dated October 9, 1998. Incorporated by reference to Exhibit 2.1 of the Company's Report on Form 8-K dated October 17, 1998.
- 11.1 A statement regarding the computation of earnings per share is omitted because such computation can be clearly determined from the material contained in this Annual Report on Form 10-K.
- 22.1 Subsidiaries of the Registrant.
- 23.1 Consent of Independent Auditors.

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SIGNATURES

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

BEL FUSE, INC.

BY: /s/ DANIEL BERNSTEIN

-----  
Daniel Bernstein, President

/s/ COLIN DUNN

-----  
Colin Dunn, Vice President of  
Finance and Chief Financial Officer

Dated: March 19, 2001

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

Signature	Title	Date
-----	-----	----
/s/ ELLIOT BERNSTEIN ----- Elliot Bernstein	Chairman of the Board and Director (Principal Executive Officer)	March 19, 2001
/s/ DANIEL BERNSTEIN ----- Daniel Bernstein	President, (Principal Financial and Accounting Executive Officer)	March 19, 2001
/s/ HOWARD B. BERNSTEIN -----	Director	March 19, 2001

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Howard B. Bernstein

/s/ ROBERT H. SIMANDL                      Director                      March 19, 2001  
-----  
Robert H. Simandl

/s/ PETER GILBERT                      Director                      March 19, 2001  
-----  
Peter Gilbert

/s/ JOHN TWEEDY                      Director                      March 19, 2001  
-----  
John Tweedy

/s/ JOHN JOHNSON                      Director                      March 19, 2001  
-----  
John Johnson