FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended June 30, 1997

OR

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

For the transition period from .... to ....

Commission file number: 0-11676

BEL FUSE INC.

(Exact name of registrant as specified in its charter)

NEW JERSEY	22-1463699
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

198 VAN VORST STREET
JERSEY CITY, NEW JERSEY 07302

(Address of principal executive offices)
(Zip Code)

201-432-0463

(Registrant's telephone number, including area code)

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

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

Yes X No

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

At August 1, 1997, there were 5,074,945 shares of Common Stock, $.10 par value, outstanding.

BEL FUSE INC.

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PART I. Financial Information

Item 1. Financial Statements

Certain information and footnote disclosures required under generally accepted accounting principles have been condensed or omitted from the following consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission. It is suggested that the following consolidated financial statements be read in conjunction with the year-end consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1996.

The results of operations for the six month period ended June 30, 1997, are not necessarily indicative of the results to be expected for the entire fiscal year or for any other period.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	June 30, 1997 (unaudited)	December 31, 1996
Current Assets:		
Cash and cash equivalents	$20,640,328	$23,498,491
Marketable securities	3,963,220	2,981,020
Accounts receivable, less allowance for doubtful accounts of $195,000	10,619,865	8,866,440
Inventories	10,562,175	8,411,540
Prepaid expenses and other current assets	719,030	479,012
Deferred income taxes	101,000	101,000
Total Current Assets	46,605,618	44,337,503
Property, plant and equipment - net	28,556,479	26,321,014
Other assets	798,420	955,491
TOTAL ASSETS	$75,960,517	$71,614,008

(Continued)

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 1997 (unaudited)	December 31, 1996
Current Liabilities:		
Accounts payable	$ 3,002,473	$ 3,297,825
Accrued expenses	4,821,505	3,846,626
Income taxes payable	333,320	320,460
Total Current Liabilities	8,157,298	7,464,911
Deferred income taxes	912,000	750,000
Total Liabilities	9,069,298	8,214,911
Stockholders' Equity:		
Preferred stock, no par value - authorized 1,000,000 shares; none issued	--	--
Common stock, par value $.10 per share - authorized 10,000,000 shares; outstanding 5,074,945 and 5,070,820 shares	507,495	507,082
Additional paid-in capital	7,012,612	6,978,900
Retained earnings	59,363,457	55,920,836
Cumulative currency translation adjustment	7,655	(7,721)
Total Stockholders' Equity	66,891,219	63,399,097
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$75,960,517	$71,614,008

See notes to consolidated financial statements.

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

	Six Months Ended June 30,		Three Months Ended June 30,	
	1997	1996	1997	1996
Sales	$34,710,894	$33,405,932	$18,748,690	$16,143,604
Costs and Expenses:				
Cost of sales	24,478,017	23,363,494	13,107,902	11,323,144
Selling, general and administrative expenses	6,503,284	5,699,664	3,408,975	2,905,373
	30,981,301	29,063,158	16,516,877	14,228,517
Income from operations	3,729,593	4,342,774	2,231,813	1,915,087
Other income - net	682,028	1,453,628	341,949	1,287,406
Interest (expense)	--	1,220	--	1,220
Earnings before income taxes	4,411,621	5,795,182	2,573,762	3,201,273
Income tax provision	969,000	1,376,000	441,000	1,015,000
Net earnings	$ 3,442,621	$ 4,419,182	$ 2,132,762	$ 2,186,273
Earnings per common share	$.68	$.87	$.42	$.43
Weighted average number of common shares outstanding	5,072,919	5,051,857	5,073,736	5,061,919

See notes to consolidated financial statements.

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

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Cash flows from operating activities:		
Net income	$ 3,442,621	$ 4,419,182
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,630,050	1,419,396
Deferred income taxes	162,000	(325,000)
Tax effect on non-qualifying disposition of stock options	7,000	42,000
Net (gain) on sale of marketable securities	--	(1,152,237)
Changes in operating assets and liabilities	(3,375,201)	1,244,712
Net Cash Provided by Operating Activities	1,866,470	5,648,053
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,855,172)	(1,072,633)
Purchase of marketable securities	(3,962,825)	(1,023,641)
Proceeds from sale of marketable securities	2,982,450	5,683,465
Proceeds from repayment by contractor	83,789	39,500
Net Cash (used in) provided by Investing Activities	(4,751,758)	3,626,691
Cash flows from financing activities:		
Proceeds from exercise of stock options	27,125	122,562
Net (Decrease) Increase in Cash	(2,858,163)	9,397,306
Cash and Cash Equivalents - beginning of period	23,498,491	8,343,925
Cash and Cash Equivalents - end of period	$20,640,328	$17,741,231

(Continued)

See notes to consolidated financial statements.

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

	Six Months Ended June 30, 1997	Six Months Ended June 30, 1996
Changes in operating assets and liabilities consist of:		
(Increase) decrease in accounts receivable	$(1,753,425)	$ 1,111,774
(Increase) decrease in inventories	(2,150,635)	1,282,854
(Increase) in prepaid expenses and other current assets	(323,807)	(407,379)
Decrease in other assets	146,728	74,495
(Decrease) in accounts payable	(295,352)	(1,571,950)
Increase in accrued expenses	988,430	257,887
Increase in income taxes payable	12,860	497,031
	$(3,375,201)	$ 1,244,712
Supplementary information:		
Cash paid during the period for:		
Interest	$ --	$ 1,220
Income taxes	$ 787,941	$ 778,775
Supplemental disclosures of non-cash activities:		
Unrealized gains on marketable securities	$ --	$ (457,600)

See notes to consolidated financial statements.

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

1. The consolidated balance sheet as of June 30, 1997, and the consolidated statements of operations and cash flows for the periods presented herein have been prepared by the Company and are unaudited. In the opinion of management, all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows for all periods presented have been made. Certain items in the June 30, 1996 financial statements have been reclassified to conform to June 30, 1997 classifications. The information for December 31, 1996 was derived from audited financial statements.

2. Earnings Per Share - Earnings per common share are computed using the weighted average number of common shares outstanding during the period. The dilutive effect of outstanding options at June 30, 1997 and 1996 was not material.

3. Inventories consist of the following:

	June 30, 1997	December 31, 1996
Raw materials	$ 6,878,294	$ 5,718,079
Work-in-process	66,475	89,660
Finished goods	3,617,406	2,603,801
	$10,562,175	$ 8,411,540

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

	June 30, 1997	December 31, 1996
Land	$ 1,165,821	$ 835,218
Buildings and improvements	13,963,648	13,510,703
Machinery and equipment	35,927,627	32,856,003
Idle property held for sale	935,000	935,000
	51,992,096	48,136,924
Less accumulated depreciation and amortization	23,435,617	21,815,910
Net property, plant and equipment	$28,556,479	$26,321,014

5. Recent Accounting Pronouncements

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings Per Share", which establishes new standards for computing and presenting net income per share and replaces the standards previously found in Accounting Principles Board Opinion No. 15, "Earnings Per Share". The Company will begin reporting net income per share according to this new standard in its 1997 annual report on Form 10-K. The Company does not expect the implementation of SFAS No. 128 to have a material effect on the Company's computation of earnings per share.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income", ("SFAS 130") and No. 131 "Disclosure about Segments of an Enterprise and Related Information", ("SFAS 131"). SFAS 130 establishes standards for reporting the display of comprehensive income and its components in a full set of general-purpose financial statements. This Statement requires that an enterprise (a) classify items of other comprehensive income by their nature in a financial statement and (b) display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position.

SFAS 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports issued to shareholders. It also establishes standards for related disclosures about products and services, geographic areas, and major customers.

Both of these statements are effective for fiscal periods beginning after December 15, 1997. The Company has not yet determined the impact, if any, of adopting these standards.

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

Results of Operations

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

	Percentage of Net Sales			
	Six Months Ended June 30,		Three Months Ended June 30,	
	1997	1996	1997	1996
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	70.5	69.9	69.9	70.1
Selling, general and administrative expenses	18.7	17.1	18.2	18.0
Other income, net of interest expense	2.0	4.3	1.8	7.9
Earnings before income tax provision	12.7	17.3	13.7	19.8
Income tax provision	2.8	4.1	2.3	6.3
Net earnings	9.9	13.2	11.4	13.5

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

	Increase (Decrease) from Prior Period	
	Six Months Ended June 30, 1997 compared with 1996	Three Months Ended June 30, 1997 compared with 1996
Net sales	3.9 %	16.1 %
Cost of sales	4.8	15.8
Selling, general and administrative expenses	14.1	17.3
Other income - net	(53.1)	(73.4)
Earnings before income tax provision	(23.9)	(19.6)
Income tax provision	(29.6)	(56.6)
Net earnings	(22.1)	(2.5)

Six Months 1997 vs. Six Months 1996

Sales

Net sales increased 3.9% from $33,405,932 during the first six months of 1996 to $34,710,894 during the first six months of 1997. The Company attributes this increase primarily to sales growth in magnetic components for network and fuse products offset, in part, by reduced sales of customer-specific value-added circuits and assemblies. Sales growth consisted of growth in unit sales.

Cost of Sales

Cost of sales as a percentage of net sales increased .6% to 70.5% during the first six months of 1997 from 69.9% during the first six months of 1996. The increase in the cost of sales percentage is primarily attributable to increases in direct labor due to the current sales mix which has higher direct labor associated with it offset, in part, by lower material content associated with the current sales mix.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales increased from 17.1% for the first six months of 1996 to 18.7% for the first six months of 1997. The Company attributes the increase primarily to increases in sales salaries and sales related expenses. Selling, general and administrative expenses increased in dollar amount by 14.1%. The Company attributes the increase in dollar amount of such expenses primarily to increases in sales salaries and sales related expenses.

Other Income and Expenses

Other income, consisting of net realized gains on the sale of marketable securities, interest and dividends earned on marketable securities and on cash equivalents, decreased by approximately $771,600 from the first six months of 1996 to the first six months of 1997. The decrease is primarily due to the gain on the sale of 112,485 shares of Technitrol, Inc. common stock during the first six months of 1996 offset in part by higher earnings on invested funds due to higher average balances in 1997 compared to 1996.

Provision for Income Taxes

The provision for income taxes for the first six months of 1996 was $1,376,000 as compared to $969,000 for the first six months of 1997. This decrease is due primarily to higher pretax earnings for the first six months of 1996 versus 1997 (including the gain on the sale of Technitrol, Inc. common stock during the second quarter of 1996) offset in part by higher United States pretax earnings during the first six months of 1997.

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.

Three Months 1997 vs. Three Months 1996
- ---------------------------------------

Sales

Sales increased 16.1% to $18,748,690 during the second quarter of 1997 from $16,143,604 during the second quarter of 1996. The Company attributes the increase primarily to the reason set forth in the six month analysis.

Cost of Sales

Cost of sales as a percentage of net sales remained relatively constant during the second quarter of 1997 as compared to 1996.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales remained relatively constant during the second quarter of 1997 as compared to 1996. Selling, general and administrative expenses increased in dollar amount by 17.3%. The Company attributes the increase in dollar amount to the reasons set forth in the six month analysis.

Other Income and Expense

Other income decreased for the second quarter of 1997 compared to the second quarter of 1996 due to those reasons set forth in the six month analysis.

Provision for Income Taxes

The provision for income taxes decreased to $441,000 for the second quarter of 1997 from $1,015,000 for the second quarter of 1996 primarily for those reasons set forth in the six month analysis.

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. This statement represents a forward-looking statement. Actual results could differ materially from such statement if the Company experiences substantial unanticipated cash requirements.

The Company has lines of credit, all of which were unused at June 30, 1997, in the aggregate amount of $7.0 million, of which $5.0 million is from domestic banks and $2.0 million is from foreign banks.

During the first six months of 1997, the Company's cash and cash equivalents decreased by $2.9 million, reflecting $4.0 million in purchases of marketable securities and $3.9 million in purchases of plant and equipment, offset in part by $1.9 million provided by operating activities and $3.0 million from the sale of marketable securities.

The Company has historically followed a policy of reinvesting the earnings of foreign subsidiaries in the Far East. If the unrepatriated funds were distributed to the parent corporation, such funds would be subject to United States federal income taxes. No funds were repatriated during the first six months of 1997 or 1996.

Cash, accounts receivable and marketable securities comprised approximately 46.4% and 49.3% of the Company's total assets at June 30, 1997 and December 31, 1996, respectively. The Company's current ratio (i.e., the ratio of current assets to current liabilities) was 5.7 to 1 and 5.9 to 1 at June 30, 1997 and December 31, 1996, respectively.

This report contains forward-looking statements that involve substantial risks and uncertainties. The Company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the "Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations", and "Risks and Uncertainties" captions in the Company's Form 10-K for the year ended December 31, 1996.

PART II. Other Information

Item 1. Legal Proceedings

See Item 3 of the Company's Form 10-K for the year ended December 31, 1996.

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

The Company's annual meeting of security holders was held on May 29, 1997. At the meeting the Board's nominees were elected to the Board of Directors for a term of three years. The votes were cast as follows:

	For	Withheld
Howard Bernstein	4,355,604	19,835
John Tweedy	4,358,929	16,510

There were -0- abstentions and -0- broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: Exhibit 27.1 Financial Data Schedule.

(b) There were no Current Reports on Form 8-K filed by the registrant during the quarter ended June 30, 1997.

SIGNATURES

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

BEL FUSE INC.

By: /s/ DANIEL BERNSTEIN

Daniel Bernstein, President
(Principal Financial and
Accounting Officer)

Dated: August 12, 1997

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM BEL FUSE INC. AND SUBSIDIARIES FINANCIAL STATEMENTS AT JUNE 30, 1997 AND THE SIX MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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JUN-30-1997
20,648,328
3,963,220
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10,562,175
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