



October 28, 2015

## Bel Reports Third Quarter Results

*Third Quarter Operating Income Increases 68% to \$7.3 Million from \$4.4 Million Last Year*

JERSEY CITY, N.J.--(BUSINESS WIRE)-- **Bel Fuse Inc.** (NASDAQ:BELFA and NASDAQ:BELFB) today announced preliminary financial results for the third quarter and first nine months of 2015.

### Third Quarter Highlights

- Third quarter operating profit increased 68% to \$7.3 million compared with operating profit of \$4.4 million for the third quarter of 2014.
- Third quarter net sales decreased 7.8% to \$144.2 million compared with net sales of \$156.3 million for the third quarter of 2014.
- Third quarter net earnings per share - "EPS" - was \$0.39 per Class A share and \$0.42 per Class B share compared to EPS of \$0.10 per Class A share and \$0.11 per Class B share for the third quarter of 2014.

Results include the results of Power Solutions, acquired in June 2014, and Connectivity Solutions, acquired in July and August 2014 from dates of acquisition.

### CEO Comments

Commenting on Bel's financial results, Dan Bernstein, President and CEO, said, "Due to our strong cash flow we were able to reduce Bel's debt to \$197.7 million at September 30, 2015, a decrease of \$34.9 million since December 31, 2014. We are continuing to reduce costs with the downsizing and consolidation of facilities in the United States and Asia. In the third quarter the company recognized \$814,000 of restructuring charges for further consolidations that are anticipated to generate additional annual savings of \$3.5 million.

"Bel's Cinch Connectivity Solutions, which includes the connectivity business acquired from Emerson on July 25, 2014, posted slightly higher revenue for this year's third quarter than a year ago primarily as a result of a full quarter of sales from the acquired Emerson business. Incremental sales coupled with significant progress made in reducing fixed costs resulted in a solid quarter. We also are encouraged by the progress of our new product development effort, where we successfully met key milestones including first customer deliveries of next generation aerospace products. Customer audits in our McAllen, Texas and Reynosa, Mexico facilities also were completed successfully, confirming our ability to accommodate the anticipated increase in production of commercial aircraft.

"Bel's Power Solutions Group has reduced costs, increased efficiencies and substantially improved quality over the past year. This has resulted in new design wins for cloud computing/data center applications, networking and other applications from new and returning customers. We had anticipated shipping some of these new products in the third quarter, but this did not occur. Bel's decision to walk away from low margin products resulted in \$8.0 million of the decrease in power solutions and protection sales in the third quarter. With our world class engineering and manufacturing, we remain confident that Power Solutions will be an important growth engine for Bel in the future."

"Bel's third quarter sales decline was in line with industry-wide trends, and due to limited visibility in the marketplace it is difficult to predict when sales will improve."

### Third Quarter 2015 Results

Net sales decreased 7.8% to \$144.2 million compared to \$156.3 million for the third quarter of 2014. Excluding \$4.5 million of incremental net sales for the third quarter of 2015 attributable to last year's Connectivity Solutions acquisition, net sales declined \$16.7 million. This decline was primarily due to Bel's decision to walk away from low margin products resulting in lower sales volume of Bel's power solutions and protection products. Bel also experienced lower sales volumes in Magnetics products. These declines were partially offset by increased sales volume of Custom modules products.

Operating income increased to \$7.3 million compared to operating income for the third quarter of 2014 of \$4.4 million, primarily

reflecting lower costs related to the 2014 acquisitions. Depreciation and amortization expense decreased to \$5.5 million for the third quarter of 2015 from \$6.5 million for the third quarter of 2014, primarily due to the timing of assets becoming fully depreciated in the prior year.

Interest income and other, net was \$4.3 million primarily due to the recognition of an acquisition-related settlement.

Net earnings for the third quarter of 2015 were \$4.9 million compared to net earnings for the third quarter of 2014 of \$1.3 million.

### **Nine Months 2015 Results**

Net sales increased 27.6% to \$431.8 million compared to \$338.4 million for the first nine months of 2014. Excluding \$104.7 million of incremental net sales for the first nine months of 2015 attributable to last year's acquisitions, net sales declined \$11.3 million due to lower sales volume of Bel's Interconnect products and DC/DC converters, partially offset by increased sales volume of Custom modules.

Operating income increased to \$23.8 million compared to operating income for the first nine months of 2014 of \$11.0 million, primarily reflecting lower costs related to the 2014 acquisitions. Depreciation and amortization expense increased to \$17.1 million for the first nine months of 2015 compared to \$13.0 million for the first nine months of 2014, reflecting the incremental impact of the 2014 acquisitions. Operating income for the first nine months of 2015 included net unrealized gains from foreign currency revaluation of approximately \$5.6 million before tax (approximately \$0.37 per Class A and Class B shares net of tax), primarily due to the favorable impact of the weakening of the Euro against the U.S. dollar on a \$34 million intercompany loan.

Interest expense increased to \$6.0 million as compared with \$2.1 million for the first nine months of 2014 due to the issuance of long-term debt in the second quarter of 2014 to fund the 2014 acquisitions.

Net earnings for the first nine months of 2015 were \$16.3 million compared to net earnings for the first nine months of 2014 of \$6.8 million.

### **Balance Sheet Data**

As of September 30, 2015, Bel reported working capital of \$176.6 million, including cash and cash equivalents of \$76.3 million and a current ratio of 2.5-to-1. Total debt obligations were \$197.7 million. In comparison, as of December 31, 2014 Bel had working capital of \$188.9 million, including cash and cash equivalents of \$77.1 million, a current ratio of 2.6-to-1, and total debt obligations of \$232.6 million.

### **Conference Call**

Bel has scheduled a conference call at 11:00 a.m. EDT today. To participate, dial (720) 545 0088, conference ID #64102195. A simultaneous webcast of the conference call may be accessed online from the [Events and Presentations](#) link of the [Investors page](#) under the "About Bel" tab at [www.BelFuse.com](http://www.BelFuse.com). The webcast replay will be available for a period of 20 days at this same Internet address. For a telephone replay, dial (404) 537 3406, conference ID #64102195 after 1:00 p.m. EDT.

### **About Bel**

Bel ([www.belfuse.com](http://www.belfuse.com)) designs, manufactures and markets a broad array of products that power, protect and connect electronic circuits. These products are primarily used in the networking, telecommunications, computing, military, aerospace, transportation and broadcasting industries. Bel's product groups include Magnetic Solutions (integrated connector modules, power transformers, power inductors and discrete components), Power Solutions and Protection (front-end, board-mount and industrial power products, module products and circuit protection), and Connectivity Solutions (expanded beam fiber optic, copper-based, RF and RJ connectors and cable assemblies). The Company operates facilities around the world.

### **Forward-Looking Statements**

*Except for historical information contained in this press release, the matters discussed in this press release (including the statements regarding positioning Bel Power Solutions to be an important growth engine for Bel in the future, an anticipated increase in production of commercial aircraft and savings resulting from restructuring effort) are forward-looking statements (as described under the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Actual results could differ materially from Bel's projections. Among the factors that could cause actual results to differ materially from such statements are: the market concerns facing our customers; the continuing viability of sectors that rely on our products; the effects of business and economic conditions; difficulties associated with integrating recently acquired companies; capacity and supply constraints or difficulties; product development, commercialization or technological difficulties; the regulatory and trade environment; risks associated with foreign currencies; uncertainties associated with legal proceedings; the market's acceptance*

of the Company's new products and competitive responses to those new products; and the risk factors detailed from time to time in the Company's SEC reports. In light of the risks and uncertainties, there can be no assurance that any forward-looking statement will in fact prove to be correct. We undertake no obligation to update or revise any forward looking statements.

## Non-GAAP Financial Measures

The Non-GAAP measures included in the supplementary information are not measures of performance under accounting principles generally accepted in the United States of America ("GAAP"). These measures should not be considered a substitute for, and the reader should also consider, income from operations, net earnings, earnings per share and other measures of performance as defined by GAAP as indicators of our performance or profitability. Our Non-GAAP measures may not be comparable to other similarly-titled captions of other companies due to differences in the method of calculation.

## Website Information

We routinely post important information for investors on our website, [www.belfuse.com](http://www.belfuse.com), in the "Investor Relations" section. We use our website as a means of disclosing material, otherwise non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)(2)</sup>**  
**Condensed Consolidated Statements of Operations**  
**(in thousands, except per share amounts) (unaudited)**

|  | Three Months Ended<br>September 30, |            | Nine Months Ended<br>September 30, |            |
|--|-------------------------------------|------------|------------------------------------|------------|
|  | 2015                                | 2014       | 2015                               | 2014       |
| Net sales                                      | \$ 144,161                          | \$ 156,341 | \$ 431,834                         | \$ 338,426 |
| Cost of sales                                  | 116,749                             | 128,561    | 349,050                            | 278,630    |
| Gross profit                                   | 27,412                              | 27,780     | 82,784                             | 59,796     |
| <i>As a % of net sales</i>                     | 19.0%                               | 17.8%      | 19.2%                              | 17.7%      |
| Selling, general and administrative expenses   | 19,291                              | 23,110     | 57,663                             | 47,475     |
| <i>As a % of net sales</i>                     | 13.4%                               | 14.8%      | 13.4%                              | 14.0%      |
| Restructuring charges                          | 814                                 | 309        | 1,316                              | 1,365      |
| Income from operations                         | 7,307                               | 4,361      | 23,805                             | 10,956     |
| <i>As a % of net sales</i>                     | 5.1%                                | 2.8%       | 5.5%                               | 3.2%       |
| Interest expense                               | (1,792)                             | (1,869)    | (5,965)                            | (2,124)    |
| Interest income and other, net                 | 4,278                               | 21         | 4,698                              | 121        |
| Earnings before provision for income taxes     | 9,793                               | 2,513      | 22,538                             | 8,953      |
| Provision for income taxes                     | 4,873                               | 1,252      | 6,236                              | 2,124      |
| <i>Effective tax rate</i>                      | 49.8%                               | 49.8%      | 27.7%                              | 23.7%      |
| Net earnings available to common stockholders  | \$ 4,920                            | \$ 1,261   | \$ 16,302                          | \$ 6,829   |
| <i>As a % of net sales</i>                     | 3.4%                                | 0.8%       | 3.8%                               | 2.0%       |
| Weighted average number of shares outstanding: |                                     |            |                                    |            |
| Class A common shares - basic and diluted      | 2,175                               | 2,175      | 2,175                              | 2,175      |
| Class B common shares - basic and diluted      | 9,719                               | 9,591      | 9,694                              | 9,420      |

Net earnings per common share:

|   |         |         |         |         |
|---|---------|---------|---------|---------|
| Class A common shares - basic and diluted | \$ 0.39 | \$ 0.10 | \$ 1.30 | \$ 0.55 |
| Class B common shares - basic and diluted | \$ 0.42 | \$ 0.11 | \$ 1.39 | \$ 0.60 |

(1) The supplementary information included in this press release for 2015 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission. Some prior period amounts have been reclassified to conform to the current year presentation. These reclassifications, individually and in the aggregate, had no impact on our consolidated statements of operations.

(2) The 2014 Condensed Consolidated Statements of Operations has been revised to reflect measurement period adjustments recorded during 2015 for the acquisition of Power Solutions. The measurement period adjustments primarily relate to the finalization of the valuations of property and equipment and intangible assets and deferred taxes. These revisions were not considered material to the Condensed Consolidated Statements of Operations.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Condensed Consolidated Balance Sheets**  
**(in thousands, unaudited)**

|   | September 30,<br>2015 | December 31,<br>2014         |
|---|-----------------------|------------------------------|
|   |                       | <b>Revised<sup>(2)</sup></b> |
| <b>Assets</b>                               |                       |                              |
| Current assets:                             |                       |                              |
| Cash and cash equivalents                   | \$ 76,292             | \$ 77,138                    |
| Accounts receivable, net                    | 92,866                | 99,605                       |
| Inventories, net                            | 104,603               | 113,630                      |
| Other current assets                        | 23,420                | 20,283                       |
| Total current assets                        | <u>297,181</u>        | <u>310,656</u>               |
| Property, plant and equipment, net          | 61,510                | 69,261                       |
| Goodwill and other intangible assets, net   | 211,984               | 213,871                      |
| Other assets                                | 35,267                | 41,633                       |
| Total assets                                | <u>\$ 605,942</u>     | <u>\$ 635,421</u>            |
| <b>Liabilities and Stockholders' Equity</b> |                       |                              |
| Current liabilities:                        |                       |                              |
| Accounts payable                            | \$ 51,621             | \$ 61,926                    |
| Current portion of long-term debt           | 16,125                | 13,438                       |
| Other current liabilities                   | 52,878                | 46,438                       |
| Total current liabilities                   | <u>120,624</u>        | <u>121,802</u>               |
| Long-term debt                              | 181,594               | 219,187                      |
| Other liabilities                           | 71,568                | 70,159                       |
| Total liabilities                           | <u>373,786</u>        | <u>411,148</u>               |
| Stockholders' equity                        | 232,156               | 224,273                      |
| Total liabilities and stockholders' equity  | <u>\$ 605,942</u>     | <u>\$ 635,421</u>            |

(1) The supplementary information included in this press release for 2015 is preliminary and subject to change prior to the filing

of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission. Some prior period amounts have been reclassified to conform to the current year presentation. These reclassifications, individually and in the aggregate, had no impact on our condensed consolidated balance sheets.

(2) The December 31, 2014 Condensed Consolidated Balance Sheet has been revised to reflect measurement period adjustments recorded during 2015 for the acquisition of Power Solutions. The measurement period adjustments primarily relate to the finalization of the valuations of property and equipment and intangible assets and deferred taxes. These revisions were not considered material to the Condensed Consolidated Balance Sheet.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Reconciliation of GAAP to Non GAAP Condensed Consolidated Statements of Operations**  
**(in thousands, except per share amounts) (unaudited)**

|  | Three Months Ended<br>September 30, 2015 |                                 |                             | Three Months Ended<br>September 30, 2014 |                                 |                             |
|--|--|---------------------------------|-----------------------------|--|---------------------------------|-----------------------------|
|  | GAAP                                     | Special<br>Items <sup>(2)</sup> | Non-<br>GAAP <sup>(3)</sup> | GAAP                                     | Special<br>Items <sup>(2)</sup> | Non-<br>GAAP <sup>(3)</sup> |
| Net sales                                      | \$ 144,161                               | \$ --                           | \$ 144,161                  | \$ 156,341                               | \$ --                           | \$ 156,341                  |
| Cost of sales                                  | 116,749                                  | --                              | 116,749                     | 128,561                                  | (4,647)                         | 123,914                     |
| Gross profit                                   | 27,412                                   | --                              | 27,412                      | 27,780                                   | (4,647)                         | 32,427                      |
| <i>As a % of net sales</i>                     | 19.0%                                    |                                 | 19.0%                       | 17.8%                                    |                                 | 20.7%                       |
| Selling, general and administrative expenses   | 19,291                                   | (252)                           | 19,039                      | 23,110                                   | (3,854)                         | 19,256                      |
| <i>As a % of net sales</i>                     | 13.4%                                    |                                 | 13.2%                       | 14.8%                                    |                                 | 12.3%                       |
| Restructuring charges                          | 814                                      | (814)                           | --                          | 309                                      | (309)                           | --                          |
| Income from operations                         | 7,307                                    | 1,066                           | 8,373                       | 4,361                                    | 8,810                           | 13,171                      |
| <i>As a % of net sales</i>                     | 5.1%                                     |                                 | 5.8%                        | 2.8%                                     |                                 | 8.4%                        |
| Interest expense                               | (1,792)                                  | --                              | (1,792)                     | (1,869)                                  | --                              | (1,869)                     |
| Interest income and other, net                 | 4,278                                    | (4,233)                         | 45                          | 21                                       | --                              | 21                          |
| Earnings before provision for income taxes     | 9,793                                    | (3,167)                         | 6,626                       | 2,513                                    | 8,810                           | 11,323                      |
| Provision for income taxes                     | 4,873                                    | (1,232)                         | 3,641                       | 1,252                                    | 2,619                           | 3,871                       |
| <i>Effective tax rate</i>                      | 49.8%                                    |                                 | 54.9%                       | 49.8%                                    |                                 | 34.2%                       |
| Net earnings available to common stockholders  | \$ 4,920                                 | \$ (1,935)                      | \$ 2,985                    | \$ 1,261                                 | \$ 6,191                        | \$ 7,452                    |
| <i>As a % of net sales</i>                     | 3.4%                                     |                                 | 2.1%                        | 0.8%                                     |                                 | 4.8%                        |
| Weighted average number of shares outstanding: |  |                                 |                             |  |                                 |                             |
| Class A common shares - basic and diluted      | 2,175                                    |                                 | 2,175                       | 2,175                                    |                                 | 2,175                       |
| Class B common shares - basic and diluted      | 9,719                                    |                                 | 9,719                       | 9,591                                    |                                 | 9,591                       |
| Net earnings per common share:                 |  |                                 |                             |  |                                 |                             |
| Class A common shares - basic and diluted      | \$ 0.39                                  | \$ (0.15)                       | \$ 0.24                     | \$ 0.10                                  | \$ 0.50                         | \$ 0.60                     |
| Class B common shares - basic and diluted      | \$ 0.42                                  | \$ (0.17)                       | \$ 0.25                     | \$ 0.11                                  | \$ 0.53                         | \$ 0.64                     |

(1) The supplementary information included in this press release for 2015 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

(2) Special items primarily consist of the following items:

|  | Three Months Ended<br>September 30, 2015 |                   |                   | Three Months Ended<br>September 30, 2014 |                 |                 |
|--|--|-------------------|-------------------|--|-----------------|-----------------|
|  | Gross                                    | Taxes             | Net of taxes      | Gross                                    | Taxes           | Net of taxes    |
| Restructuring charges  | \$ 814                                   | \$ 283            | \$ 531            | \$ 309                                   | \$ 118          | \$ 191          |
| Acquisition related costs included in selling, general and administrative expenses                             | 88                                       | 33                | 55                | 3,854                                    | 794             | 3,060           |
| Acquisition related settlement payment   | (4,233)                                  | (1,609)           | (2,624)           | --                                       | --              | --              |
| Information technology migration and rebranding costs included in selling, general and administrative expenses | 164                                      | 61                | 103               | --                                       | --              | --              |
| Acquisition related inventory step-up included in cost of sales  | --                                       | --                | --                | 4,647                                    | 882             | 3,765           |
| Expiration of tax statutes of limitations, net   | --                                       | --                | --                | --                                       | 825             | (825)           |
| <b>Total special items</b>   | <b>\$ (3,167)</b>                        | <b>\$ (1,232)</b> | <b>\$ (1,935)</b> | <b>\$ 8,810</b>                          | <b>\$ 2,619</b> | <b>\$ 6,191</b> |

(3) In this press release and supplemental information, we have included several non GAAP financial measures, including Non-GAAP Cost of Sales, Non-GAAP Gross Profit, Non-GAAP Selling, General and Administrative Expenses, Non-GAAP Income from Operations, Non-GAAP Interest Income and other, Non-GAAP Earnings Before Provision for Income Taxes, Non-GAAP Provision for Income Taxes, Non-GAAP Net Earnings Available to Common Stockholders, Non-GAAP earnings per share, and EBITDA. We may use such Non-GAAP measures to determine performance-based compensation. Management believes that this information may be useful to investors.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Reconciliation of GAAP to Non- GAAP Condensed Consolidated Statements of Operations**  
**(in thousands, except per share amounts) (unaudited)**

|  | Nine Months Ended<br>September 30, 2015 |                              |                         | Nine Months Ended<br>September 30, 2014 |                              |                         |
|--|---|------------------------------|-------------------------|---|------------------------------|-------------------------|
|  | GAAP                                    | Special Items <sup>(2)</sup> | Non-GAAP <sup>(3)</sup> | GAAP                                    | Special Items <sup>(2)</sup> | Non-GAAP <sup>(3)</sup> |
| Net sales                                    | \$ 431,834                              | \$ --                        | \$ 431,834              | \$ 338,426                              | \$ --                        | \$ 338,426              |
| Cost of sales                                | 349,050                                 | --                           | 349,050                 | 278,630                                 | (4,647)                      | 273,983                 |
| Gross profit                                 | 82,784                                  | --                           | 82,784                  | 59,796                                  | (4,647)                      | 64,443                  |
| As a % of net sales                          | 19.2%                                   |                              | 19.2%                   | 17.7%                                   |                              | 19.0%                   |
| Selling, general and administrative expenses | 57,663                                  | (1,324)                      | 56,339                  | 47,475                                  | (5,372)                      | 42,103                  |
| As a % of net sales                          | 13.4%                                   |                              | 13.0%                   | 14.0%                                   |                              | 12.4%                   |
| Restructuring charges                        | 1,316                                   | (1,316)                      | --                      | 1,365                                   | (1,365)                      | --                      |
| Income from operations                       | 23,805                                  | 2,640                        | 26,445                  | 10,956                                  | 11,384                       | 22,340                  |
| As a % of net sales                          | 5.5%                                    |                              | 6.1%                    | 3.2%                                    |                              | 6.6%                    |
| Interest expense                             | (5,965)                                 | --                           | (5,965)                 | (2,124)                                 | --                           | (2,124)                 |
| Interest income and other, net               | 4,698                                   | (4,233)                      | 465                     | 121                                     | --                           | 121                     |
| Earnings before provision for income taxes   | 22,538                                  | (1,593)                      | 20,945                  | 8,953                                   | 11,384                       | 20,337                  |
| Provision for income taxes                   | 6,236                                   | (702)                        | 5,534                   | 2,124                                   | 3,703                        | 5,827                   |

|  |           |           |           |          |          |           |
|--|-----------|-----------|-----------|----------|----------|-----------|
| Effective tax rate                             | 27.7%     | 26.4%     | 23.7%     | 28.7%    |          |           |
| Net earnings available to common stockholders  | \$ 16,302 | \$ (891)  | \$ 15,411 | \$ 6,829 | \$ 7,681 | \$ 14,510 |
| As a % of net sales                            | 3.8%      | 3.6%      | 2.0%      | 4.3%     |          |           |
| Weighted average number of shares outstanding: |           |           |           |          |          |           |
| Class A common shares - basic and diluted      | 2,175     | 2,175     | 2,175     | 2,175    |          |           |
| Class B common shares - basic and diluted      | 9,694     | 9,694     | 9,420     | 9,420    |          |           |
| Net earnings per common share:                 |           |           |           |          |          |           |
| Class A common shares - basic and diluted      | \$ 1.30   | \$ (0.07) | \$ 1.23   | \$ 0.55  | \$ 0.64  | \$ 1.19   |
| Class B common shares - basic and diluted      | \$ 1.39   | \$ (0.08) | \$ 1.31   | \$ 0.60  | \$ 0.67  | \$ 1.27   |

(1) The supplementary information included in this press release for 2015 is preliminary and subject to change prior to the filing of our upcoming Quarterly Report on Form 10-Q with the Securities and Exchange Commission.

(2) Special items primarily consist of the following items:

|  | Nine Months Ended<br>September 30, 2015 |          |              | Nine Months Ended<br>September 30, 2014 |          |              |
|--|---|----------|--------------|---|----------|--------------|
|  | Gross                                   | Taxes    | Net of taxes | Gross                                   | Taxes    | Net of taxes |
| Restructuring charges  | \$ 1,316                                | \$ 420   | \$ 896       | \$ 1,365                                | \$ 519   | \$ 846       |
| Acquisition related costs included in selling, general and administrative expenses                             | 551                                     | 205      | 346          | 5,372                                   | 1,265    | 4,107        |
| Acquisition related settlement payment   | (4,233)                                 | (1,609)  | (2,624)      | --                                      | --       | --           |
| Information technology migration and rebranding costs included in selling, general and administrative expenses | 773                                     | 282      | 491          | --                                      | --       | --           |
| Acquisition related inventory step-up included in cost of sales  | --                                      | --       | --           | 4,647                                   | 882      | 3,765        |
| Expiration of tax statutes of limitation, net  | --                                      | --       | --           | --                                      | 825      | (825)        |
| Total special items  | \$ (1,593)                              | \$ (702) | \$ (891)     | \$ 11,384                               | \$ 3,703 | \$ 7,681     |

(3) In this press release and supplemental information, we have included several non-GAAP financial measures, including Non-GAAP Cost of Sales, Non-GAAP Gross Profit, Non-GAAP Selling, General and Administrative Expenses, Non-GAAP Income from Operations, Non-GAAP Interest Income and other, Non-GAAP Earnings Before Provision for Income Taxes, Non-GAAP Provision for Income Taxes, Non-GAAP Net Earnings Available to Common Stockholders, Non-GAAP earnings per share, and EBITDA. We may use such Non-GAAP measures to determine performance-based compensation. Management believes that this information may be useful to investors.

**Bel Fuse Inc.**  
**Supplementary Information<sup>(1)</sup>**  
**Reconciliation of GAAP Net Earnings**  
**Available to Common Stockholders to Non- GAAP EBITDA<sup>(2)</sup>**  
**(in thousands, unaudited)**

|  | Three Months Ended<br>September 30, |          | Nine Months Ended<br>September 30, |          |
|--|-------------------------------------|----------|------------------------------------|----------|
|  | 2015                                | 2014     | 2015                               | 2014     |
| GAAP Net earnings available to common stockholders | \$ 4,920                            | \$ 1,260 | \$ 16,302                          | \$ 6,828 |

|  |           |           |           |           |
|--|-----------|-----------|-----------|-----------|
| Interest expense   | 1,792     | 1,869     | 5,965     | 2,124     |
| Provision for income taxes   | 4,873     | 1,252     | 6,236     | 2,124     |
| Depreciation and amortization  | 5,535     | 6,480     | 17,124    | 12,987    |
|  | <hr/>     | <hr/>     | <hr/>     | <hr/>     |
| Non- GAAP Earnings Before Interest Taxes Depreciation and Amortization | \$ 17,120 | \$ 10,861 | \$ 45,627 | \$ 24,063 |
| % of net sales   | 11.9%     | 6.9%      | 10.6%     | 7.1%      |

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**Investors:**

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