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 September 30, 1996

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 November 1, 1996, there were 5,070,195 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, 1995.

The results of operations for the nine month period ended September 30, 1996, 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

	September 30, 1996	December 31, 1995
Current Assets:		
Cash and cash equivalents	$21,373,843	$ 8,343,925
Marketable securities	2,002,036	5,556,740
Accounts receivable, less allowance for doubtful accounts of $155,000	9,781,200	11,705,344
Inventories	8,585,970	10,799,731
Prepaid expenses and other current assets	492,360	239,511
Total Current Assets	42,235,409	36,645,251
Property, plant and equipment - net	26,188,294	26,662,351
Other assets	1,035,954	1,168,072
TOTAL ASSETS	$69,459,657	$64,475,674

(Continued)

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 1996	December 31, 1995
Current Liabilities:		
Accounts payable	$ 2,068,613	$ 3,374,433
Accrued expenses	4,782,679	4,049,366
Income taxes payable	1,010,334	539,924
Deferred income taxes	-	38,000
Total Current Liabilities	7,861,626	8,001,723
Deferred income taxes	350,000	584,000
Total Liabilities	8,211,626	8,585,723
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 5,070,195 and 5,051,445 shares	507,020	505,145
Additional paid-in capital	6,974,587	6,811,900
Retained earnings	53,766,424	48,115,306
Net unrealized gain on marketable securities	-	457,600
Total Stockholders' Equity	61,248,031	55,889,951
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$69,459,657	$64,475,674

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended September 30,		Three Months Ended September 30,	
	1996	1995	1996	1995
Sales	$47,832,403	$51,527,885	$14,426,471	$17,567,632
Costs and Expenses:				
Cost of sales	33,984,034	37,617,231	10,620,540	12,589,829
Selling, general and administrative expenses	8,472,248	9,047,109	2,772,584	3,276,672
	42,456,282	46,664,340	13,393,124	15,866,501
Income from operations	5,376,121	4,863,545	1,033,347	1,701,131
Other income - net	1,691,570	847,311	237,942	732,307
Interest (expense)	(1,573)	(3,849)	(353)	(738)
Earnings before income taxes	7,066,118	5,707,007	1,270,936	2,432,700
Income tax provision	1,415,000	757,000	39,000	453,000
Net earnings	$ 5,651,118	$ 4,950,007	$ 1,231,936	$ 1,979,700
Earnings per common share	$1.12	$.99	$.24	$.39
Weighted average number of common shares outstanding	5,061,564	4,997,173	5,070,195	5,028,415

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
Cash flows from operating activities:		
Net income	$ 5,651,118	$ 4,950,007
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,149,570	2,023,331
Deferred income taxes	(272,000)	255,000
Bad debt reserve	-	12,000
Inventory obsolescence reserve	450,000	270,000
Loss on disposition of equipment	-	111,000
Tax effect of non-qualifying disposition of incentive stock options	42,000	116,000
Net (gain) on sale of marketable securities	(1,158,957)	(565,490)
Changes in operating assets and liabilities	3,387,153	(2,219,024)
Net Cash Provided by Operating Activities	10,248,884	4,952,824
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,659,339)	(6,653,591)
Purchase of marketable securities	(2,002,786)	-
Proceeds from sale of marketable securities	6,258,847	3,265,361
Proceeds from repayment by contractor	61,750	21,750
Net Cash Provided by (Used in) Investing Activities	2,658,472	(3,366,480)
Cash flows from financing activities:		
Proceeds from exercise of stock options	122,562	299,662
Repayment of borrowings	-	(300,000)
Net Cash Provided by (used in) Financing Activities	122,562	(338)
Net Increase in Cash	13,029,918	1,586,006
Cash and Cash Equivalents - beginning of period	8,343,925	2,842,894
Cash and Cash Equivalents - end of period	$21,373,843	$ 4,428,900

(Continued)

See notes to consolidated financial statements.

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

	Nine Months Ended September 30, 1996	Nine Months Ended September 30, 1995
Changes in operating assets and liabilities consist of:		
Decrease (increase) in accounts receivable	$ 1,924,144	$(3,392,210)
Decrease (increase) in inventories	1,763,761	(2,003,587)
(Increase) decrease in prepaid expenses and other current assets	(314,599)	606,321
Decrease in other assets	115,944	85,553
Increase (decrease) in accounts payable	(1,305,820)	486,234
Increase in accrued expenses	733,313	1,717,672
Increase in income taxes payable	470,410	280,993
	$ 3,387,153	$(2,219,024)
Supplementary information:		
Cash paid during the period for:		
Interest	$ 1,573	$ 3,849
Income taxes	$ 778,775	$ 33,000
Supplemental disclosures of non-cash activities:		
Unrealized gains (losses) on marketable securities	$ (457,600)	$ 1,300,188
Investment advisory fee	$ -	$ 322,000

See notes to consolidated financial statements.

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

1. The consolidated balance sheet as of September 30, 1996, and the consolidated statements of operations and cash flows for the nine months ended September 30, 1996 and 1995 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 September 30, 1995 financial statements have been reclassified to conform to September 30, 1996 classifications. The information for December 31, 1995 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 September 30, 1996 and 1995 was not material.

3. In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation", which is effective for the Company beginning January 1, 1996. SFAS No. 123 requires expanded disclosures of stock-based compensation arrangements with employees in Notes to Annual Financial Statements and encourages (but does not require) compensation cost to be measured based on the fair value of the equity instrument awarded. Companies are permitted, however, to continue to apply APB Opinion No. 25, which recognizes compensation cost based on the intrinsic value of the equity instrument awarded. The Company will continue to apply APB Opinion No. 25 to its stock based compensation awards to employees and will disclose the required pro forma effect on net income and earnings per share in notes to its annual financial statements.

4. Inventories consist of the following:

	September 30, 1996	December 31, 1995
Raw materials	$ 5,621,444	$ 7,059,330
Work-in-process	73,759	191,518
Finished goods	2,890,767	3,548,883
	$ 8,585,970	$10,799,731

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

	September 30, 1996	December 31, 1995
Land	$ 835,218	$ 835,218
Buildings and improvements	13,579,480	13,481,550
Machinery and equipment	31,941,048	30,379,639
Idle property held for sale	935,000	935,000
	47,290,746	45,631,407
Less accumulated depreciation and amortization	21,102,452	18,969,056
Net property, plant and equipment	$26,188,294	$26,662,351

6. INCOME TAXES

Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" (SFAS 109), provides for the recognition of deferred assets subject to a valuation allowance. At December 31, 1994, the Company established a valuation allowance equal to the full amount of the tax effect of the net operating loss carryforward. For the nine months ended September 30, 1995, the Company recognized $286,000, as a reduction of United States and Far East tax expense.

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

a. 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			
	Nine Months Ended September 30,		Three Months Ended September 30,	
	1996	1995	1996	1995
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	71.0	73.0	73.6	71.7
Selling, general and administrative expenses	17.7	17.5	19.2	18.7
Other income, net of interest expense	3.5	1.6	1.6	4.2
Earnings before income tax provision	14.8	11.1	8.8	13.8
Income tax provision	3.0	1.5	.3	2.6
Net earnings	11.8	9.6	8.5	11.2

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

	Increase (Decrease) from Prior Period	
	Nine Months Ended September 30, 1996 compared with 1995	Three Months Ended September 30, 1996 compared with 1995
Net sales	(7.2) %	(17.9) %
Cost of sales	(9.7)	(15.6)
Selling, general and administrative expenses	(6.4)	(15.4)
Other income - net	100.4	(67.5)
Earnings before income tax provision	23.8	(47.8)
Income tax provision	86.9	(91.4)
Net earnings	14.2	(37.8)

Nine Months 1996 vs. Nine Months 1995

Sales

Net sales decreased 7.2% from $51,527,885 during the first nine months of 1995 to $47,832,403 during the first nine months of 1996. The Company attributes this decrease primarily to a general softening in the market as previously disclosed and the elimination of certain low margin products.

Cost of Sales

Cost of sales as a percentage of net sales decreased 2.0% from 73.0% during the first nine months of 1995 to 71.0% during the first nine months of 1996. The decrease in the cost of sales percentage is primarily attributable to lower material content associated with the current sales mix and the elimination of certain low margin products.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales remained relatively constant for the first nine months of 1996 compared to the first nine months of 1995. Selling, general and administrative expenses decreased in dollar amount by 6.4%. The Company attributes the decrease in the dollar amount of such expenses primarily to accrued severance and bonus amounts, the write-off of certain expenses related to the unrealized acquisition of Pulse Engineering, Inc. and the abandonment of certain fixed assets during the first nine months of 1995 along with the Company's continued cost containment measures during the first nine months of 1996.

Other Income and Expenses

Other income, consisting of net realized gains on the sale of marketable securities and interest and dividends earned on marketable securities and on cash equivalents, increased by $844,259 from the first nine months of 1996 compared to the first nine months of 1995. This increase is primarily due to the gain on the sale of 112,485 shares of Technitrol, Inc. common stock and to higher earnings on invested funds due to higher average balances in the first nine months of 1996 compared to the first nine months of 1995, offset in part by a loss on other marketable securities.

Provision for Income Taxes

The provision for income taxes for the first nine months of 1996 was $1,415,000 as compared to $757,000 for the first nine months of 1995. This increase is due primarily to the higher pretax earnings, including the gain on the sale of the Technitrol, Inc. common stock, for the first nine months of 1996 versus 1995. The 1995 provision for income taxes was reduced by the use of a net operating loss carry-forward which was no longer available in 1996.

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 the Far East and the utilization of tax benefits arising from the operating loss carryforward in the United States and the Far East.

Three Months 1996 vs. Three Months 1995
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Sales

Sales decreased 17.9% to $14,426,471 during the third quarter of 1996 from $17,567,632 during the third quarter of 1995. The Company attributes this decrease primarily to those reasons set forth in the nine month analysis.

Cost of Sales

Cost of sales as a percentage of net sales increased 1.9% to 73.6% during the third quarter of 1996 from 71.7% during the third quarter of 1995. The Company attributes this increase primarily to the higher percentage relationship of labor and overheads to sales due to decreased sales, despite lower actual expenditures in these areas during the third quarter of 1996 vs. 1995 offset in part by lower material costs during the third quarter of 1996 vs. 1995 due to the reasons set forth in the nine month analysis.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales increased .5% from the third quarter of 1995 to the third quarter of 1996 and selling, general and administrative expenses decreased in dollar amount by 15.4%. The Company attributes the increase in selling, general and administrative expenses to net sales primarily to lower sales and the decrease in dollar amount of selling, general and administrative expenses primarily to accrued severences and bonus amounts and the write-off of certain expenses related to the unrealized acquisition of Pulse Engineering, Inc. during the third quarter of 1995.

Other Income and Expenses

Other income for the third quarter of 1996 compared to the third quarter of 1995 decreased due to a gain of approximately $650,000 on the partial liquidation of the Company's investment in Pulse Engineering, Inc. common stock during the third quarter of 1995, offset in part by higher earnings on invested funds due to higher average balances during the third quarter of 1996.

Provision for Income Taxes

The provision for income taxes decreased to $39,000 for the third quarter 1996 from $453,000 for the third quarter of 1995 primarily due to certain tax benefits arising from the write-off of the Company's investment in its foreign subsidiary, Bel Fuse SARL, (France), reduced pre-tax earnings and tax overaccruals from 1995 recognized during the third quarter of 1996.

Liquidity and Capital Resources

Historically, the Company has financed its capital expenditures through operating cash flows. 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.

Liquidity and Capital Resources (Continued)

The Company has lines of credit, all of which were unused at September 30, 1996, in the aggregate amount of $7,000,000, of which $5,000,000 is from domestic banks and $2,000,000 is from foreign banks.

During the first nine months of 1996, the Company's cash increased by $13.0 million, principally reflecting $10.2 million provided by operating activities and $6.3 million from the sale of marketable securities offset in part by $2.0 million in purchases of marketable securities and $1.7 million in purchases of plant and equipment.

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 nine months of 1996 or 1995.

The Company's shareholders' equity increased by $5.4 million from December 31, 1995 to September 30, 1996, reflecting the Company's first nine months profit of $5.7 million and the exercise of incentive stock options of $122,000 offset by a decrease of $457,000 in net unrealized gain on marketable securities as all gains and losses were realized during the second quarter of 1996.

Cash, accounts receivable and marketable securities comprised approximately 47.7% and 39.7% of the Company's total assets at September 30, 1996 and December 31, 1995, respectively. The Company's current ratio (i.e., the ratio of current assets to current liabilities) was 5.4 to 1 and 4.6 to 1 at September 30, 1996 and December 31, 1995, respectively.

PART II. Other Information

Item 1. Legal Proceedings

See Item 3 of the Company's Form 10-K for the year ended December 31, 1995.

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 September 30, 1996.

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: November 12, 1996

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM BEL FUSE INC. AND SUBSIDIARIES FINANCIAL STATEMENTS AT SEPTEMBER 30, 1996 AND THE NINE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

YEAR
DEC-31-1996
SEP-30-1996
21,373,843
2,002,036
9,936,200
155,000
8,585,970
42,235,409
47,290,746
21,102,452
69,459,657
7,861,626
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507,020
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60,741,011
69,459,657
47,832,403
47,832,403
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42,456,282
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7,066,188
1,415,000
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5,651,118
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