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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 March 31, 2003

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.)

206 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 by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act) 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 May 1, 2003, there were 2,676,663 shares of Class A Common Stock, $.10 par value, outstanding and 8,277,242 shares of Class B 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 accounting principles generally accepted in the United States of America 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, 2002.

The results of operations for the three month period ended March 31, 2003 are not necessarily indicative of the results for the entire fiscal year or for any other period.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2003 (Unaudited)	December 31, 2002
Current Assets:		
Cash and cash equivalents	$ 41,649,640	$ 59,002,581
Marketable securities	61,400	4,966,275
Accounts receivable, less allowance for doubtful accounts of $3,160,000 and $945,000	28,021,049	16,839,497
Inventories	31,750,113	12,384,472
Prepaid expenses and other current assets	2,455,330	190,199
Refundable income taxes	1,245,597	681,887
Deferred income taxes	517,000	439,000
Total Current Assets	105,700,129	94,503,911
Property, plant and equipment - net	48,081,505	37,605,195
Intangible assets-net	4,823,107	2,805,166
Goodwill	6,818,324	4,819,563
Other assets (including $5.5 million of deposits relating to the APC acquisition at December 31, 2002)	898,528	7,159,077
TOTAL ASSETS	$166,321,593	$146,892,912

See notes to consolidated financial statements.

BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2003 (Unaudited)	December 31, 2002
Current Liabilities:		
Current portion of long-term debt	$ 2,000,000	$ --
Accounts payable	7,934,932	5,099,894
Accrued expenses	10,637,797	6,202,871
Dividends payable	412,000	412,000
Total Current Liabilities	20,984,729	11,714,765
Long-term Liabilities:		
Long-term debt - less current portion above	8,000,000	--
Deferred income taxes	5,176,000	4,519,000
Long-term Liabilities	13,176,000	4,519,000
Total Liabilities	34,160,729	16,233,765
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 2,676,225 shares (net of 1,072,770 treasury shares)	267,623	267,623
Class B common stock, par value $.10 per share - authorized 30,000,000 shares; outstanding 8,275,492 and 8,261,492 shares (net of 3,218,310 treasury shares)	827,549	826,149
Additional paid-in capital	14,121,236	13,982,688
Retained earnings	117,001,103	115,632,819
Cumulative other comprehensive (loss)	(56,647)	(50,132)
Total Stockholders' Equity	132,160,864	130,659,147
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 166,321,593	$ 146,892,912

See notes to consolidated financial statements.

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

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Sales	$ 24,947,359	$ 16,514,002
Costs and Expenses:		
Cost of sales	17,967,201	14,360,623
Selling, general and administrative expenses	4,847,054	4,094,154
	22,814,255	18,454,777
Income (loss) from operations	2,133,104	(1,940,775)
Interest expense	(10,417)	--
Other income	126,597	252,199
Earnings (loss) before income tax provision	2,249,284	(1,688,576)
Income tax provision	469,000	132,000
Net earnings (loss)	$ 1,780,284	$ (1,820,576)
Basic earnings (loss) per common share	$ 0.16	$ (0.17)
Diluted earnings (loss) per common share	$ 0.16	$ (0.17)
Weighted average number of common shares outstanding-basic	10,945,417	10,846,614
Weighted average number of common shares outstanding and potential common shares - diluted	11,071,875	10,846,614

See notes to consolidated financial statements.

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

	Three Months Ended March 31,	
	2003	2002
Cash flows from operating activities:		
Net income (loss)	$ 1,780,284	$ (1,820,576)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,494,570	1,616,275
Deferred income taxes	312,000	(95,000)
Other	--	80,000
Changes in operating assets and liabilities net of acquisitions	1,143,947	(713,467)
Net Cash Provided by (used in) Operating Activities	4,730,801	(932,768)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(676,512)	(547,599)
Payment for acquisitions - net of cash acquired	(36,047,303)	--
Proceeds from sale of marketable securities	4,904,875	2,200,000
Purchase of marketable securities	--	(2,207,376)
Net Cash Used in Investing Activities	(31,818,940)	(554,975)
Cash flows from financing activities:		
Proceeds from borrowings	10,000,000	--
Loan repayments	7,250	7,250
Proceeds from exercise of stock options	139,948	1,485,620
Dividends paid to common shareholders	(412,000)	(405,000)
Net Cash Provided by Financing Activities	9,735,198	1,087,870
Net decrease in Cash	(17,352,941)	(399,873)
Cash and Cash Equivalents - beginning of period	59,002,581	69,278,574
Cash and Cash Equivalents - end of period	$ 41,649,640	$ 68,878,701

See notes to consolidated financial statements.

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

	Three Months Ended March 31, 2003	2002
Changes in operating assets and liabilities consist of:		
Decrease (increase) in accounts receivable	$ 3,180,866	$ (402,833)
Increase in inventories	(2,090,807)	(526,964)
Increase in prepaid expenses and other current assets	(1,211,131)	(261,642)
Increase (decrease) in refundable income taxes	169,290	(14,421)
Decrease in other assets	73,178	16,998
Increase in accounts payable	255,185	369,658
Increase in accrued expenses	767,366	105,737
	$ 1,143,947	$ (713,467)
Supplementary information:		
Cash paid during the period for:		
Interest	$ --	$ --
Income taxes	$ --	$ 135,000
Supplemental disclosure of noncash investing activities:		
Fair value of assets acquired (excluding cash of $2,442,000)	$ 38,285,587	
Intangibles	4,208,837	
Less: Cash on deposit previous year	(6,447,121)	
Net cash paid	$ 36,047,303	

See notes to consolidated financial statements.

1. Basis of Presentation

The consolidated balance sheet as of March 31, 2003, 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. The information for the consolidated balance sheet as of December 31, 2002 was derived from audited financial statements.

2. Acquisitions

On March 22, 2003 the Company acquired certain assets, subject to certain liabilities, and common shares of certain entities comprising Insilco Technologies, Inc.'s ("Insilco") passive component group for $38.7 million in cash, including transaction costs of approximately $1.3 million. Purchase price allocations, which have been initially estimated by management, will be adjusted on independent formal appraisals. Management has estimated that approximately $2.3 million of identifiable intangible assets arose from the transaction and will be amortized on a straight line basis over a period of five years.

Effective January 2, 2003, the Company entered into an asset purchase agreement with Advanced Power Components plc ("APC") to purchase the communication products division of APC for $5.5 million in cash plus the assumption of certain liabilities. The Company will be required to make contingent payments equal to 5% of sales (as defined) in excess of $5.5 million per year for the years 2003 and 2004. Purchase price allocations, which have been initially estimated by management, will be adjusted on independent formal appraisals. Management has estimated that the excess of the purchase price over net assets acquired, of approximately $2.0 million, will be allocated to goodwill.

These transactions will be accounted for using the purchase method of accounting and, accordingly, the results of operations of Insilco have been included in the Company's financial statements from March 22, 2003 and the results of operations of APC have been included in the Company's financial statements from January 2, 2003.

The following unaudited pro forma summary results of operations assumes that both Insilco and APC had been acquired as of January 1, 2002 (in thousands):

	Three Months Ended March 31,	
	2003	2002
Sales	$ 40,660	$ 33,507
Net income (loss)	2,641	(4,475)
Earnings per share - diluted	0.24	(0.41)

The information above is not necessarily indicative of the results of operations that would have occurred if the acquisitions had been consummated as of January 1, 2002. Such information should not be construed as being a representation of the future results of operations of the Company.

3. Goodwill and Other Intangibles

Goodwill represents the excess of the purchase price and related costs over the value assigned to the net tangible and other intangible assets with finite lives acquired in a business acquisition. Prior to January 1, 2002, goodwill had been amortized on a straight-line basis over 4 to 15 years.

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets". Under SFAS No. 142, goodwill and intangible assets deemed to have indefinite lives are no longer amortized, but are subject to, at a minimum, an annual impairment test. If the carrying value of goodwill or intangible assets exceeds its fair market value, an impairment loss would be recorded. The Company uses a discounted cash flow model to determine fair market value of the Company's reporting units.

Other intangibles include patents, product information, covenants not-to-compete and supply agreements. Amounts assigned to these intangibles are based on independent appraisals. Other intangibles are being amortized over 4 to 10 years. Amortization expense was $192,000 and $223,000 for the three months ended March 31, 2003 and 2002, respectively.

The changes in the carrying value of goodwill for the three months ended March 31, 2003 are as follows:

Balance, December 31, 2002	$4,819,563
Preliminary goodwill allocation related to acquisitions	1,998,761
Balance, March 31, 2003	$6,818,324

The components of other intangibles are as follows:

	March 31, 2003		December 31, 2002	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Patents and Product Information	$3,516,419	$ 524,097	$1,335,000	$ 486,819
Covenants not-to-compete	2,990,068	1,159,283	2,961,411	1,004,426
Supply agreement	2,660,000	2,660,000	2,660,000	2,660,000
	$9,166,487	$4,343,380	$6,956,411	$4,151,245

Estimated amortization expense for other intangible assets for the next five years is as follows:

December 31,	Estimated Amortization Expense
2003	$ 1,073,000
2004	1,177,000
2005	1,101,000
2006	954,000
2007	565,000

4. Earnings (Loss) Per Share

Basic earnings (loss) per common share are computed using the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share are computed using the weighted average number of common shares and potential common shares outstanding during the period. For the three months ended March 31, 2002 potential common shares were not used in the computation of diluted loss per common share as their effect would be antidilutive.

5. Business Segment Information

The Company does not have reportable operating segments as defined SFAS No.131, "Disclosures about Segments of an Enterprise and Related Information". The method for attributing revenues for interim purposes is based on shipments from the country of origination less intergeographic revenues. The Company operates facilities in the United States, Europe, Caribbean and the Far East. The primary criteria by which financial performance is evaluated and resources are allocated are revenues and operating income. The following is a summary of key financial data:

	Three Months Ended March 31,	
	2003	2002
Total Revenues:		
North America	$ 7,427,974	$ 6,837,112
Asia	23,036,359	16,107,522
Europe	632,967	--
Less intergeographic revenues	(6,149,941)	(6,430,632)
	$ 24,947,359	$ 16,514,002
Income (loss) from Operations:		
North America	$ 151,235	$ 338,420
Asia	1,807,230	(2,279,195)
Europe	174,639	--
	$ 2,133,104	$ (1,940,775)

6. Debt

On March 21, 2003, the Company entered into a $10 million secured term loan. The loan was used to partially finance the Company's acquisition of the Passive Components division of Insilco Technologies, Inc. The loan will be paid in 20 equal quarterly installments of principal with a final maturity on March 31, 2008 and bears interest at LIBOR plus 1.25 percent (3.75 percent at March 31, 2003) payable monthly. The loan is collateralized with a first priority security interest in and lien on 65% of all the issued and outstanding shares of the capital stock of certain of the foreign subsidiaries of Bel Fuse Inc. and all other personal property and certain real property of Bel Fuse Inc. The Company is required to maintain certain financial covenants, as defined in the agreement. As of March 31, 2003, the Company was in compliance with all financial covenants. For the three months ended March 31, 2003 the Company recorded interest expense of $10,417.

7. Stock Option Plan

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure, an amendment of FASB Statement No. 123". SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. It also requires disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 is effective for annual and interim periods beginning after December 15, 2002. The Company will continue to account for stock-based employee compensation under the recognition and measurement principle of APB Opinion No. 25 and related interpretations. The Company complied with the additional annual and interim disclosure requirements effective December 31, 2002 and March 31, 2003.

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 percent (25%) one year from the date of grant and twenty-five percent (25%) 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. The Company accounts for the Plan under the recognition and measurement principles of APB Opinion No. 25, "Accounting for Stock Issued to Employees" and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under the Plan had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income (loss) and earnings (loss) per share if the Company had applied the fair-value recognition provisions of FASB Statement No. 123, "Accounting for Stock-Based Compensation", to stock-based compensation.

	Three Months Ended March 31, 2003	2002
Net earnings (loss) - as reported	$ 1,780,284	$ (1,820,576)
Amortization of stock-based compensation	(419,723)	(491,474)
Net earnings (loss) - proforma	1,360,561	(2,312,050)
Earnings (loss) per share - basic - as reported	$ 0.16	$ (0.17)
Earnings (loss) per share - basic - proforma	$ 0.12	$ (0.21)
Earnings (loss) per share - diluted - as reported	$ 0.16	$ (0.17)
Earnings (loss) per share - diluted - proforma	$ 0.12	$ (0.21)

8. Recent Accounting Pronouncements

In August 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations". SFAS No. 143 addresses financial accounting and reporting for obligations and costs associated with the retirement of tangible long-lived assets. The Company adopted SFAS 143 on January 1, 2003. The adoption of SFAS No.143 did not have a material impact on the Company's results of operations or financial position.

In April 2002, the FASB issued SFAS No. 145 "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". This statement eliminates the automatic classification of gain or loss on extinguishment of debt as an extraordinary item of income and requires that such gain or loss be evaluated for extraordinary classification under the criteria of Accounting Principles Board No. 30 "Reporting Results of Operations". This statement also requires sales-leaseback accounting for certain lease modifications that have economic effects that are similar to sales-leaseback transactions, and makes various other technical corrections to existing pronouncements. This statement will be effective for the Company for the year ending December 31, 2003. Management believes that adopting this statement will not have a material effect on the Company's results of operations or financial position.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This Statement requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan. The Company adopted SFAS No. 146 on January 1, 2003. The adoption of SFAS No. 146 did not have a material impact on the Company's result of operations or financial position.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003.

In November 2002, the FASB issued FASB Interpretation No. 45 (FIN 45), Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, and interpretation of FASB Statements No. 5, 57,and 107 and Rescission of FASB Interpretation No. 34. FIN 45 clarifies the requirements of FASB Statement No. 5, Accounting for Contingencies, relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. This interpretation clarifies that a guarantor is required to recognize, at the inception of certain types of guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and initial measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. The disclosure requirements in this interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. The Company adopted FIN 45 on January 1, 2003. The adoption of FIN 45 did not have a material impact on the Company's disclosure requirements.

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, "Consolidation of Variable Interest Entities," which addresses consolidation by business enterprises of variable interest entities. In general, a variable interest entity is a corporation, partnership, trust, or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. A variable interest entity often holds financial assets, including loans or receivables, real estate or other property. A variable interest entity may be essentially passive or it may engage in research and development or other activities on behalf of another company. The objective of Interpretation No. 46 is not to restrict the use of variable interest entities but to improve financial reporting by companies involved with variable interest entities. Until now, a company generally has included another entity in its consolidated financial statements only if it controlled the entity through voting interests. Interpretation No. 46 changes that by requiring a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of Interpretation No. 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The Company does not have any variable interest entities, and, accordingly, adoption is not expected to have a material effect on the Company.

Management's Discussion and Analysis of Financial Condition and Results of Operations

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 the risk factors described in Exhibit 99.3 to this quarterly report. 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 ("Forward-Looking Statements") 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 the Company's Annual Report on Form 10-K for the year ended December 31, 2002, which could cause actual results to differ materially 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.

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.

Critical Accounting Policies

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates, including those related to product returns, bad debts, inventories, intangible assets, investments, income taxes and contingencies and litigation. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

The Company maintains allowances for doubtful accounts for estimated losses from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The Company makes purchasing decisions principally based upon firm sales orders from customers, the availability and pricing of raw materials and projected customer requirements. Future events that could adversely affect these decisions and result in significant charges to the Company's operations include miscalculating customer requirements, technology changes which render the raw materials and finished goods obsolete, and loss of customers and/or cancellation of sales orders. The Company writes down its inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon the aforementioned assumptions. If actual market conditions are less favorable than those projected by management, additional inventory write-downs may be required.

The Company seeks sales and profit growth by expanding its existing customer base, developing new products and by pursuing strategic acquisitions that meet the Company's criteria relating to the market for the products: the Company's ability to efficiently manufacture the product; synergies that are created by the acquisition; and a purchase price that represents fair value. If the Company's evaluation of a target company misjudges its technology, estimated future sales and profitability levels, or ability to keep pace with the latest technology, these factors could impair the value of the investment, which could materially adversely affect the Company's profitability.

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.

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 Three Months Ended March 31, 2003	Percentage of Net Sales Three Months Ended March 31, 2002
Net sales	100.0%	100.0%
Cost of sales	72.0	87.0
Selling, general and administrative expenses	19.4	24.8
Other income	0.5	1.5
Earnings (loss) before income tax provision	9.0	(10.2)
Income tax provision	1.9	0.8
Net earnings (loss)	7.1	(11.0)

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

	Increase (Decrease) from Prior Period Three Months Ended March 31, 2003 compared with 2002
Net sales	51.1%
Cost of sales	25.1
Selling, general and administrative expenses	18.4
Other income	(49.8)
Earnings before income tax provision	233.2
Income tax provision	255.3
Net earnings	Not meaningful

Three Months ended March 31, 2003 vs. Three Months ended March 31, 2002

Sales

Net sales increased 51.1 % from $16,514,002 during the first quarter of 2002 to $24,947,359 during the first quarter of 2003. The Company attributes this increase principally to the strong demand for integrated connector modules ("ICM") and sales from Insilco and APC of approximately $2.3 million. All product lines experienced small sale increases from the first quarter of 2002. Net sales did decrease from the fourth quarter of 2002 level of $26,886,000, due in part to the traditional Far East factory shut down for the Lunar New Year.

Cost of Sales

Cost of sales as a percentage of net sales decreased from 87.0 % during the first quarter of 2002 to 72.0 % in 2003. The decrease in the cost of sales percentage is primarily attributable to a decrease in material cost as a percentage of sales based on the current sales mix and cost containment measures implemented by the Company that positively affected the quarter ended March 31, 2003. During the quarter ended March 31, 2002 cost of sales was negatively impacted by manufacturing inefficiencies due to reduced sales volume.

While the cost of sales percentage has decreased, the Company's product mix continues to contain a significant percentage of products that have a high material content and this adversely affects the cost of sales percentage.

Selling, General and Administrative Expenses

The percentage relationship of selling, general and administrative expenses to net sales decreased from 24.8% during the first quarter of 2002 to 19.4% during the first quarter of 2003, in part as a result of the Company's ability to leverage general and administrative expenses over a larger revenue base as well as headcount reductions in certain areas and strong cost control measures. The Company attributes the increase in the dollar amount of such expenses primarily to costs associated with the Insilco and APC operations, sales related expenses, severance payments and employee benefit expenses.

Other Income - net

Other income, consisting principally of interest earned on cash and cash equivalents, decreased by approximately $100,000 during the first quarter of 2003 compared to the first quarter of 2002. The decrease is due primarily to lower interest rates earned on cash and cash equivalents.

Income Tax Provision

The provision for income taxes for the first quarter of 2003 was $469,000 as compared to $132,000 for the first quarter of 2002. The increase in the provision is due primarily to the Company's earnings before income taxes for the three months ended March 31, 2003 as compared with a loss during the same period in 2002.

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 primarily through cash flows from operating activities. Currently, due to the recent acquisition of the Passive Components Group, the Company has borrowed money under a secured term loan, and has unused lines of credit, as described below. 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, a further softening in the demand for the Company's existing products, an inability to respond to customer demand for new products, potential acquisitions requiring substantial capital, future expansion of the Company's operations and net losses that could result in net cash being used in operating, investing and/or financing activities which result in net decreases in cash and cash equivalents. Net losses may result in the loss of domestic and foreign credit facilities and preclude the Company from raising debt or equity financing in the capital markets.

The Company has a domestic line of credit amounting to $1,000,000 which was unused at March 31, 2003. The Company also has a $10 million domestic revolving line of credit which was unused at March 31, 2003. Borrowings under this $10 million line of credit are secured by the same assets which secure the term loan described below.

On March 21, 2003, the Company entered into a $10 million secured term loan. The loan was used to partially finance the Company's acquisition of the Passive Components division of Insilco Technologies, Inc. The loan will be paid in 20 equal quarterly installments of principal with a final maturity on March 31, 2008 and bears interest at LIBOR plus 1.25 percent (3.75 percent at March 31, 2003) payable monthly. The loan is collateralized with a first priority security interest in and lien on 65% of all the issued and outstanding shares of the capital stock of certain of the foreign subsidiaries of Bel Fuse Inc. and all other personal property and certain real property of Bel Fuse Inc. The Company is required to maintain certain financial covenants, as defined in the agreement. For the three months ended March 31, 2003 the Company recorded interest expense of $10,417.

The Company's Hong Kong subsidiary has an unsecured line of credit of approximately $2,000,000, which was unused at March 31, 2003. This line of credit expires on December 31, 2003. Borrowing on this line of credit is guaranteed by the U.S. parent.

For information regarding further commitments under the Company's operating leases, see Note 11 of Notes to the Company's Annual Report on Consolidated Financial Statements in the Company's Form 10-K for the year ended December 31, 2002.

On March 22, 2003 the Company acquired certain assets, subject to certain liabilities, and common shares of certain entities comprising Insilco Technologies, Inc.'s ("Insilco") passive component group for $38.7 million in cash, including transaction costs of approximately $1.3 million. Purchase price allocations, which have been initially estimated by management, will be adjusted on independent formal appraisals. Management has estimated that approximately $2.3 million of identifiable intangible assets arose from the transaction and will be amortized on a straight line basis over a period of five years.

Effective January 2, 2003, the Company entered into an asset purchase agreement with Advanced Power Components plc ("APC") to purchase the communication products division of APC for $5.5 million in cash plus the assumption of certain liabilities. The Company will be required to make contingent payments equal to 5% of sales (as defined) in excess of $5.5 million per year for the years 2003 and 2004. Purchase price allocations, which have been initially estimated by management, will be adjusted on independent formal appraisals. Management has estimated that the excess of the purchase price over net assets acquired will be approximately $2.0 million and will be allocated to goodwill.

These transactions will be accounted for using the purchase method of accounting and, accordingly, the results of operations of Insilco have been included in the Company's financial statements from March 22, 2003 and the results of operations of APC have been included in the Company's financial statements from January 2, 2003.

On May 9, 2000 the Board of Directors authorized the repurchase of up to 10% of the Company's outstanding common shares from time to time in market or privately negotiated transactions. As of March 31, 2003, the Company had purchased and retired 23,600 Class B shares at a cost of approximately $808,000, which reduced the number of Class B common shares outstanding.

During the three months ended March 31, 2003, the Company's cash and cash equivalents decreased by approximately $17.4 million, reflecting approximately $36.0 million in payments for acquisitions, $.7 million in purchases of plant and equipment, and $.4 million in dividends offset, in part, by $10.0 million from proceeds from borrowings, $4.9 million from the sale of marketable securities, $.1 million provided by the exercise of stock options, and $4.7 million provided by operating activities.

Cash, marketable securities and cash equivalents and accounts receivable comprised approximately 41.9% and 55.0% of the Company's total assets at March 31, 2003 and December 31, 2002, respectively. The Company's current ratio (i.e., the ratio of current assets to current liabilities) was 5.0 to 1 and 8.1 to 1 at March 31, 2003 and December 31, 2002, respectively.

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 59% of its identifiable assets are located in Hong Kong, Macau, and The People's Republic of China. Accordingly, events resulting from any change in the "Most Favored Nation" status granted to China by the U.S. could have a material adverse effect on the Company.

Accounting Pronouncements to be Adopted in 2003

In August 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations". SFAS No. 143 addresses financial accounting and reporting for obligations and costs associated with the retirement of tangible long-lived assets. The Company adopted SFAS 143 on January 1, 2003. The adoption of SFAS No.143 did not have a material impact on the Company's results of operations or financial position.

In April 2002, the FASB issued SFAS No. 145 "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". This statement eliminates the automatic classification of gain or loss on extinguishment of debt as an extraordinary item of income and requires that such gain or loss be evaluated for extraordinary classification under the criteria of Accounting Principles Board No. 30 "Reporting Results of Operations". This statement also requires sales-leaseback accounting for certain lease modifications that have economic effects that are similar to sales-leaseback transactions, and makes various other technical corrections to existing pronouncements. This statement will be effective for the Company for the year ending December 31, 2003. Management believes that adopting this statement will not have a material effect on the Company's results of operations or financial position.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." This Statement requires recording costs associated with exit or disposal activities at their fair values when a liability has been incurred. Under previous guidance, certain exit costs were accrued upon management's commitment to an exit plan. The Company adopted SFAS No. 146 on January 1, 2003. The adoption of SFAS No. 146 did not have a material impact on the Company's result of operations or financial position.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure, an amendment of FASB Statement No. 123". SFAS No. 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. It also requires disclosure in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. SFAS No. 148 is effective for annual and interim periods beginning after December 15, 2002. The Company will continue to account for stock-based employee compensation under the recognition and measurement principle of APB Opinion No. 25 and related interpretations. The Company complied with the additional annual and interim disclosure requirements effective December 31, 2002 and March 31, 2003. In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities." This statement amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement is effective for contracts entered into or modified after June 30, 2003, and for hedging relationships designated after June 30, 2003.

In November 2002, the FASB issued FASB Interpretation No. 45 (FIN 45), Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, and interpretation of FASB Statements No. 5, 57, and 107 and Rescission of FASB Interpretation No. 34. FIN 45 clarifies the requirements of FASB Statement No. 5, Accounting for Contingencies, relating to the guarantor's accounting for, and disclosure of, the issuance of certain types of guarantees. This interpretation clarifies that a guarantor is required to recognize, at the inception of certain types of guarantees, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and initial measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002, irrespective of the guarantor's fiscal year-end. The disclosure requirements in this interpretation are effective for financial statements of interim or annual periods ending after December 15, 2002. The Company adopted FIN 45 on January 1, 2003. The adoption of FIN 45 did not have a material impact on the Company's disclosure requirements.

In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, "Consolidation of Variable Interest Entities," which addresses consolidation by business enterprises of variable interest entities. In general, a variable interest entity is a corporation, partnership, trust, or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. A variable interest entity often holds financial assets, including loans or receivables, real estate or other property. A variable interest entity may be essentially passive or it may engage in research and development or other activities on behalf of another company. The objective of Interpretation No. 46 is not to restrict the use of variable interest entities but to improve financial reporting by companies involved with variable interest entities. Until now, a company generally has included another entity in its consolidated financial statements only if it controlled the entity through voting interests. Interpretation No. 46 changes that by requiring a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. The consolidation requirements of Interpretation No. 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure requirements apply in all financial statements issued after January 31, 2003, regardless of when the variable interest entity was established. The Company does not have any variable interest entities, and, accordingly, adoption is not expected to have a material effect on the Company.

Item 3. 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.

Item 4. Controls and Procedures

Within the 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Vice President of Finance, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rules13a-14 and 15d-14. Based upon that evaluation, the Company's Chief Executive Officer and Vice President of Finance concluded that the Company's disclosure controls and procedures are adequate and effective. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. Other Information

Item 1. Legal Proceedings

a) The Company commenced an arbitration proceeding before the American Arbitration Association against Lucent Technologies, Inc. in or about December 2000. The arbitration arises out of an Agreement for the Purchase and Sale of Assets, dated October 2, 1998 (the "Asset Purchase Agreement"), among Bel Fuse Inc., Lucent Technologies, Inc. and Lucent Technologies Maquiladores, Inc., and a related Global Procurement Agreement, dated October 2, 1998 (the "Supply Agreement"), between Lucent Technologies, Inc., as Buyer, and Bel Fuse Inc., as Supplier. Pursuant to the Asset Purchase Agreement, the Company purchased substantially all of the assets of Lucent's signal transformer business. Pursuant to the Supply Agreement, Lucent agreed that except for limited instances where Lucent was obligated to purchase product elsewhere, for a term of 3 1/2 years, Lucent would be obligated, on an as required basis, to purchase from the Company all of Lucent's requirements for signal transformer products. The Supply Agreement also provided that the Company would be given the opportunity to furnish quotations for the sale of other products.

The Company is seeking monetary damages for alleged breaches by Lucent of the Asset Purchase Agreement and the Supply Agreement. In its answer, Lucent denied many of the material allegations made by the Company and also asserted two counterclaims. The counterclaims seek recovery for alleged losses, including loss of revenue, sustained by Lucent as a result of the Company's alleged breach of various provisions of the Supply Agreement. The parties are currently engaged in extensive discovery proceedings. The Company believes it has substantial and meritorious claims against Lucent and substantial and meritorious defenses to Lucent's counterclaims. However, the Company cannot predict how the arbitrator will decide this matter and whether it will have a material effect on the Company's consolidated financial statements.

b) The Company has received a letter from a third party which states that its patent covers certain of the Company's modular jack products and indicates the third party's willingness to grant a non-exclusive license to the Company under the patent. The Company believes that none of its products are covered by this particular patent.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:
Exhibit 99.1 Certification of Chief Executive Officer and pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 99.2 Certification of Vice President of Finance and pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 99.3 Risk Factors

(b) On March 26, 2003 the Company filed a Current Report on Form 8-K describing (under Item 2) the acquisition of the Passive Components Group of Insilco Technologies, Inc ("Insilco"). The Company completed the acquisition on March 21, 2003.

On April 29, 2003 the Company filed a Current Report on Form 8-K attaching a press release issued by the Company regarding the Company's results for the three months ended March 31, 2003. The Current Report on Form 8-K and the attached press release were furnished by the Company pursuant to Item 12 of Form 8-K, insofar as they disclose historical information regarding the Company's results of operations for the three months ended March 31, 2003.

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 and
Chief Executive Officer

By:/s/ Colin Dunn

Colin Dunn, Vice President of Finance

Dated: May 12, 2003

I, Daniel Bernstein, certify that

1. I have reviewed this quarterly report on Form 10-Q of Bel Fuse Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 12, 2003

By: /s/ Daniel Bernstein

Daniel Bernstein, President and
Chief Executive Officer

I, Colin Dunn, certify that

1. I have reviewed this quarterly report on Form 10-Q of Bel Fuse Inc;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 12, 2003

By: /s/ Colin Dunn

Colin Dunn, Vice President
of Finance

INDEX OF EXHIBITS

Exhibit 99.1 Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.2 Certification of Vice President of Finance pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.3 Risk Factors

EXHIBIT 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Bel Fuse Inc (the "Company") on Form 10-Q for the quarter ended March 31, 2003 filed with the Securities and Exchange Commission (the "Report"), I, Daniel Bernstein, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934;and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and consolidated result of operations of the Company for the periods presented.

Dated: May 12, 2003

By: /s/ Daniel Bernstein

Daniel Bernstein, President
and Chief Executive Officer

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. A signed original of this written statement required by Section 906 has been provided to Bel Fuse Inc. and will be retained by Bel Fuse Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Bel Fuse Inc (the "Company") on Form 10-Q for the quarter ended March 31, 2003 filed with the Securities and Exchange Commission (the "Report"), I, Colin Dunn, Vice President of Finance of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934;and

(2) The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and consolidated result of operations of the Company for the period presented.

Dated: May 12, 2003

By: /s/ Colin Dunn

Colin Dunn, Vice President of Finance

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. A signed original of this written statement required by Section 906 has been provided to Bel Fuse Inc. and will be retained by Bel Fuse Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Risk Factors

We do business in a very difficult economic environment.

We and others in the electronic and component industry have for the past several years experienced a decline in product demand on a global basis, resulting in order cancellations and deferrals, and introduction of fewer new products. This decline is primarily attributable to a slowing of growth in the telecommunications and networking markets. This slowdown may continue and may become more pronounced. The current economic environment, as well as recessionary trends in the global economy, makes it more difficult for us to predict our future sales, which also makes it more difficult to manage our operations, and could adversely impact our results of operations.

We do business in a highly competitive industry

Our business is highly competitive worldwide, with relatively low barriers to competitive entry. We compete principally on the basis of product quality and reliability, availability, customer service, technological innovation, timely delivery and price. The electronic components industry has become increasingly concentrated and globalized in recent years and our major competitors, some of which are larger than us, have significant financial resources and technological capabilities.

Our backlog figures may not be reliable indicators.

Many of the orders that comprise our backlog may be canceled by customers without penalty. Customers may on occasion double and triple order components from multiple sources to ensure timely delivery when backlog is particularly long. Customers often cancel orders when business is weak and inventories are excessive. Therefore, we cannot be certain the amount of our backlog does not exceed the level of orders that will ultimately be delivered. Our results of operations could be adversely impacted if customers cancel a material portion of orders in our backlog.

There are substantial pressures on us to lower our prices.

The average selling prices for our products tend to decrease rapidly over their life cycle, and customers are increasing pressure on suppliers to lower prices. Our profits will suffer if we are not able to reduce our costs of production as sales prices decline.

We are dependent on an ability to develop new products.

Our future operating results are dependent, in part, on our ability to develop, produce and market new and more technologically advanced products. There are numerous risks inherent in this process, including the risks that we will be unable to anticipate the direction of technological change or that we will be unable to timely develop and bring to market new products and applications to meet customers' changing needs.

Our acquisitions may not produce the anticipated results.

A significant portion of our recent growth is from acquisitions. We cannot assure you that we will identify or successfully complete transactions with suitable acquisition candidates in the future. We also cannot assure you that acquisitions we complete will be successful. If an acquired business fails to operate as anticipated or cannot be successfully integrated with our other businesses, our results of operations, enterprise value, market value and prospects could all be materially and adversely affected.

If our acquisitions fail to perform up to our expectations, or as the value of goodwill decreases, we could be required to record a loss from the impairment of the asset. Integration of new acquisitions into our consolidated operations may result in lower average operating results for the group as a whole.

Our strategy also focuses on the reduction of selling, general and administrative expenses through the integration or elimination of redundant sales offices and administrative functions at acquired companies. Our inability to achieve these goals could have an adverse effect on our results of operations.

We intend to continue to seek additional acquisition candidates, although we cannot predict when or if we will make any additional acquisitions, and what the impact of any such acquisitions may have on our financial performance. If we were to undertake a substantial acquisition for cash, the acquisition would likely need to be financed in part through bank borrowings or the issuance of public or private debt. Under our existing credit facility, we are required to obtain our lenders' consent for certain additional debt financing, to comply with other covenants including the application of specific financial ratios, and may be restricted from paying cash dividends on our capital stock. We cannot assure you that the necessary acquisition financing would be available to us on acceptable terms when required. If we were to undertake an acquisition for equity, the acquisition may have a dilutive effect on the interests of the holders of our common stock.

We may be impacted by our competitors' overcapacity

Any drop in demand or increase in supply of our products due to the overcapacity of our competitors could cause a dramatic drop in our average sales prices causing a decrease in our gross margins.

We are exposed to weaknesses in international markets, including the weaknesses associated with the SARs epidemic.

We have operations in six countries around the world outside the United States, and approximately 73% of our revenues during 2002 were derived from sales to customers outside the United States. Some of the countries in which we operate have in the past experienced and may continue to experience political, economic, medical epidemic and military instability or unrest. These conditions could have an adverse impact on our ability to operate in these regions and, depending on the extent and severity of these conditions, could materially and adversely affect our overall financial condition and operating results. In particular, current medical epidemic conditions in the Far East could adversely affect our business operations there and elsewhere.

Although our operations have traditionally been largely transacted in US dollars or US dollar linked currencies, recent world financial instability and recent acquisitions in the Dominican Republic, Mexico, Germany, the United Kingdom, Hong Kong and The Peoples' Republic of China may cause additional foreign currency risks.

Other risks inherent in doing trade internationally include; expropriation and nationalization, trade restrictions, transportation delays, and changes in US laws that may inhibit or restrict our ability to manufacture in or sell to any particular country.

We continue to benefit from favorable tax treatment in many of the countries where we operate. The benefits we currently enjoy could change if laws or rules in the United States or those foreign jurisdictions change, incentives are changed or revoked, or we are unable to renew current incentives.

We may experience labor unrest.

As we implement transfers of certain of our operations, we may experience strikes or other types of labor unrest as a result of lay-offs or termination of employees in higher labor cost countries.

We rely upon our ability to procure high quality raw materials at cost-effective prices.

Our results of operations may be adversely impacted by difficulties in obtaining raw materials, supplies, power, natural resources and any other items needed for the production of our products, as well as by the effects of quality deviations in raw materials and the effects of significant fluctuations in the prices on existing inventories and purchase commitments for these materials.

As product life cycles shorten and during periods of market slowdowns, the risk of material obsolescence increases and this may adversely impact our financial results.

Our results of operations may be adversely impacted by environmental regulations.

Our manufacturing operations, products and/or product packaging are subject to environmental laws and regulations governing air emissions, wastewater discharges, the handling, disposal and remediation of hazardous substances, wastes and certain chemicals used or generated in our manufacturing processes, employee health and safety labeling or other notifications with respect to the content or other aspects of our processes, products or packaging, restrictions on the use of certain materials in or on design aspects of our products or product packaging and responsibility for disposal of products or product packaging. More stringent environmental regulations may be enacted in the future, and we cannot presently determine the modifications, if any, in our operations that any such future regulations might require, or the cost of compliance with these regulations.

Our results may vary substantially from period to period.

Our revenues may vary significantly from one accounting period to another accounting period due to a variety of factors, including customers' buying decisions, our product mix and general market and economic conditions. Such variations could significantly impact our stock price.