MULCAHY J PATRICK
Form 4
December 11, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
MULCAHY J PATRICK

(Last) (First) (Middle)

1000 EAST HANES MILL ROAD

(Street)

WINSTON-SALEM, NC 27105

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Hanesbrands Inc. [HBI]

3. Date of Earliest Transaction (Month/Day/Year)
12/09/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/09/2009		D		7,703 (1)	D	(1)	14,521	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Pric Deriva Securi (Instr.
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock (2)	(3)	12/09/2009		A		7,703 (1)		(4)	(4)	Common Stock	7,703	$ 24.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MULCAHY J PATRICK 1000 EAST HANES MILL ROAD WINSTON-SALEM, NC 27105	X			

Signatures

Catherine A. Meeker, attorney in fact	12/11/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Represents a deferral by the Reporting Person of 7,703 shares of Hanesbrands Inc. common stock upon the vesting of restricted stock units granted to the Reporting Person on December 9, 2008. The amount deferred was contributed to a Stock Equivalent Account balance under the Hanesbrands Inc. Non-Employee Director Deferred Compensation Plan (the "Plan") as determined by reference to the closing market quote for Hanesbrands Inc. common stock on December 9, 2009.

(2) Represents a Stock Equivalent Account balance under the Plan. Balances in the Stock Equivalent Account may not be reallocated and are settled on a share-for-share basis of Hanesbrands Inc. common stock.

(3) 1-for-1

(4) Balances in the Stock Equivalent Account are settled on a share-for-share basis of Hanesbrands Inc. common stock (i) with respect to deferrals prior to January 1, 2008, at the time specified by the Reporting Person at the time of the Reporting Person's deferral election, which in no case shall be prior to the January 1 following the first anniversary of the date the deferral election is made and (ii) with respect to deferrals on or after January 1, 2008, on the earlier of the fifth anniversary of the date of the deferral or the Reporting Person's separation from service as a member of the Hanesbrands Inc. board of directors.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. align="left">Reduction in APIC pool associated with tax deficiencies related to restricted stock awards

(131) (131)

Stock-based compensation expense			2,200			2,200
Change in unfunded SERP liability, net of taxes of ($294)			(681)	(681)	(681)	
Net income	13,649		13,649	13,649		
Comprehensive income	$12,518					
Balance, December 31, 2010	$220,333	$195,477	$(39)	$217	$953	$23,725

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Year Ended December 31,		
	2010	2009	2008
Cash flows from operating activities:			
Net earnings (loss)	$13,649	$(8,310)	$(14,929)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	8,836	6,778	7,443
Stock-based compensation	2,200	1,731	1,478
Excess tax benefits from share-based payment arrangements	-	-	(39)
Gain on sale of property, plant and equipment	(352)	(4,693)	-
Realized (gain) loss/impairment charge on investment	-	(7,129)	10,358
Impairment of assets	-	12,875	14,805
Other, net	715	807	1,565
Deferred income taxes	725	4,004	(3,616)
Changes in operating assets and liabilities (see below)	(18,136)	23,095	(6,776)
Net Cash Provided by Operating Activities	7,637	29,158	10,289
Cash flows from investing activities:			
Purchase of property, plant and equipment	(2,427)	(2,357)	(6,887)
Purchase of intangible asset	-	(99)	(300)
Purchase of marketable securities	(6,190)	(3,545)	(18,970)
Payment for acquisition	(40,424)	(454)	-
Cash transferred from (to) restricted cash	250	(250)	-
Redesignation of marketable security to cash equivalent	-	-	2,000
Proceeds from sale of marketable securities	-	20,592	-
Proceeds from sale of property, plant and equipment	606	2,639	2,272
Proceeds from cash surrender value of company-owned life insurance, net of purchases	3,428	1,518	-
Redemption of investment	-	5,286	16,600
Net Cash (Used In) Provided by Investing Activities	(44,757)	23,330	(5,285)
Cash flows from financing activities:			
Proceeds from exercise of stock options	-	-	312
Dividends paid to common shareholders	(3,181)	(3,137)	(3,192)
Purchase and retirement of Class A common stock	-	(92)	(11,002)
Excess tax benefits from share-based payment arrangements	-	-	39
Net Cash Used In Financing Activities	(3,181)	(3,229)	(13,843)
Effect of exchange rate changes on cash	(101)	17	(81)
Net (Decrease) Increase in Cash and Cash Equivalents	(40,402)	49,276	(8,920)
Cash and Cash Equivalents - beginning of year	124,231	74,955	83,875

Cash and Cash Equivalents - end of year	$83,829	$124,231	$74,955

See notes to consolidated financial statements.

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

	Year Ended December 31, 2010	2009	2008
Changes in operating assets and liabilities consist of:			
(Increase) decrease in accounts receivable	$(12,164)	$11,297	$6,010
(Increase) decrease in inventories	(17,648)	14,763	(7,585)
(Increase) decrease in prepaid expenses and other current assets	(833)	(92)	579
(Increase) decrease in other assets	(13)	76	(20)
Increase (decrease) in accounts payable	1,716	2,905	(1,842)
Decrease in income taxes payable	(1,157)	(3,510)	(2,743)
(Decrease) increase in accrued restructuring costs	(157)	(297)	961
Increase (decrease) in accrued expenses	12,120	(2,047)	(2,136)
	$(18,136)	$23,095	$(6,776)
Supplementary information:			
Cash paid during the year for:			
Income taxes, net of refunds received	$2,172	$(1,909)	$2,606
Interest	$15	$2	$4
Details of acquisition (see Note 3):			
Fair value of identifiable net assets acquired	$38,132	$25	$-
Goodwill	2,349	468	-
Fair value of net assets acquired	$40,481	$493	-
Fair value of consideration transferred	$40,481	$493	-
Less: Cash acquired in acquisition	(57)	-	-
Amount held back on acquisition payment	-	(39)	-
Cash paid for acquisition, net of cash acquired	$40,424	$454	$-

See notes to consolidated financial statements.

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BEL FUSE INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010, 2009 AND 2008

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Bel Fuse Inc. and subsidiaries (“Bel” or the “Company”) operate in one industry with three geographic reportable operating segments and are engaged in the design, manufacture and sale of products used in local area networking, telecommunication, business equipment and consumer electronic applications. On January 29, 2010, the Company completed its acquisition of 100% of the issued and outstanding capital stock of Cinch Connectors, Inc. (“Cinch U.S.”), Cinch Connectors de Mexico, S.A. de C.V. (“Cinch Mexico”) and Cinch Connectors Ltd. (“Cinch Europe”) (collectively, “Cinch”) from Safran S.A. With the acquisition of Cinch, the Company broadened its portfolio of products into the transportation, military and aerospace applications. The Company manages its operations geographically through its three reportable operating segments: North America, Asia and Europe.

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, including businesses acquired since their respective dates of acquisition. All intercompany transactions and balances have been eliminated.

USE OF ESTIMATES - The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 but not limited to those related to product returns, bad debts, inventories, goodwill, intangible assets, investments, SERP expense, income taxes, 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.

CASH EQUIVALENTS - Cash equivalents include short-term investments in money market funds and certificates of deposit with an original maturity of three months or less when purchased.

ALLOWANCE FOR DOUBTFUL ACCOUNTS - The Company maintains allowances for doubtful accounts for estimated losses from the inability of its customers to make required payments. The Company determines its reserves by both specific identification of customer accounts where appropriate and the application of historical loss experience to non-specific accounts. As of December 31, 2010 and 2009, the Company had an allowance for doubtful accounts of $0.7 million and $0.6 million, respectively.

MARKETABLE SECURITIES - The Company generally classifies its equity securities as "available for sale" and, accordingly, reflects unrealized gains and losses, net of deferred income taxes, as a component of accumulated other comprehensive (loss) income. The Company periodically reviews its marketable securities and determines whether the investments are other-than-temporarily impaired. If the investments are deemed to be other-than-temporarily impaired, the investments are written down to their then current fair market value. During the year ended December 31, 2008, the Company recorded combined impairment charges and realized losses of $10.4 million related to certain of its investments.

The fair values of marketable securities are based on quoted market prices. Realized gains or losses from the sale of marketable securities are based on the specific identification method. During the year ended December 31, 2009, the Company recorded net realized gains on sales of investments in the amount of $7.1 million.

BUSINESS COMBINATIONS – During 2009, the Company adopted the revised accounting guidance related to business combinations. This guidance requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date, with limited exceptions specified in the literature. In accordance with this guidance, acquisition-related costs, including restructuring costs, must be recognized separately from the acquisition and will generally be expensed as incurred. That replaces the cost-allocation process detailed in previous accounting literature, which required the cost of an acquisition to be allocated to the individual assets acquired and liabilities assumed based on their estimated fair values. The Company implemented this new guidance effective January 1, 2009.

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FOREIGN CURRENCY TRANSLATION - The functional currency for some foreign operations is the local currency. Assets and liabilities of foreign operations are translated at exchange rates as of the balance sheet date, and income, expense and cash flow items are translated at the average exchange rate for the applicable period. Translation adjustments are recorded in other comprehensive income. The U.S. Dollar is used as the functional currency for certain foreign operations that conduct their business in U.S. Dollars. Translation of subsidiaries' foreign currency financial statements into U.S. dollars resulted in translation losses of $0.9 million and $0.4 million for the years ended December 31, 2010 and 2008, respectively, which are included in accumulated other comprehensive (loss) income. Translation gains during the year ended December 31, 2009 were not material.

CONCENTRATION OF CREDIT RISK - Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable and temporary cash investments. The Company grants credit to customers that are primarily original equipment manufacturers and to subcontractors of original equipment manufacturers based on an evaluation of the customer's financial condition, without requiring collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company controls its exposure to credit risk through credit approvals, credit limits and monitoring procedures and establishes allowances for anticipated losses. See Note 11 of notes to the Company's consolidated financial statements for disclosures regarding significant customers.

The Company places its temporary cash investments with quality financial institutions and commercial issuers of short-term paper and, by policy, limits the amount of credit exposure in any one financial instrument.

INVENTORIES - Inventories are stated at the lower of weighted-average cost or market.

REVENUE RECOGNITION – Revenue is recognized when the product has been delivered and title and risk of loss has passed to the customer, collection of the resulting receivable is deemed reasonably assured by management, persuasive evidence of an arrangement exists and the sales price is fixed and determinable. Substantially all of the Company's shipments are FCA (free carrier), which provides for title to pass upon delivery to the customer's freight carrier. Some product is shipped DDP/DDU with title passing when the product arrives at the customer's dock. DDP is defined as Delivered Duty Paid by the Company and DDU is Delivered Duty Unpaid by the Company.

For certain customers, the Company provides consigned inventory, either at the customer's facility or at a third party warehouse. Sales of consigned inventory are recorded when the customer withdraws inventory from consignment.

The Company typically has a twelve-month warranty policy for workmanship defects. As the Company has not historically had significant warranty claims, no general reserves for warranties have been established.

The Company is not contractually obligated to accept returns except for defective product or in instances where the product does not meet the customer's quality specifications. However, the Company may permit its customers to return product for other reasons. In these instances, the Company would generally require a significant cancellation penalty payment by the customer. The Company estimates such returns, where applicable, based upon management's evaluation of historical experience, market acceptance of products produced and known negotiations with customers. Such estimates are deducted from sales and provided for at the time revenue is recognized.

INTANGIBLE ASSETS – Intangible assets with finite lives are stated at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful life of the asset. Intangible assets with indefinite lives, such as trademarks, are tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. The Company tests indefinite-lived intangible assets for impairment using the relief-from-royalty method (a form of the income approach). See Note 3 of the consolidated financial statements.

GOODWILL – Goodwill is tested for impairment on an annual basis or whenever events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. The Company tests goodwill for impairment, and has established December 31 as the annual impairment test date, using a fair value approach at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment for which discrete financial information is available and reviewed regularly by management. Assets and liabilities of the Company have been assigned to the reporting units to the extent they are employed in or are considered a liability related to the operations of the reporting unit and are considered in determining the fair value of the reporting unit. Reporting units with similar economic characteristics are aggregated for the goodwill impairment test.

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The goodwill impairment test is a two-step process. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test, used to measure the amount of impairment loss, compares the implied fair value of goodwill associated with each reporting unit with the carrying amount of that goodwill. If the carrying amount of goodwill associated with a reporting unit exceeds the implied fair value of that goodwill, an impairment loss shall be recognized in an amount equal to that excess. See Note 3 of the consolidated financial statements.

DEPRECIATION - Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated primarily using the straight-line method over the estimated useful life of the asset. The estimated useful lives primarily range from 3 to 39 years for buildings and leasehold improvements, and from 3 to 13 years for machinery and equipment.

INCOME TAXES - The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent it believes these assets will more-likely-than-not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. The Company has established a valuation allowance for deferred tax assets that are not likely to be realized. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of its net recorded amount, the Company would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company establishes reserves for tax contingencies when, despite the belief that the Company’s tax return positions are fully supported, it is probable that certain positions may be challenged and may not be fully sustained. The tax contingency reserves are analyzed on a quarterly basis and adjusted based upon changes in facts and circumstances, such as the conclusion of federal and state audits, expiration of the statute of limitations for the assessment of tax, case law and emerging legislation. The Company’s effective tax rate includes the effect of tax contingency reserves and changes to the reserves as considered appropriate by management.

EARNINGS (LOSS) PER SHARE – The Company utilizes the two-class method to report its earnings (loss) per share. The two-class method is an earnings (loss) allocation formula that determines earnings (loss) per share for each class of common stock according to dividends declared and participation rights in undistributed earnings (loss). The Company’s Certificate of Incorporation, as amended, states that Class B common shares are entitled to dividends at least 5% greater than dividends paid to Class A common shares, resulting in the two-class method of computing earnings (loss) per share. In computing earnings (loss) per share, the Company has allocated dividends declared to Class A and Class B based on amounts actually declared for each class of stock and 5% more of the undistributed earnings (loss) have been allocated to Class B shares than to the Class A shares on a per share basis. Basic earnings (loss) per common share are computed by dividing net earnings (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings per common share, for each class of common stock, are computed by dividing net earnings (loss) by the weighted average number of common shares and potential common shares outstanding during the period.

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The earnings (loss) and weighted average shares outstanding used in the computation of basic and diluted earnings (loss) per share are as follows (dollars in thousands, except share and per share data):

		2010		2009		2008
Numerator:						
Net earnings (loss)	$	13,649	$	(8,310)	$	(14,929)
Less Dividends declared:						
Class A		522		521		565
Class B		2,664		2,622		2,619
Undistributed earnings (loss)	$	10,463	$	(11,453)	$	(18,113)
Undistributed earnings (loss) allocation - basic and diluted:						
Class A undistributed earnings (loss)	$	1,872	$	(2,075)	$	(3,547)
Class B undistributed earnings (loss)		8,591		(9,378)		(14,566)
Total undistributed earnings (loss)	$	10,463	$	(11,453)	$	(18,113)
Net earnings (loss) allocation - basic and diluted:						
Class A undistributed earnings (loss)	$	2,394	$	(1,554)	$	(2,982)
Class B undistributed earnings (loss)		11,255		(6,756)		(11,947)
Net earnings (loss)	$	13,649	$	(8,310)	$	(14,929)
Denominator:						
Weighted average shares outstanding:						
Class A - basic and diluted		2,174,912		2,175,322		2,391,088
Class B - basic and diluted		9,504,261		9,363,199		9,350,747
Earnings (loss) per share:						
Class A - basic and diluted	$	1.10	$	(0.71)	$	(1.25)
Class B - basic and diluted	$	1.18	$	(0.72)	$	(1.28)

During the years ended December 31, 2010, 2009 and 2008, a weighted average of 14,718, 42,249 and 55,660 outstanding stock options, respectively, were not included in the foregoing computations for Class B common shares as their effect would be antidilutive.

STOCK-BASED COMPENSATION – The Company has one stock-based compensation plan under which both incentive stock-options and restricted stock awards are granted to employees and directors. The aggregate pretax compensation cost recognized for stock-based compensation (including incentive stock options, restricted stock and dividends on restricted stock, as further discussed below) amounted to approximately $2.2 million, $1.7 million and $1.5 million for the years ended December 31, 2010, 2009 and 2008, respectively.

During the years ended December 31, 2010, 2009 and 2008, the Company issued 68,900, 141,300 and 56,300 class B common shares, respectively, under a restricted stock plan to various employees and directors. No options were granted during the years ended December 31, 2010, 2009 and 2008.

RESEARCH AND DEVELOPMENT - The Company’s engineering groups are strategically located around the world to facilitate communication with and access to customers’ engineering personnel. This collaborative approach enables partnerships with customers for technical development efforts. On occasion, Bel executes non-disclosure agreements with customers to help develop proprietary, next generation products destined for rapid deployment.

Research and development costs are expensed as incurred, and are included in cost of sales. Generally, research and development is performed internally for the benefit of the Company. Research and development costs include salaries, building maintenance and utilities, rents, materials, administration costs and miscellaneous other items. Research and development expenses for the years ended December 31, 2010, 2009 and 2008 amounted to $11.4 million, $7.8 million and $7.4 million, respectively, and are included in cost of sales in the accompanying consolidated statements of operations. The increase in 2010 primarily relates to the inclusion of Cinch’s research and development expenses in addition to an increase in legacy-Bel research and development expenses related to power products and ICMs.

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EVALUATION OF LONG-LIVED ASSETS – Property, plant and equipment represent an important component of the Company's total assets. The Company depreciates its property, plant and equipment on a straight-line basis over the estimated useful lives of the assets. Management reviews long-lived assets for potential impairment whenever significant events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment exists when the carrying amount of the long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the estimated undiscounted cash flows expected to result from the use and eventual disposition of the asset. If an impairment exists, the resulting write-down would be the difference between fair market value of the long-lived asset and the related net book value. As the Company ceased its manufacturing operations in its Westborough, Massachusetts facility as of December 31, 2008, the fixed assets related to that facility were evaluated for impairment. Based on the results of this analysis, the Company recorded a $0.7 million impairment charge related to these fixed assets during 2008.

FAIR VALUE MEASUREMENTS - The Company utilizes the accounting guidance for fair value measurements and disclosures for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis or on a nonrecurring basis during the reporting period. The fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants based upon the best use of the asset or liability at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability. The accounting guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as follows:

Level 1 - Observable inputs such as quoted market prices in active markets

Level 2 - Inputs other than quoted prices in active markets that are either directly or indirectly observable

Level 3 - Unobservable inputs about which little or no market data exists, therefore requiring an entity to develop its own assumptions

For financial instruments such as cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, the carrying amount approximates fair value because of the short maturities of such instruments. See Note 4 for additional disclosures related to fair value measurements.

NEW FINANCIAL ACCOUNTING STANDARDS

During 2009, the Company implemented an update to the accounting guidance related to earnings per share. In accordance with this accounting guidance, unvested share-based payment awards with rights to dividends are participating securities and shall be included in the computation of basic earnings per share. The Company adopted this guidance effective January 1, 2009 and in accordance with the accounting guidance, all prior period earnings per share data presented have been adjusted retrospectively to conform to the provisions of the new guidance. This adjustment did not have a material impact on prior periods presented.

The Financial Accounting Standards Board ("FASB") has published an update to the accounting guidance on fair value measurements and disclosures as it relates to investments in certain entities that calculate net asset value per share (or its equivalent). This accounting guidance permits a reporting entity to measure the fair value of certain investments on the basis of the net asset value per share of the investment (or its equivalent). This update also requires new disclosures, by major category of investments, about the attributes of investments included within the scope of this update. The guidance in this update is effective for interim and annual periods ending after December 15, 2009. The adoption of this standard did not have a material impact on the Company's results of operations, financial condition or cash flows.

2. ACQUISITION OF CINCH

On January 29, 2010 (the "Acquisition Date"), the Company completed its acquisition of 100% of the issued and outstanding capital stock of Cinch from Safran S.A. As of December 31, 2010, Bel paid $39.7 million in cash and assumed an additional $0.8 million of expenses in exchange for the net assets acquired. The transaction was funded with cash on hand. Cinch is headquartered in Lombard, Illinois and has manufacturing facilities in Vinita, Oklahoma; Reynosa, Mexico; and Worksop, England.

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Cinch manufactures a broad range of interconnect products for customers in the military and aerospace, high-performance computing, telecom/datacom, and transportation markets. The addition of Cinch's well-established lines of connector and cable products and extensive clientele has enabled Bel to broaden its customer base to include aerospace and military markets. The acquisition of Cinch has also created the opportunity for expense reduction and the elimination of redundancies. The combination of these factors has given rise to the goodwill detailed below.

The following table summarizes the consideration paid and the finalized allocation of assets acquired and liabilities assumed as of the close of the acquisition (in thousands):

	January 29, 2010	Measurement Period Adjustments	January 29, 2010 (As adjusted)
Cash	$ 57	$ -	$ 57
Accounts receivable	6,910	(263)	6,647
Inventories	7,548	169	7,717
Other current assets	803	399	1,202
Property, plant and equipment	7,822	6,996	14,818
Intangible assets	2,528	8,887	11,415
Other assets	1,715	(57)	1,658
Total identifiable assets	27,383	16,131	43,514
Accounts payable	(2,320)	-	(2,320)
Accrued expenses and other current liabilities	(2,932)	317	(2,615)
Noncurrent deferred tax liability	-	(447)	(447)
Total liabilities assumed	(5,252)	(130)	(5,382)
Net identifiable assets acquired	22,131	16,001	38,132
Goodwill	18,371	(16,022)	2,349
Net assets acquired	$ 40,502	$ (21)	$ 40,481
Cash paid	$ 39,755	(79)	$ 39,676
Assumption of change-in-control payments	747	58	805
Fair value of consideration transferred	$ 40,502	$ (21)	$ 40,481

Subsequent to the Acquisition Date, the Company received additional information related to the Acquisition Date fair values of the net assets acquired. These updates to the purchase price allocation are noted as measurement period adjustments in the above table. The purchase price allocation related to the Cinch acquisition is complete.

During the valuation process, the Company utilized the income, cost, and market approaches in determining the fair values of the assets acquired and liabilities assumed. The fair value measurements were primarily based on significant inputs that were not observable in the market. Various income approaches were utilized to value the intangible assets, consisting primarily of trademarks, customer relationships and technology. The income approach indicates value for a subject asset based on the present value of cash flows projected to be generated by the asset. Projected cash flows were discounted at a required market rate of return that reflected the relative risk of achieving the cash flows and the time value of money. The cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility, was utilized as appropriate for plant, property and equipment. The cost to replace a given asset reflects the estimated reproduction or replacement cost for the asset, less an allowance for loss in value due to depreciation.

The fair value of property, plant and equipment (as adjusted) acquired from Cinch consists of the following:

	Weighted-Average Estimated Useful Life	Acquisition-Date Fair Value
Land	Indefinite	$ 166
Buildings and improvements	11.7 years	2,464
Machinery and equipment	5.0 years	11,539
Construction in progress	N/A	649
Total property, plant and equipment acquired		$ 14,818

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The fair value of identifiable intangible assets noted above (as adjusted) consists of the following:

	Weighted-Average Life	Acquisition-Date Fair Value
Trademarks	Indefinite	$ 7,000
Customer relationships	16.5 years	2,600
Technology	9.8 years	1,700
Licensing agreements	10.0 years	75
Non-compete agreements	2.0 years	40
Total identifiable intangible assets acquired		$ 11,415

Of the $2.3 million of goodwill noted above, $1.2 million has been allocated to the Company's North America reportable operating segment and $1.1 million has been allocated to the Company's Europe reportable operating segment. This allocation was determined based on those reportable operating segments expected to benefit from the acquisition of Cinch and was based primarily on the location of Cinch operations and associated revenue generation at the Acquisition Date. The Company expects $1.2 million of the goodwill and $8.8 million of intangible assets allocated to the North America reportable operating segment to be deductible for tax purposes over a period of 15 years.

During the year ended December 31, 2010, the Company expensed approximately $0.3 million of acquisition-related costs. These costs are included in selling, general and administrative expenses in the accompanying consolidated statement of operations.

Cinch's results of operations have been included in the Company's consolidated financial statements for the periods subsequent to the Acquisition Date. During the year ended December 31, 2010, Cinch contributed revenues of $55.1 million, and estimated net earnings of $1.2 million, to the Company since the Acquisition Date. The unaudited pro forma information below presents the combined operating results of the Company and Cinch. The unaudited pro forma results are presented for illustrative purposes only and include the effects of headcount reductions that were effected on the Acquisition Date. They do not reflect the realization of any other potential cost savings, or any related integration costs. Certain cost savings may result from the acquisition; however, there can be no assurance that these cost savings will be achieved. These pro forma results do not purport to be indicative of the results that would have been obtained if the acquisition had actually occurred as of January 1, 2009, nor is the pro forma data intended to be a projection of results that may be obtained in the future.

The following unaudited pro forma consolidated results of operations assume that the acquisition of Cinch was completed as of January 1, 2009 (dollars in thousands except per share data):

	Year Ended December 31, 2010	2009
Revenue	$ 306,226	$ 237,723
Net earnings (loss)	14,540	(7,500)
Earnings (loss) per Class A common share - basic and diluted	1.17	(0.65)
Earnings (loss) per Class B common share - basic and diluted	1.26	(0.65)

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the excess of the purchase price and related acquisition costs over the fair value assigned to the net tangible and other intangible assets acquired in a business acquisition.

Other intangible assets include patents, product information, license agreements, supply agreements, non-compete agreements and trademarks. Amounts assigned to these intangible assets have been determined by management. Management considered a number of factors in determining the allocations, including valuations and independent appraisals. Trademarks have indefinite lives and are reviewed for impairment on an annual basis. Other intangible assets, excluding trademarks, are being amortized over 1 to 16.5 years.

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The changes in the carrying value of goodwill classified by reportable operating segment, net of accumulated amortization, for the years ended December 31, 2010 and 2009 are as follows (dollars in thousands):

	Total	Asia	North America	Europe
Balance, January 1, 2009	$ 14,334	$ 12,407	$ -	$ 1,927
Goodwill allocation related to acquisition	468	468		
Impairment charge	(12,875)	(12,875)	-	-
Foreign currency translation	30	-	-	30
Balance, December 31, 2009	1,957	-	-	1,957
Goodwill allocation related to acquisition	2,349	-	1,227	1,122
Impairment charge	-	-	-	-
Foreign currency translation	(42)	-	-	(42)
Balance, December 31, 2010	$ 4,264	$ -	$ 1,227	$ 3,037

The net goodwill balances above are comprised of the following (dollars in thousands):

	Total	Asia	North America	Europe
As of December 31, 2009:				
Goodwill balance, gross	$ 28,898	$ 12,875	$ 14,066	$ 1,957
Accumulated impairment charges	(26,941)	(12,875)	(14,066)	-
Goodwill, net of impairment charges	$ 1,957	$ -	$ -	$ 1,957
As of December 31, 2010:				
Goodwill balance, gross	$ 31,205	$ 12,875	$ 15,293	$ 3,037
Accumulated impairment charges	(26,941)	(12,875)	(14,066)	-
Goodwill, net of impairment charges	$ 4,264	$ -	$ 1,227	$ 3,037

During the third quarter of 2009, the Company conducted an interim impairment test related to its goodwill by reporting unit as a result of continued market declines. For the interim goodwill impairment assessment performed as of August 31, 2009, the Company’s fair value analysis was supported by a weighting of two generally accepted valuation approaches, the income approach and the market approach, as further described in Note 2 of the Company’s 2009 Annual Report on Form 10-K. These approaches include numerous assumptions with respect to future circumstances, such as industry and/or local market conditions that might directly impact each of the reporting unit’s operations in the future, and are therefore uncertain. These approaches were utilized to develop a range of fair values and a weighted average of these approaches was utilized to determine the best fair value estimate within that range.

The interim impairment test related to the Company's goodwill was performed by reporting unit. The valuation test, which heavily weights future cash flow projections, indicated that the goodwill associated with the Company’s Asia reporting unit was fully impaired and, as a result, the Company recorded an impairment charge of $12.9 million during the third quarter of 2009. The Company’s goodwill associated with its Asia reporting unit originated from several of Bel’s prior acquisitions, primarily e-Power, APC and Lucent (which represented $8.0 million, $2.0 million and $1.5 million, respectively, of the carrying value of goodwill at the testing date). The remaining goodwill as of December 31, 2009 had a carrying value of $2.0 million and related solely to the Company’s Europe reporting unit. Management determined that the fair value of the remaining goodwill at December 31, 2009 exceeded its carrying value and that no additional impairment existed as of that date.

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The Company tests indefinite-lived intangible assets for impairment using a fair value approach, the relief-from-royalty method (a form of the income approach) . At December 31, 2010, the Company's indefinite-lived intangible assets related solely to the trademarks acquired in the Cinch acquisition in January 2010. Management has concluded that the combined fair value of the Cinch trademarks exceeds the related carrying value at December 31, 2010 and that no impairment existed as of that date.

During the year ended December 31, 2010, the Company recorded an additional $2.3 million in goodwill in connection with the acquisition of Cinch. The goodwill was allocated by segment as noted in the table above. Management determined that the fair value of the goodwill at December 31, 2010 exceeded its carrying value and that no impairment existed as of that date.

The components of intangible assets other than goodwill are as follows (dollars in thousands):

	December 31, 2010			December 31, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Patents and product information	$2,724	$ 795	$1,929	$1,231	$ 764	$467
Customer relationships	4,370	1,974	2,396	1,830	1,746	84
Non-compete agreements	40	18	22	-	-	-
Trademarks	6,944	-	6,944	-	-	-
	$14,078	$ 2,787	$11,291	$3,061	$ 2,510	$551

During the year ended December 31, 2010, the Company recorded $11.4 million of various intangible assets in connection with the Cinch acquisition. A listing of intangible assets acquired with Cinch and the related weighted-average lives of those assets is detailed in Note 2. The Company also wrote off $0.3 million of fully amortized patents during 2010. During the year ended December 31, 2009, the Company acquired intangible assets related to customer licensing agreements in the amount of $0.1 million with a weighted-average estimated life of 16 months at the time of acquisition. Amortization expense was $0.6 million, $0.5 million and $0.5 million for the years ended December 31, 2010, 2009 and 2008, respectively.

Estimated amortization expense for intangible assets for the next five years is as follows (dollars in thousands):

Year Ending December 31,	Amortization Expense
2011	$ 430
2012	392
2013	390
2014	390
2015	390

4. FAIR VALUE MEASUREMENTS

As of December 31, 2010 and 2009, the Company held certain financial assets that are measured at fair value on a recurring basis. These consisted primarily of the Company's investments in a Rabbi Trust which are intended to fund the Company's SERP obligations. These are categorized as available-for-sale securities, and are included as other assets in the accompanying consolidated balance sheet at December 31, 2010 and 2009.

During the year ended December 31, 2010, the Company purchased marketable securities on the open market at a purchase price of $1.2 million. As of December 31, 2010, the fair market value of this investment was $1.7 million and the resulting unrealized gain of $0.5 million is included net of tax in accumulated other comprehensive (loss) income in the accompanying consolidated balance sheet. This investment is classified as available-for-sale and is included in marketable securities in the table below.

The fair value of these investments is determined based on quoted market prices in public markets and is categorized as Level 1. The Company does not have any financial assets measured at fair value on a recurring basis categorized as Level 2 or Level 3, and there were no transfers in or out of Level 2 or Level 3 during the year ended December 31, 2010. There were no changes to the Company's valuation techniques used to measure asset fair values on a recurring or nonrecurring basis during the year ended December 31, 2010.

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The following table sets forth by level, within the fair value hierarchy, the Company's financial assets accounted for at fair value on a recurring basis as of December 31, 2010 and 2009 (dollars in thousands).

		Assets at Fair Value Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As of December 31, 2010				
Available-for-sale securities:				
Investments held in Rabbi Trust	$ 5,924	$ 5,924	$ -	$ -
Marketable securities	1,706	1,706	-	-
Total	$ 7,630	$ 7,630	$ -	$ -
As of December 31, 2009				
Available-for-sale securities:				
Investments held in Rabbi Trust	$ 3,656	$ 3,656	$ -	$ -
Marketable securities	2	2	-	-
Total	$ 3,658	$ 3,658	$ -	$ -

There were no financial assets accounted for at fair value on a nonrecurring basis as of December 31, 2010 or 2009.

The Company has other financial instruments, such as cash equivalents, accounts receivable, accounts payable and accrued expenses, which are not measured at fair value on a recurring basis but are recorded at amounts that approximate fair value due to their liquid or short-term nature. The Company did not have any other financial liabilities within the scope of the fair value disclosure requirements as of December 31, 2010.

Nonfinancial assets and liabilities, such as goodwill, indefinite-lived intangible assets and long-lived assets, are accounted for at fair value on a nonrecurring basis. These items are tested for impairment upon the occurrence of a triggering event or in the case of goodwill, on at least an annual basis. At December 31, 2010, the Company determined that the fair value of its aggregated reporting units exceeded the respective carrying values, and concluded that no impairment of goodwill existed as of that date. In addition, the Company determined that the fair value of its indefinite-lived intangible assets exceeded the book value at December 31, 2010 and concluded that no impairment existed as of that date.

5. OTHER ASSETS

At December 31, 2010, the Company has obligations of $7.4 million associated with its supplemental executive retirement plan ("SERP"). As a means of informally funding these obligations, the Company has invested in life insurance policies related to certain employees and marketable securities held in a Rabbi Trust. At December 31, 2010, these assets had a combined fair value of $8.4 million.

Company-Owned Life Insurance

Investments in company-owned life insurance policies ("COLI") were made with the intention of utilizing them as a long-term funding source for the Company's SERP obligations. However, the cash surrender value of the COLI does not represent a committed funding source for these obligations. Any proceeds from these policies are subject to claims from creditors. The fair market value of the COLI at December 31, 2009 was $2.7 million. During 2010, the Company purchased an additional $1.6 million in new COLI policies and subsequently surrendered the policies within the COLI at a cash surrender value of $4.5 million. In late 2010, the Company purchased $2.4 million in new COLI policies. The fair market value of the COLI of $2.4 million at December 31, 2010 is included in other assets in the accompanying consolidated balance sheets. The volatility in global equity markets in recent years has had a significant effect on the cash surrender value of the COLI policies. As a result, the Company recorded income to account for the increase in cash surrender value in the amount of $0.2 million and $0.4 million during the years ended December 31, 2010 and 2009, respectively. These increases in cash surrender value were allocated between cost of sales and selling, general and administrative expenses on the consolidated statements of operations for the years ended December 31, 2010 and 2009. The allocation is consistent with the costs associated with the long-term employee benefit obligations that the COLI is intended to fund.

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Other Investments

At December 31, 2010 and 2009, the Company held available-for-sale investments at a cost of $5.6 million and $3.5 million, respectively. Together with the COLI described above, these investments are intended to fund the Company's SERP obligations and are classified as other assets in the accompanying consolidated balance sheets. These investments are classified as available for sale and the Company monitors these investments for impairment on an ongoing basis. At December 31, 2010 and 2009, the fair market value of these investments was $5.9 million and $3.7 million, respectively. The unrealized gain of $0.3 million and $0.2 million at December 31, 2010 and 2009, respectively, has been included in accumulated other comprehensive (loss) income.

6. INVENTORIES

The components of inventories are as follows (dollars in thousands):

	December 31,	
	2010	2009
Raw materials	$ 35,157	$ 22,431
Work in progress	5,930	1,478
Finished goods	15,883	7,882
	$ 56,970	$ 31,791

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following (dollars in thousands):

	December 31,	
	2010	2009
Land	$ 3,400	$ 3,237
Buildings and improvements	24,803	21,454
Machinery and equipment	67,961	55,336
Construction in progress	1,332	1,538
	97,496	81,565
Accumulated depreciation	(52,703)	(45,622)
	$ 44,793	$ 35,943

Depreciation expense for the years ended December 31, 2010, 2009 and 2008 was $8.3 million, $6.3 million and $6.9 million, respectively.

During the year ended December 31, 2009, upon the resolution of various environmental matters with the State of New Jersey, the Company recognized a previously-deferred $4.6 million gain related to the 2007 sale of land in Jersey City, New Jersey. During the year ended December 31, 2008, the Company recorded an impairment charge of $0.7 million on fixed assets in connection with the closure of the Company's Westborough, Massachusetts facility.

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8. INCOME TAXES

At December 31, 2010 and 2009, the Company has approximately $3.8 million and $4.7 million, respectively, of liabilities for uncertain tax positions ($0.9 million and $1.8 million, respectively, included in income taxes payable and $2.9 million and $2.9 million, respectively, included in liability for uncertain tax positions) all of which, if recognized, would reduce the Company's effective tax rate.

The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states and foreign jurisdictions. The Company is no longer subject to U.S. federal examinations by tax authorities for years before 2006 and for state examinations before 2005. Regarding foreign subsidiaries, the Company is no longer subject to examination by tax authorities for years before 2003 in Asia and generally 2005 in Europe. During September 2010, the Company was notified of an Internal Revenue Service ("IRS") tax audit for the years ended December 31, 2006, 2008 and 2009. The Company believes the audit is a result of a foreign tax credit carryback claim to the year ended December 31, 2006. As the statute of limitations for the year 2006 has expired, any tax adjustment proposed by the IRS for the year 2006 would be limited to the amount of the carryback claim of approximately $0.3 million.

As a result of the expiration of the statute of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized benefits for tax positions taken regarding previously filed tax returns may change materially from those recorded as liabilities for uncertain tax positions in the Company's consolidated financial statements at December 31, 2010. A total of $1.0 million of previously recorded liabilities for uncertain tax positions relates to the 2007 tax year. The statute of limitations related to this liability is scheduled to expire on September 15, 2011.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (dollars in thousands):

	2010	2009	2008
Unrecognized tax benefit - January 1	$ 4,722	$ 7,345	$ 9,191
Additions based on tax positions related to the current year	948	1,277	415
Expiration of statutes of limitations	(1,835)	(3,900)	(2,261)
Unrecognized tax benefit - December 31	$ 3,835	$ 4,722	$ 7,345

The Company's policy is to recognize interest and penalties related to uncertain tax positions as a component of the current provision for income taxes. During the years ended December 31, 2010, 2009 and 2008, the Company recognized approximately $0.2 million, $0.1 million and $0.1 million, respectively, in interest and penalties in the consolidated statements of operations. The Company has approximately $0.4 million and $0.6 million accrued for the payment of interest and penalties at December 31, 2010 and 2009, respectively, which is included in both income taxes payable and liability for uncertain tax positions in the Company's consolidated balance sheets.

The provision (benefit) for income taxes consists of the following (dollars in thousands):

	Years Ended December 31,		
	2010	2009	2008
Current:			
Federal	$ 221	$ (5,383)	$ (426)
Foreign	804	12	(107)
State	182	(18)	425

	1,207	(5,389)	(108)
Deferred:			
Federal	(133)	4,229	(3,240)
State	189	302	(381)
Foreign	668	(527)	5
	724	4,004	(3,616)
	$ 1,931	$ (1,385)	$ (3,724)

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A reconciliation of taxes on income computed at the federal statutory rate to amounts provided is as follows (dollars in thousands):

	Years Ended December 31,					
	2010		2009		2008	
	$	%	$	%	$	%
Tax provision (benefit) computed at the federal statutory rate	$ 5,297	34 %	$ (3,296)	34 %	$ (6,342)	34 %
(Decrease) increase in taxes resulting from:						
Different tax rates and permanent differences applicable to foreign operations	(2,377)	-15 %	720	-8 %	(161)	1 %
Reversal of liability for uncertain tax positions - net	(887)	-6 %	(2,623)	27 %	(1,846)	10 %
Permanent tax differences related to goodwill impairment with no tax benefit	-	0 %	4,378	-45 %	4,264	-23 %
Utilization of research and development and foreign tax credits	(549)	-4 %	(674)	7 %	(383)	2 %
State taxes, net of federal benefit	309	2 %	290	-3 %	368	-2 %
Other, including qualified production activity credits, SERP/COLI income, fair value of vested stock awards, over accruals and amortization of purchase accounting intangibles	138	1 %	(180)	2 %	376	-2 %
Tax provision (benefit) computed at the Company's effective tax rate	$ 1,931	12 %	$ (1,385)	14 %	$ (3,724)	20 %

As of December 31, 2010, the Company has gross foreign income tax net operating losses ("NOL") and capital loss carryforwards of $1.5 million The Company has established a valuation allowance of $1.5 million against this amount. In addition, the Company has gross state income tax NOLs, capital loss carryforwards and credit carryforwards of $7.4 million, of which the Company expects to be able to utilize $0.6 million. The foreign NOL's can be carried forward indefinitely and the state NOL's expire at various times during 2013 - 2029.

In connection with the Cinch acquisition, the Company acquired certain tax assets and liabilities. Cinch Europe had NOL and capital loss carryforwards in the amounts of $0.6 million and $0.2 million, respectively, as of the acquisition date. The related tax benefits were $0.2 million and $0.1 million, respectively. The capital loss carryforward was acquired with a valuation allowance, which the Company maintained at December 31, 2010. During the year ended December 31, 2010, the entire $0.6 million net operating loss was utilized. Additionally, Cinch Europe had a deferred tax liability in the amount of $0.1 million for various timing differences and $0.1 million in refundable income taxes. Cinch U.S. had a deferred tax asset in the amount of $0.1 million relating to vacation accruals, $0.1 million of net refundable income tax and a deferred tax asset related to inventory capitalization in the amount of $0.2 million at the time of the acquisition. Of these amounts, $0.1 million of net refundable income tax remains on the consolidated balance sheet as of December 31, 2010. Cinch Mexico was acquired with a refundable income tax in the amount of $0.1 million, which was applied to current year income tax for 2010. The Company has received a fair market value report of property, plant and equipment, and intangibles related to Cinch Europe and Cinch Mexico which resulted in the establishment of deferred tax liabilities at the date of acquisition in the amounts of $0.4 million and an immaterial amount, respectively. At December 31, 2010, the deferred tax liability of $0.4 million remains on the consolidated balance sheet. None of the reversals of the deferred tax asset or deferred tax liabilities or use of NOL carryforwards acquired from the Cinch acquisition will impact the consolidated statement of operations.

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Management's intention is to permanently reinvest the majority of the earnings of foreign subsidiaries in the expansion of its foreign operations. During the year ended December 31, 2008, the Company repatriated previously taxed foreign earnings of approximately $0.3 million. Unrepatriated earnings, upon which U.S. income taxes have not been accrued, are approximately $97.0 million at December 31, 2010. Such unrepatriated earnings are deemed by management to be permanently reinvested. The estimated federal income tax liability (net of estimated foreign tax credits) related to unrepatriated foreign earnings is $22.4 million under the current tax law.

On August 10, 2010, President Obama signed into law the "Education Jobs & Medicaid Assistance Act" (H.R. 1586) (the "Act"). The Act's international tax provisions place certain restrictions on the use of foreign tax credits. The Company has evaluated the newly-enacted international tax provisions and determined that they do not materially affect the Company's operating results or financial condition.

The Company continues to monitor proposed legislation affecting the taxation of transfers of U.S. intangible property and other potential tax law changes.

Components of deferred income tax assets are as follows (dollars in thousands).

	December 31,	
	2010 Tax Effect	2009 Tax Effect
Deferred Tax Assets - current:		
State tax credits	$ 519	$ -
Reserves and accruals	923	917
Valuation allowance	(419)	(102)
	$ 1,023	$ 815
Deferred Tax Assets - noncurrent:		
Unfunded pension liability	$ 635	$ 341
Depreciation	161	138
Amortization	526	1,076
Federal, state and foreign net operating loss and credit carryforwards	1,060	1,893
Restructuring expenses	193	294
Other accruals	1,670	1,550
Valuation allowances	(1,044)	(776)
	$ 3,201	$ 4,516

During 2005, the Company was granted an offshore operating license from the government of Macao to set up a Commercial Offshore Company ("MCO") named Bel Fuse (Macao Commercial Offshore) Limited. Sales to third-party customers commenced during the first quarter of 2006. Sales consist of products manufactured in the People's Republic of China (PRC). The MCO is not subject to Macao corporation income taxes.

9. DEBT

At December 31, 2010 and 2009, a $20 million line of credit, which expires on June 30, 2011, was available to the Company to borrow. The loan was collateralized with a first priority security interest in 100% of the issued and outstanding shares of the capital stock of the Company's material domestic subsidiaries and 65% of all the issued and outstanding shares of the capital stock of certain of the foreign subsidiaries of the Company. There have not been any borrowings under the credit agreement during 2010 or 2009 and, as a result, there was no balance outstanding as of

December 31, 2010 or 2009. At those dates, the entire $20 million line of credit was available to the Company to borrow. The credit agreement bears interest at LIBOR plus 0.75% to 1.25% based on certain financial statement ratios maintained by the Company. Under the terms of the credit agreement, the Company is required to maintain certain financial ratios and comply with other financial conditions. At December 31, 2010, the Company was in compliance with its debt covenants.

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The Company's Hong Kong subsidiary had an unsecured line of credit of approximately $2 million, which was unused at December 31, 2009. The line of credit expired during 2010 and was not renewed.

In July 2009, the Company established a standby letter of credit with the State of New Jersey as a performance guarantee related to environmental cleanup associated with the Jersey City, New Jersey property sale. In connection with this agreement, the Company had a compensating balance of $0.3 million which has been classified as restricted cash as of December 31, 2009. This matter was resolved during the fourth quarter of 2010.

10. ACCRUED EXPENSES

Accrued expenses consist of the following (dollars in thousands):

	Year Ended December 31,	
	2010	2009
Sales commissions	$ 1,740	$ 1,506
Subcontracting labor	2,467	2,615
Salaries, bonuses and related benefits	7,405	1,475
Litigation reserve	8,103	-
Other	2,830	2,395
	$ 22,545	$ 7,991

Accrued Restructuring Costs

Activity and liability balances related to restructuring charges for the years ended December 31, 2009 and 2010 are as follows (these charges are associated with the 2008 closure of the Company’s facility in Westborough, Massachusetts) (dollars in thousands):

	Facility Lease Obligation	Termination Benefit Charges	Total
Liability balance at January 1, 2009	$ 524	$ 437	$ 961
New charges	292	121	413
Cash payments	(152)	(558)	(710)
Liability balance at December 31, 2009	664	-	664
Cash payments	(157)	-	(157)
Liability balance at December 31, 2010	$ 507	$ -	$ 507

The Company has included the current portion of $0.2 million in accrued restructuring costs in the consolidated balance sheet at December 31, 2010, and has classified the remaining $0.3 million of the liability related to the facility lease obligation as noncurrent. During the year ended December 31, 2009, the Company recorded $0.4 million in restructuring charges, including $0.1 million of severance charges and $0.3 million related to its facility lease obligations.

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11. BUSINESS SEGMENT INFORMATION

The Company operates in one industry with three reportable operating segments, which are geographic in nature. The segments consist of North America, Asia and Europe. 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 (dollars in thousands):

	2010	2009	2008
Net Sales to External Customers:			
North America	$ 111,888	$ 41,898	$ 67,380
Asia	156,635	123,764	165,164
Europe	34,016	17,091	25,806
	$ 302,539	$ 182,753	$ 258,350
Net Sales:			
North America	$ 125,383	$ 51,189	$ 79,862
Asia	196,243	144,572	188,718
Europe	35,150	18,110	27,143
Less intergeographic revenues	(54,237)	(31,118)	(37,373)
	$ 302,539	$ 182,753	$ 258,350
Income (Loss) from Operations:			
North America	$ 4,181	$ (205)	$ (12,646)
Asia	9,357	(16,462)	1,202
Europe	1,622	(684)	695
	$ 15,160	$ (17,351)	$ (10,749)
Total Assets:			
North America	$ 110,984	$ 131,078	
Asia	155,414	107,546	
Europe	10,774	7,322	
	$ 277,172	$ 245,946	
Capital Expenditures:			
North America	$ 870	$ 353	$ 948
Asia	1,371	1,979	5,758
Europe	186	25	181
	$ 2,427	$ 2,357	$ 6,887
Depreciation and Amortization Expense:			
North America	$ 3,862	$ 1,535	$ 1,787
Asia	4,513	5,087	5,484
Europe	461	156	172
	$ 8,836	$ 6,778	$ 7,443

Net sales from external customers are attributed to individual operating segments based on the geographic source of the billing for such customer sales. Transfers between geographic areas include finished products manufactured in foreign countries which are then transferred to the United States and Europe for sale; finished goods manufactured in the United States which are transferred to Europe and Asia for sale; and semi-finished components manufactured in the United States which are sold to Asia for further processing. Income (loss) from operations represents gross profit less operating expenses.

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The following items are included in the income (loss) from operations presented above:

Litigation Charges – During the year ended December 31, 2010, the Company recorded $8.1 million of litigation charges related to the SynQor lawsuit. This charge impacted income from operations primarily within the Company's Asia reportable operating segment.

Impairment of Assets – During the third quarter of 2009, the Company conducted an interim valuation test related to the Company's goodwill by operating segment. As a result of the reduction in fair value of the Asia operating segment, the Company recorded charges of $12.9 million related to the impairment of goodwill of its Asia operating segment during 2009. During the fourth quarter of 2008, the Company conducted its annual valuation test related to the Company's goodwill by reporting unit. As a result of the reduction in the fair value of the North America operating segment, the Company recorded charges of $14.1 million related to the impairment of goodwill of its North America operating segment during 2008. The Company also incurred fixed asset impairments in the North America operating segment of $0.7 million related to assets located at the Westborough, Massachusetts facility which ceased operations as of December 31, 2008.

Restructuring Charges – In connection with the closure of its Westborough, Massachusetts facility, the Company incurred severance costs during 2008 of $0.6 million and lease termination costs of $0.5 million. The Company incurred an additional $0.4 million of restructuring costs in 2009 related primarily to the facility lease obligation.

Gain on Sale of Property, Plant & Equipment – During the year ended December 31, 2009, the Company recognized a previously-deferred $4.6 million pre-tax gain in the North America operating segment from the 2007 sale of a property in Jersey City, New Jersey.

Entity-Wide Information

The following is a summary of entity-wide information related to the Company's net sales to external customers by geographic area and by major product line (dollars in thousands).

	2010	2009	2008
Net Sales by Geographic Area:			
United States	$ 111,888	$ 41,898	$ 67,380
Macao	156,635	123,764	165,164
United Kingdom	10,747	-	-
Germany	20,027	13,959	21,280
Czech Republic	3,242	3,132	4,526
Consolidated net sales	$ 302,539	$ 182,753	$ 258,350
Net Sales by Major Product Line:			
Magnetics	$ 127,664	$ 86,326	$ 118,552
Interconnect	101,059	32,447	47,407
Modules	61,092	54,323	77,285
Circuit protection	12,724	9,657	15,106
Consolidated net sales	$ 302,539	$ 182,753	$ 258,350

Net sales from external customers are attributed to individual countries based on the geographic source of the billing for such customer sales.

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The following is a summary of long-lived assets by geographic area as of December 31, 2010 and 2009 (dollars in thousands):

Long-lived Assets by Geographic Location:	2010	2009
United States	$ 30,904	$ 17,549
People's Republic of China (PRC)	20,999	24,199
All other foreign countries	2,794	1,094
Consolidated long-lived assets	$ 54,697	$ 42,842

Long-lived assets consist of property, plant and equipment, net and other assets of the Company that are identified with the operations of each geographic area.

The territory of Hong Kong became a Special Administrative Region (“SAR”) of the PRC in the middle of 1997. The territory of Macao became a SAR of the PRC at the end of 1999. Management cannot presently predict what future impact this will have on the Company, if any, or how the political climate in the PRC will affect the Company's contractual arrangements in the PRC. A significant portion of the Company's manufacturing operations and approximately 43% of its identifiable assets are located in Asia.

Net Sales to Major Customers

In 2010, the Company had sales to two customers in excess of ten percent of consolidated net sales. The combined revenue from these two customers was $74.6 million during the year ended December 31, 2010, representing 24.7% of total sales. The Company had sales to three customers in excess of ten percent of consolidated net sales in 2009. The combined revenue from these three customers was $71.9 million during the year ended December 31, 2009, representing 39.4% of total sales. In 2008, there were two customers in excess of ten percent of consolidated net sales. The combined revenue of these two customers was $62.8 million during the year ended December 31, 2008, representing 24.3% of total sales. Sales related to these significant customers were primarily reflected in the Asia operating segment.

12. RETIREMENT FUND AND PROFIT SHARING PLAN

The Company maintains a domestic profit sharing plan and a contributory stock ownership and savings 401(k) plan, which combines stock ownership and individual voluntary savings provisions to provide retirement benefits for plan participants. The plan provides for participants to voluntarily contribute a portion of their compensation, subject to certain legal maximums. The Company will match, based on a sliding scale, up to $350 for the first $600 contributed by each participant. Matching contributions plus additional discretionary contributions are made with Company stock purchased in the open market. The expense for the years ended December 31, 2010, 2009 and 2008 amounted to approximately $0.7 million, $0.4 million and $0.4 million, respectively. As of December 31, 2010, the plans owned 16,297 and 208,303 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

The Company's subsidiaries in Asia have a retirement fund covering substantially all of their Hong Kong based full-time employees. Eligible employees contribute up to 5% of salary to the fund. In addition, the Company must contribute a minimum of 5% of eligible salary, as determined by Hong Kong government regulations. The Company currently contributes 7% of eligible salary in cash or Company stock. The expense for the years ended December 31, 2010, 2009 and 2008 amounted to approximately $0.3 million, $0.3 million and $0.4 million, respectively. As of December 31, 2010, the plan owned 3,323 and 17,342 shares of Bel Fuse Inc. Class A and Class B common stock, respectively.

The Supplemental Executive Retirement Plan (the "SERP" or the “Plan”) is designed to provide a limited group of key management and highly compensated employees of the Company with supplemental retirement and death benefits. Participants in the SERP are selected by the Compensation Committee of the Board of Directors. The SERP initially became effective in 2002 and was amended and restated in April 2007 to conform with applicable requirements of Section 409A of the Internal Revenue Code and to modify the provisions regarding benefits payable in connection with a change in control of the Company. The Plan is unfunded. Benefits under the SERP are payable from the general assets of the Company, but the Company has established a rabbi trust which includes certain life insurance policies in effect on participants as well as other investments to partially cover the Company’s obligations under the Plan.

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The benefits available under the Plan vary according to when and how the participant terminates employment with the Company. If a participant retires (with the prior written consent of the Company) on his normal retirement date (65 years old, 20 years of service, and 5 years of Plan participation), his normal retirement benefit under the Plan would be annual payments equal to 40% of his average base compensation (calculated using compensation from the highest 5 consecutive calendar years of Plan participation), payable in monthly installments for the remainder of his life. If a participant retires early from the Company (55 years old, 20 years of service, and 5 years of Plan participation), his early retirement benefit under the Plan would be an amount (i) calculated as if his early retirement date were in fact his normal retirement date, (ii) multiplied by a fraction, with the numerator being the actual years of service the participant has with the Company and the denominator being the years of service the participant would have had if he had retired at age 65, and (iii) actuarially reduced to reflect the early retirement date. If a participant dies prior to receiving 120 monthly payments under the Plan, his beneficiary would be entitled to continue receiving benefits for the shorter of (i) the time necessary to complete 120 monthly payments or (ii) 60 months. If a participant dies while employed by the Company, his beneficiary would receive, as a survivor benefit, an annual amount equal to (i) 100% of the participant's annual base salary at date of death for one year, and (ii) 50% of the participant's annual base salary at date of death for each of the following 4 years, each payable in monthly installments. The Plan also provides for disability benefits, and a forfeiture of benefits if a participant terminates employment for reasons other than those contemplated under the Plan. The expense related to the Plan for the years ended December 31, 2010, 2009 and 2008 amounted to approximately $0.8 million, $0.9 million and $0.7 million, respectively.

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The following provides a reconciliation of benefit obligations, the funded status of the SERP and a summary of significant assumptions (dollars in thousands):

December 31,	2010	2009	2008
Change in benefit obligation:			
Projected benefit obligation at beginning of year	$ 5,622	$ 5,910	$ 4,698
Service cost	340	383	293
Interest cost	336	352	303
Benefits paid	(56)	(75)	(75)
Actuarial (gains) losses	1,108	(948)	691
Minimum pension obligation and unfunded pension liability	$ 7,350	$ 5,622	$ 5,910
Funded status of plan:			
Underfunded status	$ (7,350)	$ (5,622)	
Accrued pension cost	$ (7,350)	$ (5,622)	
Change in plan assets:			
Fair value of plan assets, beginning of year	$ -	$ -	$ -
Company contributions	56	75	75
Benefits paid	(56)	(75)	(75)
Fair value of plan assets, end of year	$ -	$ -	$ -
Balance sheet amounts:			
Minimum pension obligation and unfunded pension liability	$ 7,350	$ 5,622	
Amounts recognized in accumulated other comprehensive income, pretax:			
Prior service cost	$ 1,143	$ 1,276	
Net loss (gain)	932	(176)	
	$ 2,075	$ 1,100	
The components of SERP expense are as follows:			
Year Ended December 31,	2010	2009	2008
Service cost	$ 340	$ 383	$ 293
Interest cost	336	352	303
Net amortization and deferral	133	147	133
Total SERP expense	$ 809	$ 882	$ 729
Assumption percentages:			
Discount rate	5.50 %	6.00 %	6.00 %

Rate of compensation increase	3.00 %	3.00 %	3.00 %

The accumulated benefit obligation for the SERP was $5.8 million and $4.8 million as of December 31, 2010 and 2009, respectively.

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The estimated net loss and prior service cost for the defined benefit pension plan that will be amortized from other comprehensive income into net periodic benefit cost over the next fiscal year is $0 and $0.1 million, respectively. The Company does not expect to make any contributions to the SERP in 2011.

The Company had no net transition assets or obligations recognized as an adjustment to other comprehensive income and does not anticipate any plan assets being returned to the Company during 2011, as the plan has no assets.

The following benefit payments, which reflect expected future service, are expected to be paid (dollars in thousands):

Years Ending December 31,	
2011	$ -
2012	79
2013	137
2014	184
2015	239
2016 - 2020	1,804

13. SHARE-BASED COMPENSATION

The Company records compensation expense in its consolidated statements of operations related to employee stock-based options and awards. The aggregate pretax compensation cost recognized for stock-based compensation amounted to approximately $2.2 million, $1.7 million and $1.5 million for the years ended December 31, 2010, 2009 and 2008, respectively. The Company did not use any cash to settle any equity instruments granted under share-based arrangements during the years ended December 31, 2010, 2009 and 2008.

Stock Options

The Company has an equity compensation program (the "Program") which provides for the granting of "Incentive Stock Options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, non-qualified stock options and restricted stock awards. The Company believes that such awards better align the interest of its employees with those of its shareholders. The Plan provides for the issuance of 2.4 million common shares. Unless otherwise provided at the date of grant or unless subsequently accelerated, options granted under the Program 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. Upon exercise the Company will issue new shares. The exercise price of incentive stock 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. In general, no option will be exercisable after ten years from the date granted.

No incentive stock options were granted in 2010, 2009 or 2008. Expected lives of options previously granted were estimated using the historical exercise behavior of employees. Expected volatilities were based on implied volatilities from historical volatility of the Company's stock. The Company uses historical data to estimate employee forfeitures. The risk free rate is based on the U.S. Treasury yield curve in effect at the time of grant.

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Information regarding the Company’s stock options for the year ended December 31, 2010 is as follows. All of the stock options noted below relate to options to purchase shares of the Company’s Class B common stock.

Stock Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (in 000's)
Outstanding at January 1, 2010	34,000	$ 29.50		
Exercised	-	-		
Granted	-	-		
Cancelled	(34,000)	29.50		
Outstanding at December 31, 2010	-	-	-	-
Exercisable at December 31, 2010	-	$ -	-	$ -

No stock options were exercised during the years ended December 31, 2010 and 2009. During the year ended December 31, 2008, the Company received $0.3 million from the exercise of stock options and realized tax benefits of less than $0.1 million. The total intrinsic value of options exercised during the year ended December 31, 2008 was $0.2 million. Stock compensation expense applicable to stock options was minimal during the years ended December 31, 2010, 2009 and 2008.

Restricted Stock Awards

The Company provides common stock awards to certain officers and key employees. The Company grants these awards, at its discretion, from the shares available under the Program. Unless otherwise provided at the date of grant or unless subsequently accelerated, the shares awarded are earned in 25% increments on the second, third, fourth and fifth anniversaries of the award, respectively, and are distributed provided the employee has remained employed by the Company through such anniversary dates; otherwise the unearned shares are forfeited. The market value of these shares at the date of award is recorded as compensation expense on the straight-line method over the five-year periods from the respective award dates, as adjusted for forfeitures of unvested awards. During 2010, 2009 and 2008, the Company issued 68,900, 141,300 and 56,300 class B common shares, respectively, under a restricted stock plan to various officers and employees. In connection with these and other awards granted in prior years, the Company recorded compensation expense of $2.2 million, $1.7 million and $1.5 million ($1.9 million, $1.2 million and $1.1 million, after tax benefit) for the years ended December 31, 2010, 2009 and 2008, respectively.

A summary of the restricted stock activity under the Program as of December 31, 2010 is presented below:

Restricted Stock Awards	Shares	Weighted Average Award Price	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2010	273,850	$ 24.96	3.6 years
Granted	68,900	21.35	
Vested	(60,425)	33.21	
Forfeited	(5,900)	23.01	
Outstanding at December 31, 2010	276,425	$ 22.30	3.4 years

As of December 31, 2010, there was $4.1 million of total pretax unrecognized compensation cost included within additional paid-in-capital related to non-vested stock based compensation arrangements granted under the restricted stock award plan; that cost is expected to be recognized over a period of 4.4 years.

The Company's policy is to issue new shares to satisfy Restricted Stock Awards and stock option exercises. Currently the Company believes that substantially all restricted stock awards will vest.

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14. COMMON STOCK

During 2000, the Board of Directors of the Company authorized the purchase of up to ten percent of the Company's outstanding common shares. As of December 31, 2010, the Company had purchased and retired 23,600 Class B common shares at a cost of approximately $0.8 million and had purchased and retired 527,817 Class A common shares at a cost of approximately $16.8 million. No shares of Class A or Class B common stock were repurchased during the year ended December 31, 2010.

As of December 31, 2010, to the Company's knowledge, there were two shareholders of the Company's common stock (other than shareholders subject to specific exceptions) with ownership in excess of 10% of Class A outstanding shares with no ownership of the Company's Class B common stock. In accordance with the Company's certificate of incorporation, the Class B Protection clause is triggered if a shareholder owns 10% or more of the outstanding Class A common stock and does not own an equal or greater percentage of all then outstanding shares of both Class A and Class B common stock (all of which common stock must have been acquired after the date of the 1998 recapitalization). In such a circumstance, such shareholder must, within 90 days of the trigger date, purchase Class B common shares, in an amount and at a price determined in accordance with a formula described in the Company's certificate of incorporation, or forfeit its right to vote its Class A common shares. As of December 31, 2010, to the Company's knowledge, these shareholders had not purchased any Class B shares to comply with these requirements. In order to vote their shares at Bel's next shareholders' meeting, these shareholders must either purchase the required number of Class B common shares or sell or otherwise transfer Class A common shares until their Class A holdings are under 10%. As of December 31, 2010, to the Company's knowledge, these shareholders owned 27.8% and 15.9%, respectively, of the Company's Class A common stock in the aggregate and had not taken steps to either purchase the required number of Class B common shares or sell or otherwise transfer Class A common shares until their Class A holdings fall below 10%. Unless and until this situation is satisfied in a manner permitted by the Company's Restated Certificate of Incorporation, the subject shareholders will not be permitted to vote their shares of common stock.

Throughout 2008, 2009 and 2010, the Company declared dividends on a quarterly basis at a rate of $0.06 per Class A share of common stock and $0.07 per Class B share of common stock. During the years ended December 31, 2010, 2009 and 2008, the Company declared dividends totaling $3.2 million, $3.1 million and $3.2 million, respectively. There are no contractual restrictions on the Company's ability to pay dividends provided the Company is not in default under its credit agreements immediately before such payment and after giving effect to such payment.

15. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases various facilities. Some of these leases require the Company to pay certain executory costs (such as insurance and maintenance).

Future minimum lease payments for operating leases are approximately as follows (dollars in thousands):

Years Ending December 31,	
2011	$ 2,956
2012	2,330
2013	1,550

2014	1,079
2015	799
Thereafter	-
	$ 8,714

Subsequent to December 31, 2010, the Company modified and extended the terms of an existing facility lease. This modification will result in additional rent expense of $0.2 million during 2015 and a total of $1.3 million thereafter. Rental expense for all leases was approximately $3.4 million, $2.2 million and $2.3 million for the years ended December 31, 2010, 2009, and 2008, respectively.

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Other Commitments

The Company submits purchase orders for raw materials to various vendors throughout the year for current production requirements, as well as forecasted requirements. Certain of these purchase orders relate to special purpose material and, as such, the Company may incur penalties if an order is cancelled. The Company had outstanding purchase orders related to raw materials in the amount of $30.2 million and $19.9 million at December 31, 2010 and December 31, 2009, respectively. Of the $10.3 million increase, the addition of Cinch commitments accounts for $6.5 million and the remaining $3.8 million increase relates to new purchase orders of raw materials to accommodate the increased demand for Bel’s products. The Company also had outstanding purchase orders related to capital expenditures in the amount of $1.7 million and $1.4 million at December 31, 2010 and December 31, 2009, respectively.

Legal Proceedings

The Company is a defendant in a lawsuit captioned SynQor, Inc. v. Artesyn Technologies, Inc., et al. brought in the United States District Court, Eastern District of Texas in November 2007. The plaintiff alleged that eleven defendants, including Bel, infringed its patents covering certain power products. With respect to the Company, the plaintiff claimed that the Company infringed its patents related to unregulated bus converters and/or point-of-load (POL) converters used in intermediate bus architecture power supply systems. The case went to trial in December 2010 and a judgment was entered on December 29, 2010. The jury found that certain products of the defendants directly and/or indirectly infringe the SynQor patents. The jury awarded damages of $8.1 million against the Company. The Company intends to appeal the verdict and judgment. The Company recorded an $8.1 million litigation charge during the year ended December 31, 2010 related to this case.

The Company was a defendant in a lawsuit captioned Halo Electronics, Inc. (“Halo”) v. Bel Fuse Inc., Pulse Engineering, Inc. and Technitrol, Inc. brought in Nevada Federal District Court. Plaintiff claimed that the Company had infringed its patents covering certain surface mount discrete magnetic products made by the Company. Halo sought unspecified damages, which it claimed should be trebled. In December 2007, this case was dismissed by the Nevada Federal District Court for lack of personal jurisdiction. Halo then re-filed this suit, with similar claims against the Company, in the Northern California Federal District Court, captioned Halo Electronics, Inc. v. Bel Fuse Inc., Elec & Eltek (USA) Corporation, Wurth Electronics Midcom, Inc., and Xfmrs, Inc.

The Company is a plaintiff in a lawsuit captioned Bel Fuse Inc. v. Halo Electronics, Inc. brought in the United States District Court of New Jersey during June 2007. The Company claims that Halo has infringed a patent covering certain integrated connector modules made by Halo. The Company is seeking an unspecified amount of damages plus interest, costs and attorney fees. A trial date for this case has been set for March 2011.

Cinch, a wholly-owned subsidiary of the Company, was a defendant in a lawsuit captioned Engelbrecht v. Motorola, et. al. brought in the Circuit Court of the State of Oregon for the County of Douglas (the “Complaint”) on January 10, 2010. The plaintiff claimed that Cinch was engaged in the manufacture and sale of asbestos-containing radio components which allegedly caused him to sustain personal injuries due to his exposure to asbestos. Cinch filed an answer to the Complaint, denying any legal liability or fault for the damages alleged in the Complaint, and affirmatively pleaded, among other defenses, that the plaintiff’s alleged damages, if any, were caused by persons for whom Cinch is not responsible. Cinch was dismissed as a party to this case through a limited judgment of dismissal which was filed by the Douglas County Circuit Court on July 19, 2010.

As of December 31, 2010, other than as described above relating to the SynQor litigation, no amounts have been accrued in connection with contingencies related to these lawsuits, as the amounts are not estimable. The Company cannot predict the outcome of its unresolved legal proceedings; however, management believes that the ultimate resolution of these matters will not have a material impact on the Company's consolidated financial condition or results of operations.

The Company is not a party to any other legal proceeding, the adverse outcome of which is likely to have a material adverse effect on the Company's consolidated financial condition or results of operations.

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16. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The components of accumulated other comprehensive (loss) income as of December 31, 2010 and 2009 are summarized below (dollars in thousands)

	2010	2009
Foreign currency translation adjustment	$ 882	$ 1,789
Unrealized holding gain (loss) on available-for-sale securities, net of taxes of $322 and $42 as of December 31, 2010 and 2009	519	62
Unfunded SERP liability, net of taxes of $(635) and $(341) as of December 31, 2010 and 2009	(1,440)	(759)
Accumulated other comprehensive (loss) income	$ (39)	$ 1,092

17. RELATED PARTY TRANSACTIONS

As of December 31, 2010, the Company has $2.0 million invested in a money market fund with GAMCO Investors, Inc. ("GAMCO"). GAMCO is a current shareholder of the Company, with holdings of its Class A stock of approximately 27.8%. However, as discussed in Note 14, GAMCO's voting rights are currently suspended.

18. UNAUTHORIZED TRANSACTIONS

In April 2009, as part of the March 31, 2009 quarter-end review, the Company's internal accounting personnel identified a questionable entry in the Company's stock option exercise records. After questioning by management, a Company employee (the "Employee") responsible for certain aspects of the Company's benefit plan administration admitted fabricating certain Company records for his own benefit in order to enable him to exercise stock options that had not been granted to him by the Company's Compensation Committee. The investigation related to this matter was completed during 2009.

During the year ended December 31, 2009, the Company recorded an unauthorized issuance of common stock charge of $0.9 million related to this theft. This charge was offset by $0.5 million related to the fair market value of shares returned by the Employee during 2009. In addition, the Company incurred $0.2 million in legal and professional fees related to this activity which were included within selling, general and administrative expenses in the accompanying consolidated statement of operations for the year ended December 31, 2009. During the year ended December 31, 2010, the Company received insurance proceeds related to this theft in the amount of $0.1 million. This amount was recorded as a reduction to the corresponding expense items within selling, general and administrative expenses in the accompanying consolidated statement of operations for the year ended December 31, 2010.

19. SUBSEQUENT EVENT

On February 28, 2011, the Company announced via press release that it had delivered a letter to Pulse Electronics Corporation ("Pulse Electronics") proposing to acquire all of the outstanding shares of Pulse Electronics common stock for per share consideration of $6.00, or approximately $246 million in the aggregate. Pulse Electronics' Annual Report on Form 10-K for the year ended December 31, 2010 states that as of March 2, 2011, Pulse Electronics had 41,489,733 shares of common stock outstanding. The Company's proposal would give Pulse Electronics shareholders the ability to choose whether to receive the consideration in cash or the Company's Class B common stock. The Company also announced that it has nominated a slate of four highly qualified independent director nominees for election to Pulse Electronics' Board of Directors at Pulse Electronics' upcoming annual meeting of shareholders, which is expected to be held in May. If elected, these director nominees will constitute a majority of Pulse Electronics' Board of Directors.

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20. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly results (unaudited) for the years ended December 31, 2010 and 2009 are summarized as follows (in thousands, except per share data):

	Quarter Ended				Total Year Ended December 31, 2010 (a)
	March 31, 2010	June 30, 2010	September 30, 2010	December 31, 2010 (e)	
Net sales	$ 56,149	$ 77,732	$ 84,961	$ 83,697	$ 302,539
Cost of sales	47,053	61,676	64,795	65,661	239,185
Net earnings (loss)	32	4,695	9,944	(1,022)	13,649
Earnings (loss) per share:					
Class A common share - basic and diluted	$ 0.00	$ 0.38	$ 0.81	$ (0.09)	$ 1.10
Class B common share - basic and diluted	$ 0.00	$ 0.41	$ 0.86	$ (0.09)	$ 1.18

	Quarter Ended				Total Year Ended December 31, 2009 (a)
	March 31, 2009 (d)	June 30, 2009	September 30, 2009 (c)	December 31, 2009 (b)	
Net sales	$ 43,871	$ 44,934	$ 45,283	$ 48,665	$ 182,753
Cost of sales	38,211	40,192	41,516	41,535	161,454
Net earnings (loss)	816	(1,272)	(10,752)	2,898	(8,310)
Earnings (loss) per share:					
Class A common share - basic and diluted	$ 0.06	$ (0.11)	$ (0.90)	$ 0.23	$ (0.71)
Class B common share - basic and diluted	$ 0.07	$ (0.11)	$ (0.94)	$ 0.25	$ (0.72)

(a) Quarterly amounts of earnings per share may not agree to the total for the year due to rounding.

(b)

Net earnings for the quarter ended December 31, 2009 include a gain on sale of investment of $5.4 million ($3.3 million after tax), primarily related to the sale of the investment in Power-One common stock.

(c) The net loss for the quarter ended September 30, 2009 includes a goodwill impairment charge of $12.9 million related to the Company's Asia operating segment and a $2.0 million ($1.2 million after tax) charge related to a licensing fee.

(d) Net earnings for the quarter ended March 31, 2009 include a gain on the sale of property in Jersey City, New Jersey of $4.7 million ($2.9 million after tax) offset by restructuring charges associated with the closure of the Company's Westborough, Massachusetts facility of $0.4 million ($0.3 million after tax).

(e) The net loss for the quarter ended December 31, 2010 includes a litigation charge of $8.1 million related to the SynQor lawsuit ($8.0 million after tax).

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BEL FUSE INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Amounts in thousands)

Column A	Column B	Column C		Column D	Column E
		Additions			
	Balance at	(1)	(2)		Balance
	beginning	Charged to costs	Charged to other	Deductions	at end
Description	of period	and expenses	accounts (b)	(a)	of period
Year ended December 31, 2010:					
Allowance for doubtful accounts	$596	$35	$29	$(7)	$653
Allowance for excess and obsolete inventory	$2,767	$2,560	$(14)	$(706)	$4,607
Deferred tax assets - valuation allowances	$878	$614	$-	$(29)	$1,463
Year ended December 31, 2009:					
Allowance for doubtful accounts	$660	$36	$6	$(106)	$596
Allowance for excess and obsolete inventory	$4,051	$(849)	$(26)	$(409)	$2,767
Deferred tax assets - valuation allowances	$971	$231	$-	$(324)	$878
Year ended December 31, 2008:					
Allowance for doubtful accounts	$977	$(191)	$(43)	$(83)	$660
Allowance for excess and obsolete inventory	$3,266	$1,079	$(10)	$(284)	$4,051
Deferred tax assets - valuation allowances	$331	$640	$-	$-	$971

(a) Write offs

(b) Includes foreign currency translation adjustments

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

Not applicable

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

During the fourth quarter of 2010, the Company's management, including the principal executive officer and principal financial officer, evaluated the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) related to the recording, processing, summarization, and reporting of information in the Company's periodic reports that the Company files with the SEC. These disclosure controls and procedures have been designed to ensure that material information relating to the Company, including its subsidiaries, is made known to the Company's management, including these officers, by other of the Company's employees, and that this information is recorded, processed, summarized, evaluated, and reported, as applicable, within the time periods specified in the SEC's rules and forms. The Company's controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met. Notwithstanding these limitations, the Company believes that its disclosure controls and procedures are designed to provide reasonable assurances of achieving their objectives.

Based on their evaluation as of December 31, 2010, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective to ensure that the information required to be disclosed by the Company in the reports that the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the Company's evaluation under the framework in Internal Control – Integrated Framework, the Company's management concluded that the Company's internal control over financial reporting was effective as of December 31, 2010.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, has audited the effectiveness of the Company's internal control over financial reporting as of December 31, 2010 and has expressed an unqualified opinion in their report which is included in Item 8 herein.

Changes in Internal Controls Over Financial Reporting

There were no significant changes in the Company's internal control over financial reporting that occurred during the last fiscal quarter of the year to which this Annual Report on Form 10-K relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

Not applicable.

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Item 10. Directors, Executive Officers and Corporate Governance

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2011 annual meeting of shareholders that is responsive to the information required with respect to this item.

The Registrant has adopted a code of ethics for its directors, executive officers and all other senior financial personnel. The code of ethics, as amended from time to time, is available on the Registrant's website under Corporate Governance. The Registrant will also make copies of its code of ethics available to investors upon request. Any such request should be sent by mail to Bel Fuse Inc., 206 Van Vorst Street, Jersey City, NJ 07302 Attn: Colin Dunn or should be made by telephone by calling Colin Dunn at 201-432-0463.

Item 11. Executive Compensation

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2011 annual meeting of shareholders that is responsive to the information required with respect to this Item.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2011 annual meeting of shareholders that is responsive to the remaining information required with respect to this Item.

The table below depicts the securities authorized for issuance under the Company's equity compensation plans.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	-	$ -	565,150
Equity compensation plans not approved by security holders	-	-	-
Totals	-	$ -	565,150

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2011 annual meeting of shareholders that is responsive to the information required with respect to this Item.

Item 14. Principal Accountant Fees and Services

The Registrant incorporates by reference herein information to be set forth in its definitive proxy statement for its 2011 annual meeting of shareholders that is responsive to the information required with respect to this Item.

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PART IV

Item 15. Exhibits, Financial Statement Schedules

(b) Exhibits

Exhibit No.:

3.1	Certificate of Incorporation, as amended, is incorporated by reference to Exhibit 3.1 of the Company’s Annual Report on Form 10-K for the year ended December 31, 1999.
3.2	By-laws, as amended, are incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-2 (Registration No. 33-16703) filed with the Securities and Exchange Commission on August 25, 1987.
10.1†	2002 Equity Compensation Program. Incorporated by reference to the Registrant’s proxy statement for its 2002 annual meeting of shareholders.

10.2	Credit and Guaranty Agreement, dated as of February 12, 2007, by and among Bel Fuse, Inc., as Borrower, the Subsidiary Guarantors party thereto and the Bank of America, N.A., as Lender. Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 16, 2007 and incorporated herein by reference.
10.3†	Amended and Restated Bel Fuse Supplemental Executive Retirement Plan, dated as of April 17, 2007. Filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 23, 2007 and incorporated herein by reference.
10.4	Contract for Purchase and Sale of Real Estate dated July 15, 2004 between Bel Fuse Inc. and Fields Development Group Co. Incorporated by reference to Exhibit 10.9 of the Company's Form 10-K for the year ended December 31, 2004.

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10.5	First Amendment to Credit and Guaranty Agreement dated as of April 30, 2008, by and among Bel Fuse, Inc., as Borrower, the Subsidiary Guarantors party thereto and the Bank of America, N.A., as Lender. Filed as Exhibit 10.6 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
10.6	Second Amendment to Credit and Guaranty Agreement dated as of June 30, 2009, by and among Bel Fuse, Inc., as Borrower, the Subsidiary Guarantors party thereto and the Bank of America, N.A., as Lender. Filed as Exhibit 10.7 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
10.7	Stock purchase agreement by and among Safran USA, Inc., Safran UK Limited and Bel Fuse Inc., dated as of December 28, 2009. Filed as Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
10.8	Third Amendment to Credit and Guaranty Agreement dated as of January 29, 2010, by and among Bel Fuse, Inc., as Borrower, the Subsidiary Guarantors party thereto and the Bank of America, N.A., as Lender. Filed as Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009 and incorporated herein by reference.
11.1	A statement regarding the computation of earnings per share is omitted because such computation can be clearly determined from the material contained in this Annual Report on Form 10-K.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Independent Registered Public Accounting Firm.
24.1*	Power of attorney (included on the signature page)
31.1*	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Vice President of Finance pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of the Chief Executive Officer pursuant to Section 906 of the Sarbanes - Oxley Act of 2002.
32.2**	Certification of the Vice-President of Finance pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Filed herewith.
** Submitted herewith.

† Management contract or compensatory plan or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

Dated: March 11, 2011

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Daniel Bernstein and Colin Dunn as his/her attorney-in-fact and agent, with full power of substitution and resubstitution, for him/her and in his/her name, place, and stead, in any and all capacities, to sign and file any and all amendments to this Annual Report on Form 10-K, with all exhibits thereto and hereto, and other documents with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he/she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ Daniel Bernstein Daniel Bernstein	President, Chief Executive Officer and Director	March 11, 2011
/s/ Howard Bernstein Howard B. Bernstein	Director	March 11, 2011
/s/ Robert H. Simandl Robert H. Simandl	Director	March 11, 2011
/s/ Peter Gilbert Peter Gilbert	Director	March 11, 2011
/s/ John Tweedy John Tweedy	Director	March 11, 2011

/s/ John Johnson John Johnson	Director	March 11, 2011
/s/ Avi Eden Avi Eden	Director	March 11, 2011
/s/ Colin Dunn Colin Dunn	Vice President of Finance and Secretary	March 11, 2011

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