SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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ARTESYN TECHNOLOGIES INC

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the Fiscal year ended JANUARY 1, 1999 Commission File No. 0-4466

ARTESYN TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

FLORIDA	59-1205269
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

7900 GLADES ROAD, SUITE 500, BOCA RATON, FL	33434-4105
(Address of principal executive offices)	(ZIP CODE)

(561) 451-1000
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:
NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
COMMON STOCK, $0.01 PAR VALUE
COMMON STOCK PURCHASE RIGHTS
(Title of each class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES X NO __.

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K [ ].

The aggregate market value of the Common Stock held by non-affiliates of the Registrant as of March 15, 1999 was approximately $340 million.

As of March 15, 1999, 36,912,885 shares of the Registrant's, $0.01 par value, Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's annual shareholders' report for the year ended January 1, 1999 (the "Annual Report") are incorporated by reference into Parts I and II hereof.

Portions of the Company's proxy statement for the annual meeting of shareholders to be held on May 6, 1999 are incorporated by reference into Part III hereof.

PART I

ITEM 1. BUSINESS

Artesyn Technologies, Inc. (formerly named Computer Products, Inc.) was incorporated under the laws of the State of Florida in 1968. Unless the context indicates otherwise, as used herein the term "Company" means Artesyn Technologies, Inc. and its consolidated subsidiaries.

The Company received shareholder approval at its annual shareholders' meeting held in May 1998 to legally change the Company's corporate name from Computer Products, Inc. to Artesyn Technologies, Inc. Since that date, the Company's Common Stock has been trading on The Nasdaq Stock MarketSM under the symbol ATSN.

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The Company operates in one industry segment encompassing the design, development, manufacture, sale and service of electronic products and subsystems targeted at the communications industry. The Company designs, develops, manufactures and markets (i) power conversion products for electronic equipment used in commercial and industrial applications requiring a precise and constant voltage level for proper operation, (ii) high performance single-board computers, systems and subsystems for real-time applications, and provides repair services and logistics for a variety of products primarily for one significant customer.

INDUSTRY OVERVIEW

The Company is one of the leading providers of power supplies, power converters and distributed power systems to the communications industry. According to independent industry sources, the Company ranks among the top ten worldwide independent power supply manufacturers in sales volume. The Company also designs and manufactures high performance board-level computers and communication controllers, integrating them with real-time operating system and protocol software to form complete subsystems for communications and other real-time applications.

Power supplies, power converters and distributed power systems perform many essential functions relating to the supply, regulation, and distribution of electrical power within electronic equipment. Electronic systems require a steady supply of electrical power at one or more voltage levels. AC-to-DC power supplies convert alternating electric current ("AC") (the form in which virtually all electric current is delivered by utility companies) from a primary power source into the direct current ("DC") required to operate virtually all solid state electronic equipment. DC-to-DC power supplies are used to convert a particular direct current voltage into another (higher or lower) direct current voltage that is required by the electronic device to which it is connected. Power supplies can also be designed to perform diagnostic functions that prevent electronic equipment from being damaged by such equipment's own malfunction, as well as provide power through use of a short-term battery back-up system when the electronic equipment's primary power source fails.

The prevalent technology now used in power supplies is switching technology. Before the development of switching power supplies, power supply technology was fairly simple, and power supplies consisted of a transformer and some related components to rectify and control power surges. As the complexity of electronic equipment has increased, power supplies and their underlying technology have become more advanced. Switching power supplies, such as those manufactured by the Company, have hundreds of components, provide advanced diagnostic and power management functions, can be designed to provide battery back-up power, and are smaller and more efficient than the older power supplies that used simpler technology.

SWITCHING POWER SUPPLIES

[GRAPHIC SHOWING FROM AC WALL POWER IN TO AC TO DC POWER SUPPLY TO A DISK DRIVE OR MEMORY OR INTEGRATED CIRCUITS OR MOTORS OR MONITORS]

A further enhancement of AC-to-DC power supplies emerging in the industry utilizes a newer more flexible switching technology which the Company refers to as "distributed power architecture" ("DPA"). Most electronic systems have a number of subsystems, each of which may require a different operating voltage or level of power. As a result, power supplies can be designed to have multiple outputs that can provide varying voltage levels to subsystems within an electronic system. In such power supplies, power is "distributed" throughout the system so that in addition to the system's main AC-to-DC power supply, DC-to-DC converters located on or near the subsystem or component being powered change the DC voltage to the specific level of DC voltage needed for that particular subsystem or component. Distributed power permits greater flexibility to meet the power supply requirements of electronic systems if components or subsystems are added or upgraded.

DISTRIBUTED POWER ARCHITECTURE

[GRAPHIC SHOWING FROM INPUT TO AC TO DC FRONT END TO OUTPUT TO VARIOUS SUB SYSTEMS]

MARKET OVERVIEW

The overall market for power supplies can be classified as follows:

Merchant/Captive. Merchant power supply manufacturers, such as the Company, design and manufacture power supplies for use by other third parties. Captive power supply manufacturers design and manufacture power supplies for use within their own products. Currently, the merchant portion of the power supply market is believed to be approximately 55%. According to independent industry sources, the merchant sector is projected to grow to 60% of the overall market in the year 2000 as Original Equipment Manufacturers ("OEMs") demand product options and features and high-quality levels that make power supplies increasingly more

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difficult to design and manufacture in-house.

PowerRange. The power supply market is also classified by power supply output range, as follows:

Power Range	Typical Characteristics	End Users	Representative Applications
LOW	o Less than 150 Watts o Lower Technology o Higher Volume o Lower Margin	o PC Companies o Consumer Electronics	o Personal Computers o Consumer Electronics o Desk Top Printers
MID	o 150-750 Watts o High Technology o Moderate Volume o Higher Margin	o Internetwork Companies o Computer Companies o Medical Companies	o Routers, Hubs o Workstations, Fault o Tolerant Computers o Blood Analyzers
HIGH	o More than 750 Watts o High Technology o Lower Volume o Higher Margin	o Computer Companies o Industrial Companies o Internetworking Companies	o Main-frame Computers o Industrial Process Control o High-end Routers/Switches

Custom/Standard. Custom power supplies are designed and manufactured to meet the form, fit, and functional requirements of an OEM's unique and specific application. They are attractive to OEMs because they present increased design flexibility, provide the lowest cost, and allow the use of special features. Standard, "off-the-shelf" power supplies are not design-specific but also do not require substantial up-front engineering design costs. Once a product has reached the stage of development where the OEM is confident that there will be a market demand for the product, it is typically cost-effective to custom design a unique power supply to meet that product's specific requirements. The OEM is then able to utilize a moderately high-volume, customized solution at the lowest cost per watt of power without paying for unnecessary features or capabilities.

The Company believes a number of important trends currently affecting its customers will continue to shape the power supply marketplace. The applications markets that are growing rapidly, such as workstations and data communications hardware (e.g., hubs, routers and file servers), need mid-range power supplies. In addition, OEMs face pressure from end-users to improve the price and performance of products, bring new products to market quickly, provide more product options and features, reduce product size, and meet increasingly complex safety and regulatory agency standards. The Company believes that these pressures will support the need for and encourage a modest migration from captive manufacturers to merchant-provided, custom-designed power supply manufacturers, such as the Company, particularly in the mid-range sector of the market.

The Company's products are manufactured in Redwood Falls, Minnesota; Broomfield, Colorado; Madison, Wisconsin; Kindberg, Austria; Tatabanya, Hungary; Youghal, Ireland; Oberhausen and Ensiedel, Germany; and in Hong Kong and Zhongshan, China. Activities are also carried on in Vienna, Austria; Etten-Leur, Netherlands; Eden Prairie, Minnesota; Framingham, Massachusetts; and Fremont, California.

REPAIR AND LOGISTICS SERVICES

The Company provides repair services for a variety of products primarily manufactured by Hewlett-Packard Company. The process to repair products that fail in the field involves the logistics of arranging for return of products and, when they have been repaired, arranging for delivery of products to their customers. This function has traditionally been accomplished as part of the OEM's business. In the 1980s and 1990s, as companies have focused their energies on core competencies, electronics manufacturers have often outsourced many activities that they do not consider essential to their business. The Company was retained by Hewlett-Packard ("HP") in 1992 to manage inbound and outbound logistics for some of HP's computer products and to repair certain products. This business has grown rapidly since 1992 as HP has transferred repairs of more products to the Company. Since 1992, the Company has taken over from HP the repair of laserjet and deskjet printers, facsimile machines, and scanners and the servicing of other products. Through 1998, nearly all of the Company's revenue from repair and logistics services were from HP.

It is the Company's strategy to expand its facilities within the value chain of manufacturer distribution and repair. For this purpose, the Company has established a Foreign Trade Zone ("FTZ"), which allows reduced or delayed customs duties on products returned from foreign locations for repair or on component parts shipped to the United States and assembled in the FTZ. The FTZ, together with existing repair processes, allows the Company to service both

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domestic and foreign products and, in combination with its process design capability, to perform assembly or light manufacturing operations. Another expansion of the value chain involves network services operations, which plan to target configuration and installation of hardware, as well as provide follow-on maintenance.

The Company's repair and logistics services are centered in its Lincoln, California, facility.

STRATEGY

The Company's objective is to be the supplier of choice to multinational OEM customers who require sophisticated power supply solutions and who are likely to have substantial volume requirements. To achieve this objective, the Company's strategy is to differentiate itself from its competition through utilization of new and advanced technology and design, fastest time-to-market and superior product performance, quality, service and the lowest total cost of ownership. The Company's primary target market for the last several years has been OEMs in the communications, networking, computer and other electronic equipment marketplaces. These OEMs manufacture hubs, routers, high availability file servers and disk arrays which typically have complex technical needs, high product reliability standards, short product development cycles and variable production needs. The Company implements its strategy by combining the following key elements:

Deliver High-Quality Products and Services

The Company believes that quality and responsiveness to the customer's needs are of critical importance in its efforts to compete successfully. The Company actively involves its employees in implementing techniques to measure, monitor and improve performance and provides its employees with education and training, including courses in statistical process control and related techniques. Also, employees participate in the Company's planning sessions and monitor adherence to their annual plans on a monthly basis. Through its commitment to customer service and quality, the Company believes it is able to provide superior value to its customers.

Provide Leading-Edge Engineering and Time-to-Market

The Company's target markets and customers are characterized by high growth rates and continually evolving technology. As a result, its customers typically require leading-edge technology designed in a relatively short period. The Company has been working to reduce the time-to-market for its products through two initiatives: concurrent engineering and design-ready platforms. Concurrent engineering creates a process allowing all functional disciplines to take part in a product's design from the very beginning. With design-ready platforms, the Company can modify standard platforms to meet specific customers' needs for a customized product, a fast fulfillment schedule and an affordable price. These initiatives have contributed to a reduction of average time-to-market from 72 weeks in 1994 to 24 weeks in 1998.

Develop and Expand Collaborative Relationships

Through the development and expansion of collaborative relationships with its customers, the Company attempts to satisfy their needs by offering a full range of value-added services, including design expertise, process development and control, testing, inventory management, and rapid response to volume and design changes. Some custom-designed projects are priced based on agreed-to gross margins and allow for a sharing of the costs, risks and rewards of the manufacturing process with the customer. These relationships also provide the Company with increased knowledge regarding the customer's products. The Company focuses its efforts on customers with which it believes the opportunity exists to develop long-term business collaborations.

Offer Customers the Lowest Total Cost of Ownership

The Company strives to create value for its customer by seeking to offer them the lowest total cost of ownership. Through manufacturing flexibility, reduced time-to-market, worldwide procurement, design for manufacturability, and unmatched customer service, the Company is able to complement each customer's unique set of needs. The Company has built long-standing relationships with industry leaders by providing a high level of consultation at the earliest stages of design development. This hands-on approach is intended to enable the Company to design all its products to maximize quality and minimize unit cost.

Leverage Advanced Manufacturing and Management Techniques

The Company's strategy focuses on the quality of all elements of the production process, rather than merely the quality of the end product. To implement this strategy, the Company uses sophisticated design and manufacturing techniques (such as computer integrated design and manufacture, computer aided design, and automated testing and assembly of printed circuit boards), combined with advanced management techniques, including just-in-time manufacturing, statistical process control and total quality commitment. These techniques allow the Company to decrease production costs by improving the efficiency of

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production processes.

Expand Complementary Businesses

The Company believes that providing a wide range of services affords the Company a competitive advantage, as it further addresses customer needs and, therefore, increases the likelihood that the Company will make continuing sales to its customers. For example, at a customer's request, the Company may build assemblies by adding cables, harnesses, frames, and other components to its power supply unit. In addition, it offers power supply repair services for power supplies manufactured by others.

PRODUCTS AND SERVICES

The Company currently offers standard power products in over 1,000 configurations and accommodates a wide variety of customer applications. In addition to its standard power supply products, the Company also pursues the custom power supply business because it capitalizes on its strengths in the areas of sophisticated design, volume manufacturing, and customer service. It has been the Company's experience that competition among qualified design and manufacturing outsourcing companies providing these customized solutions is intense. The competition causes downward pressure on gross margins, which is only partially offset by lower selling and distribution costs.

The Company's communications products are designed around and incorporate industry standards, which permit easy portability to a variety of applications. The technology relies on popular and powerful microprocessors from sources such as Motorola, Intel and MIPS. The primary product line combines both the worldwide industry standard VMEbus, which defines physical board size and signal characteristics for the interconnection of microprocessors. Application requirements for these products usually include environments requiring rapid computer response time with high quality processing capabilities, such as telecommunications or data communications.

For further information on sales, particularly with respect to foreign and intercompany sales, refer to Note 18 of the Notes to Consolidated Financial Statements in the Company's Annual Report, which is incorporated herein by reference. The Company's business is not seasonal in nature.

MARKETING AND DISTRIBUTION

The Company's products are sold directly to OEMs, private-label customers and distributors. In addition, the Company's sales and engineering personnel supervise and provide technical assistance to independent domestic sales representatives and to domestic and foreign distributors.

The Company's customers for communication products are primarily OEMs who use the products for high-speed telecommunications applications. They are also used in other areas such as medical instrumentation, airplane and weapons training simulators, process control, industrial automation and traffic control systems. Management believes that the market for VMEbus and real-time products will expand as communications companies move from proprietary to open systems in order to speed time to market and enhance upgrade capability.

The Company's communication products are marketed domestically through independent sales representative organizations. Substantially all foreign sales are made through independent foreign distributors and foreign trading companies. Certain sales are made on a direct basis.

Sales representatives are responsible for marketing the Company's repair business in North America.

Although the Company seeks to diversify both its customer and market application base, sales to three customers amounted to 17%, 11%, and 10%, respectively, of 1998 sales.

The Company has derived a significant portion of its sales in recent years from its international operations. Thus, the Company's future operations and financial results could be significantly affected by international factors, such as changes in foreign currency exchange rates or political instability. The Company's operating strategy and pricing take into account changes in exchange rates over time. However, the Company's future results of operations may be significantly affected in the short term by fluctuations in foreign currency exchange rates. See Note 17 of the Notes to Consolidated Financial Statements in the Company's Annual Report, incorporated herein by reference, for additional information.

MATERIALS AND COMPONENTS

The manufacture of the Company's products requires a wide variety of materials and components. The Company has multiple external sources for most of the materials and components used in its production processes, and it also manufactures certain of these components. Although the Company has from time to time experienced shortages of certain supplies, such shortages have not resulted

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in any significant disruptions in production. The Company believes that there are adequate alternative sources of supply to meet its requirements.

INTELLECTUAL PROPERTY MATTERS

The Company believes that its future success is primarily dependent upon the technical competence and creative skills of its personnel, rather than upon any patent or other proprietary rights. However, the Company has protected certain of its products with patents where appropriate and has defended, and will continue to defend, its rights under these patents.

BACKLOG

Sales are generally made pursuant to purchase orders rather than long-term contracts. Backlog consists of purchase orders on hand generally having delivery dates scheduled within the next six months. Order backlog from continuing operations at January 1, 1999 was $98.3 million as compared to $103.1 million at January 2, 1998. Historically, the effects of changes and cancellations have not been significant to the Company's operations. The Company expects to ship substantially all of its January 1, 1999 backlog in the first six months of fiscal 1999.

COMPETITION

The industry in which the Company competes is highly competitive and characterized by increasing customer demands for improved product performance, shorter manufacturing cycles and lower prices. These trends result in frequent introductions of new products with added capabilities and features and continuous improvements in the relative price/performance of the products. Increased competition could result in price reductions, reduced profit margins and loss of market share, each of which could adversely affect the Company's results of operations and financial condition. The Company's principal competitors include Lucent Technologies, Delta Product and Astec (BSR) plc. Certain of the Company's competitors have also been engaged in merger and acquisition transactions. Such consolidations by competitors are likely to create entities with increased market share, customer bases, technology and marketing expertise, sales force size, and/or proprietary technology. These developments may adversely affect the Company's ability to compete.

RESEARCH AND DEVELOPMENT

The Company maintains active research and development departments which are engaged in the modification and improvement of existing products and the development of new products. Expenditures for research and development during fiscal years 1998, 1997, and 1996 were approximately $33.4 million, $30.0 million, and $23.6 million, respectively. As a percentage of total sales, research and development accounted for 6.3%, 5.7%, and 5.4% in fiscal years 1998, 1997 and 1996, respectively. Research and development spending has increased in each of the past three years as the Company invested in new product platforms to service the communications industry. The Company believes that the timely introduction of new technology and products is an important component of its competitive strategy.

EMPLOYEES

The Company presently employs approximately 4,300 full-time people. In addition, the Company presently has approximately 2,300 temporary employees and contractors primarily in its China facility. The Company's ability to conduct its present and proposed activities would be impaired if the Company lost the services of a significant number of its engineers and technicians and could not readily replace them with comparable personnel. Although there is demand for qualified technical personnel, the Company has not, to date, experienced difficulty in attracting and retaining sufficient engineering and technical personnel to meet its needs.

None of the Company's domestic employees is covered by collective bargaining agreements. The Company considers its relations with its employees to be satisfactory.

ENVIRONMENTAL MATTERS

Compliance with federal, state and local laws and regulations regulating the discharge of materials into the environment has not had, and, under present conditions the Company does not anticipate that such laws and regulations will have, a material effect on the results of operations, capital expenditures, financial condition or competitive position of the Company.

ITEM 2. PROPERTIES

The Company currently occupies approximately 1,400,000 square feet of office and manufacturing space worldwide. Approximately 38% of the space utilized by the Company is owned while 62% is leased. The Company maintains the following facilities: <TABLE> <CAPTION>

	APPROXIMATE	OWNED VS.

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FACILITY	PRIMARY ACTIVITY	SQUARE FOOTAGE	LEASED
Boca Raton, FL	Corporate Headquarters	7,000	Leased
Broomfield, CO	Manufacturing	81,000	Leased
Eden Prairie, MN	Engineering, Administration	28,000	Leased
Ensiedel, Germany	Manufacturing	28,400	Owned
Etten-Leur, Netherlands	Administration	19,000	Leased
Framingham, MA	Engineering, Administration	25,000	Leased
Fremont, CA	Engineering, Administration	45,000	Leased
Hong Kong	Manufacturing	144,900	Owned
Huntington Beach, CA	Manufacturing	45,000	Leased
Kindberg, Austria	Manufacturing	75,000	Leased
Lincoln, CA	Repair, Logistics	438,000	Leased
Madison, WI	Manufacturing	46,000	Owned
Oberhausen, Germany	Manufacturing	62,500	Owned
Redwood Falls, MN	Manufacturing	103,000	Owned
Redwood Falls, MN	Manufacturing	87,000	Leased
Tatabanya, Hungary	Manufacturing	62,000	Owned
Vienna, Austria	Engineering, Administration	17,200	Leased
Youghal, Ireland	Manufacturing	86,000	Owned

In addition to the above locations, the Company has leased sales offices located in or near London, England; Paris, France; and Munich, Germany. The Company considers the facilities described in this Item to be generally well maintained, adequate for its current needs and capable of supporting a reasonably higher level of demand for its products and services.

ITEM 3. LEGAL PROCEEDINGS

The Company is a party to various legal proceedings, which have arisen in the ordinary course of business. While the results of these matters cannot be predicted with certainty, the Company believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated results of operations, cash flows or financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 4A. EXECUTIVE OFFICERS

Name	Age	Position(s) with the Company
Robert J. Aebli	63	President - Communication Products
Louis R. DeBartelo	58	President - North America Commercial
Harvey Dewan	59	President -North America and Asia Manufacturing
Eoin Gilley	37	Managing Director - Europe
Thomas J. Kent	50	President - Solutions
Hartmut Liebel	36	Corporate Treasurer
Joseph J. Matz	59	Managing Director - Europe Commercial
Joseph M. O'Donnell	52	Co-Chairman of the Board of Directors, President and Chief Executive Officer
John M. Steel	54	Vice President - Marketing and New Product development, Director
Richard J. Thompson	49	Vice President - Finance, Chief Financial Officer And Secretary

Robert J. Aebli has served as President of the Company's Communication Products division since November 1993. From 1991 to 1993 Mr. Aebli served as Vice President - Operations of Contraves, Inc., a manufacturer of testing and simulation systems.

Louis R. DeBartelo was appointed President of the Company's North America Commercial division in 1993. From 1992 to 1994 he served as the Company's President - Power Conversion National Accounts Division.

Harvey Dewan was appointed President of North America and Asia Manufacturing in

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December 1997. From February to December 1997, Mr. Dewan was Vice President of Operations for the Company's Communication Products division. From 1969 to April 1996, Mr. Dewan held various positions with General Instrument Corporation, most recently as Vice President of Quality and General Manager.

Eoin Gilley joined Artesyn on February 2, 1998 as General Manager, European Operations and was appointed to the position of Managing Director - Europe in August 1998. From 1995 to early 1998, Mr. Gilley served as Vice President/General Manager Europe with Quarterdeck International Ltd. From 1981 to 1994, Mr. Gilley held various positions with Apple Computer, most recently as Director of Operations in Supply Chain Re-Engineering.

Thomas J. Kent was appointed President of the Solutions division in December 1997. Mr. Kent had been General Manager of Zytec's Services and Logistics operations since 1994 and was named Vice President of Services and Logistics as well as a director of Zytec in 1996. From 1990 to 1994, Mr. Kent was employed by US Windpower, most recently as its Director of Customer and Site Support.

Hartmut Liebel was appointed to the position of Corporate Treasurer in February 1998. Prior to joining the Company, Mr. Liebel had been employed by W.R. Grace & Co., a global specialty chemical supplier, as Assistant Treasurer from 1995 to 1997 and as Director of Financial Risk Management during 1993 and 1994.

Joseph J. Matz was appointed to the position of Managing Director - Europe Commercial in December 1997. Mr. Matz joined Zytec in November 1991 as Managing Director of its Austrian division.

Joseph M. O'Donnell was appointed as Chairman of the Board of Directors in February 1997 and as Co-Chairman of the Board following the merger with Zytec Corporation ("Zytec") in December 1997. Mr. O'Donnell has served as President and Chief Executive Officer of the Company since July 1994. Mr. O'Donnell served as Managing Director of O'Donnell Associates, a consulting firm, from March 1994 to June 1994; and as Chief Executive Officer of Savin Corporation, an office products distributor, from October 1993 to February 1994. He is a Director of Boca Research, Inc., a manufacturer of data communications, multimedia and networking products.

John M. Steel was appointed to the position of Vice President - Marketing and New Product Development in December 1997 and was elected to the Board of Directors at that time. Mr. Steel was a co-founder of Zytec and had been an officer and a director of Zytec since 1984.

Richard J. Thompson has served as Vice President - Finance, Chief Financial Officer, and Secretary of the Company since June 1990.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The common stock of Artesyn Technologies, Inc. is traded on The Nasdaq National Stock Marketsm under the symbol ATSN. High and low sales prices of such stock and information pertaining to the number of record holders of the Company's Common Stock appears on page 45 of the Annual Report for the fiscal year ended January 1, 1999 and is incorporated herein by reference.

The Registrant has not paid cash dividends in the past and no change in such policy is anticipated. Future cash dividends, if any, will be determined by the Board of Directors in light of the circumstances then existing, including the Company's earnings and financial requirements and general business conditions. However, on July 22, 1998, the Company's Board of Directors authorized a share repurchase program to purchase up to 4.0 million shares of the Company's common stock in the open market or in privately-negotiated transactions, depending on market conditions and other factors. As of January 1, 1999, the Company repurchased and retired 1,211,500 shares of its common stock for a total of approximately $19.4 million in cash. Currently, the Company maintains a $200 million revolving credit facility, which contains certain restrictive covenants that, among other things, require the Company to maintain certain financial ratios and may limit the purchase, transfer or distribution of the Company's assets.

ITEM 6. SELECTED FINANCIAL DATA

The Consolidated Five-Year Financial History appearing on page 13 of the Annual Report for the fiscal year ended January 1, 1999 is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Annual Report for the fiscal year ended January 1, 1999 is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures About Market Risk included in the

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Annual Report for the fiscal year ended January 1, 1999 is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of the Company (including Note 19, Selected Consolidated Quarterly Data- Unaudited) and the independent certified public accountants' report thereon contained in the Annual Report for the fiscal year ended January 1, 1999 are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEMS 10, 11, 12 AND 13.

The information called for by that portion of Item 10 which relates to the Directors of the Company, by Item 11 (Executive Compensation), Item 12 (Security Ownership of Certain Beneficial Owners and Management) and Item 13 (Certain Relationships and Related Transactions) is incorporated herein by reference to the Company's definitive proxy statement for the 1999 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission not later than 120 days after the close of the fiscal year ended January 1, 1999. That portion of Item 10 which relates to Executive Officers of the Company appears as Item 4A of Part I of this Report.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8K

(A) FINANCIAL STATEMENTS, FINANCIAL STATEMENT SCHEDULES AND EXHIBITS

(1) FINANCIAL STATEMENTS

The following consolidated financial statements of Artesyn Technologies, Inc. and subsidiaries included in the Company's Annual Report for the fiscal year ended January 1, 1999 are incorporated herein by reference in Item 8 hereof:

Consolidated Statements of Operations -- Years Ended on the Friday nearest December 31, 1998, 1997, and 1996

Consolidated Statements of Financial Condition -- as of the Friday nearest December 31, 1998 and 1997

Consolidated Statements of Cash Flows -- Years Ended on the Friday nearest December 31, 1998, 1997 and 1996

Consolidated Statements of Shareholders' Equity and Comprehensive Income-Years Ended on the Friday nearest December 31, 1998, 1997 and 1996

Notes to Consolidated Financial Statements

Report of Independent Certified Public Accountants

(2) FINANCIAL STATEMENT SCHEDULE

The following information is filed as part of this Form 10-K and should be read in conjunction with the financial statements contained in the Company's Annual Report for the fiscal year ended January 1, 1999.

Report of Independent Certified Public Accountants On Schedule

Report of Independent Accountants

Schedule for Artesyn Technologies, Inc. and Subsidiaries:

Schedule II - Valuation and Qualifying Accounts

Schedules other than that listed above have been omitted because they are either not required or not applicable, or because the required information has been included in the consolidated financial statements or notes thereto incorporated herein by reference.

(3) EXHIBITS

EXHIBIT #	DESCRIPTION
2.1	Agreement and Plan of Merger by and between Zytec Corporation, Computer Products Inc. and CPI Acquisition Corp. dated as of September 2, 1997 incorporated by reference to Exhibit 2.1 of Registrant's Registration Statement on Form S-4 filed on September 25, 1997.

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2.2 Agreement on the Sale, Purchase and Transfer of Shares dated as of July 22, 1997 - incorporated by reference to Exhibit 2 of Registrant's Registration Statement on Form 8-K filed on August 6, 1997.

2.3 Agreement and Plan of Merger, dated August 23, 1996, by and among Computer Products, Inc., JPS Acquisition Corp, Jeta Power Systems Inc. and Jagdish C. Chopra - incorporated by reference to Exhibit 10.50 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 27, 1996.

2.4 Asset Purchase Agreement among RT Acquisition Florida Corp., RTP Corp. and Computer Products Inc. dated as of July 5, 1997 - incorporated by reference to Exhibit 10.33 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 4, 1997.

3.1 Articles of Incorporation of the Company, as amended, on May 15, 1989 incorporated by reference to Exhibit 3.1 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1989.

3.2 By-laws of the Company, as amended, effective October 16, 1990 incorporated by reference to Exhibit 3.2 of Registrant's Registration Statement on Form S-4, filed with the Commission on September 25, 1997, as amended.

3.3 Articles of amendment to articles of incorporation of the Company incorporated by reference to Exhibit 3.1 of Registrant's Current Report on Form 8-K filed on May 6, 1998.

3.4 Articles of amendment to articles of Incorporation of the Company, as amended on December 22, 1998.

4.1 Amended and Restated Rights Agreement, dated as of November 21, 1998, between the Company and The Bank of New York as Rights Agent, including the form of Right Certificate and the Summary of Rights to Purchase Preferred Shares attached thereto as exhibits B and C, respectively incorporated by reference to Exhibit 4.1 of Registrant's Current Report on Form 8-K filed with the Commission on December 22, 1998.

10.1 Grant Agreement, dated June 19, 1981, as supplemented, by and among the Industrial Development Authority of Ireland, Power Products Ltd. and Computer Products, Inc. - incorporated by reference to Exhibit 10.2 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1982.

10.2 Indenture between Industrial Development Authority of Ireland and Power Products Ltd. - incorporated by reference to Exhibit 10.3 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1982.

10.3 Lease for facilities of Boschert, Incorporated located in Milpitas, California - incorporated by reference to Exhibit 10.14 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 3, 1986.

10.4 Letter Amendment to Lease for facilities of Boschert, Incorporated, dated January 9, 1991 located in Milpitas, California - incorporated by reference to Exhibit 10.8 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1990.

10.5 Sublease for facilities of Boschert, Incorporated located in Milpitas, California - incorporated by reference to Exhibit 10.8 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 1, 1988.

10.6 Sublessee Estoppel Certificate to Sublease for facilities of Boschert, Incorporated, dated February 4, 1991, located in Milpitas, California incorporated by reference to Exhibit 10.10 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1990.

10.7 1981 Stock Option Plan, as amended, effective as of October 16, 1990 incorporated by reference to Exhibit 10.10 of Registrant's Current Report on Form 8-K, filed with the Commission on November 30, 1990.

10.8 Computer Products, Inc. 1986 Outside Directors' Stock Option Plan, amended as of February 22, 1988 - incorporated by reference to Exhibit 10.12 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 1, 1988.

10.9 Asset Purchase Agreement, dated as of January 1, 1992, by and among Computer Products, Inc., HC Holding Corp. and Heurikon Corporation including exhibits and schedules thereto - incorporated by reference to Exhibit 2 of Registrant's Current Report on Form 8-K, filed with the Commission on January 20, 1992.

10.10 Contract to Purchase between Computer Products, Inc. and Sauk Enterprises dated December 23, 1991 for the premises located at 8310 Excelsior Drive,

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Madison, Wisconsin - incorporated by reference to Registrant's Annual Report on Form 10-K for the fiscal year ended January 3, 1992.

10.11 Lease for facilities of the executive offices located in Boca Raton, Florida - incorporated by reference to Exhibit 10.23 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1988.

10.12 Outside Directors' Retirement Plan, effective October 17, 1989 incorporated by reference to Exhibit 10.22 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1989.

10.13 1990 Performance Equity Plan - incorporated by reference to Exhibit 10.26 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1990.

10.14 1990 Outside Directors' Stock Option Plan - incorporated by reference to Exhibit 10.27 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 28, 1990.

10.15 Manufacturing and Development Agreement dated March 16, 1992, between Computer Products, Inc. and Analogic Corporation - incorporated by reference to Exhibit 10.30 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 3, 1992.

10.16 License Agreement dated March 16, 1992, between Computer Products, Inc. and Analogic Corporation - incorporated by reference to Exhibit 10.31 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 3, 1992.

10.17 Asset Purchase Agreement between Computer Products, Inc., Tecnetics Incorporated, Miller Acquisition Corporation and certain former managers of Tecnetics Incorporated - incorporated by reference to Exhibit 10.29 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended April 3, 1992.

10.18 Manufacturing License and Technical Assistance Agreement between Heurikon Corporation and Lockheed Sanders, Inc. dated January 31, 1992 incorporated by reference to Exhibit 10.34 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 1992.

10.19 Star MVP Domestic Terms and Conditions of Sale Between Heurikon Corporation and Lockhead Sanders, Inc. dated March 18, 1992 incorporated by reference to Exhibit 10.35 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 1992.

10.20 DSP32C VME Board License Agreement between Heurikon Corporation and American Telephone and Telegraph Company dated October 28, 1991 incorporated by reference to Exhibit 10.36 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 1992.

10.21 Software License agreement between Heurikon Corporation and American Telephone and Telegraph Company dated October 28, 1991 - incorporated by reference to Exhibit 10.37 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 1992.

10.22 Employment Agreement, dated June 29, 1994, by and between Computer Products, Inc. and Joseph M. O'Donnell - incorporated by reference to Exhibit 10.41 of Registrant's Quarterly Report on Form 10-Q for the quarterly period ended July 1, 1994.

10.23 Grant Agreement, dated October 26, 1994, by and among the Industrial Development Authority of Ireland, Power Products Ltd. and Computer Products, Inc. - incorporated by reference to Exhibit 10.43 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 30, 1994.

10.24 1996 Employee Stock Purchase Plan - incorporated by reference to Exhibit 10.45 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1995.

10.25 1990 Performance Equity Plan as amended - incorporated by reference to Exhibit 10.46 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1995.

10.26 1990 Outside Directors Stock Option Plan, restated as of January 25, 1996 incorporated by reference to Exhibit 10.47 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1995.

10.27 1996 Executive Incentive Plan - incorporated by reference to Exhibit 10.48 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1995.

10.28 Executive Stock Ownership plan - incorporated by reference to Exhibit 10.49 of Registrant's Annual Report on Form 10-K for the fiscal year ended December 29, 1995.

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10.29 Agreement by and between Oates Business Park and the Company dated May 1, 1995 regarding the leasing of certain premises and real property located in Lincoln, California - Incorporated by reference to Exhibit 10.26 to Form 10-K of Zytec Corporation for the year ended December 31, 1995 (File No. 0-22428).

10.30 Agreement and Addendum by and between Buzz Oates Enterprise and the Company dated September 15, 1995, as amended December 8, 1995, and as second amended March 8, 1996, and as third amended May 14, 1996, and as fourth amended November 8, 1996, regarding the leasing of certain premises and real property located in Lincoln, California - Incorporated by reference to Exhibit 10.19 to Form 10-K of Zytec Corporation for the year ended December 31, 1996.

10.31 Agreement by and between Superior Investments I, Inc. and the Company dated January 22, 1996 regarding the leasing of certain premises and real property located in Broomfield, Colorado - Incorporated by reference to Exhibit 10.27 to Form 10-K of Zytec Corporation for the year ended December 31, 1995. (File No. 0-22428).

10.32 RentalAgreement by and between Schrack Elektronik Aktiengesellschaft and IMMORENT-Weiko Grundverwertungsge- sellschaft m.b.H. dated March 14, 1985 (English translation) regarding the leasing of certain real property located in Kindberg, Austria - Incorporated by reference to Exhibit 10.70 to Zytec Corporation's Registration Statement on Form S-1 (File No. 33-68822).

10.33 Real Estate Lease Agreement by and between IMMORENT - Weiko Grundverwertungsge-sellschaft m.b.H. and Schrack Elektronik Aktiengesellschaft dated December 16, 1984 (English translation) regarding the leasing of certain real property located in Kindberg, Austria Incorporated by reference to Exhibit 10.71 to Zytec Corporation's Registration Statement on Form S-1 (File No. 33-68822).

10.34 Lease (Rental) Agreement by and between Schrack Telecom AG and Schrack Power Supply Gesellschaft m.b.H. dated February 19, 1991 (English translation) regarding the leasing of certain property located in Kindberg, Austria Incorporated by reference to Exhibit 10.72 to Zytec Corporation's Registration Statement on Form S-1 (File No. 33-68822).

10.35 Sublease (Subrental) Agreement by and between Schrack Power Supply Gesellschaft m.b.H. and Schrack Power Supply Gesellschaft m.b.H. dated February 14, 1991 (English translation) regarding the leasing of certain property located in Kindberg, Austria - Incorporated by reference to Exhibit 10.73 to Zytec Corporation's Registration Statement on Form S-1 (File No. 33-68822).

10.36 Sublease (Subrental) Agreement by and between Schrack Power Supply Gesellschaft m.b.H. and Schrack Telecom AG dated February 14, 1991 (English translation) regarding the leasing of certain property located in Kindberg, Austria - Incorporated by reference to Exhibit 10.74 to Zytec Corporation's Registration Statement on Form S-1 (File No. 33-68822).

10.37 Third Addendum to Lease Agreement between Zytec Corporation and Superior Investments I, Inc. dated May 23, 1997 - Incorporated by reference to Exhibit 10.2 to Form 10-Q of Zytec Corporation for the quarter ended June 29, 1997.

10.38 Fourth Addendum to Lease Agreement between Zytec Corporation and Superior Investments I, Inc. dated June 27, 1997- Incorporated by reference to Exhibit 10.3 to Form 10-Q of Zytec Corporation for the quarter ended June 29, 1997.

10.39 Loan agreement between Herbert Elektronische Gerate GmbH & Co. KG and First Union National Bank, London Branch dated as of July 15, 1997 Incorporated by reference to Exhibit 10.43 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 2, 1998.

10.40 Loan agreement between Computer Products, Inc. and First Union National Bank, London Branch dated as of July 15, 1997 - Incorporated by reference to Exhibit 10.44 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 2, 1998.

10.41 Amended and restated loan agreement between Computer Products, Inc., First Union National Bank and First Union National Bank, London Branch dated as of July 15, 1997 - Incorporated by reference to Exhibit 10.45 of Registrant's Annual Report on Form 10-K for the fiscal year ended January 2, 1998.

10.42 Credit Agreement among Artesyn Technologies, Inc., certain of its subsidiaries, ABN AMRO Bank N.V., as Administrative Agent and Co-Arranger, First Union National Bank, as Syndication Agent and Co-Arranger, NationsBank, N.A., as Co-Agent, dated as of December 31, 1998 - Incorporated by reference to Exhibit 1 of the Registrant's Current Report

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on Form 8-K, filed with the Commission on December 31, 1998.

10.43 Outside Directors' Retirement Plan effective October 17, 1989, as amended January 25, 1994, August 15, 1996 and January 29, 1998.

13 Annual Report of Artesyn Technologies, Inc. for the fiscal year ended January 1, 1999.

21 List of subsidiaries of the Registrant.

23.1 Consent of Arthur Andersen LLP.

23.2 Consent of PricewaterhouseCoopers LLP.

27 Financial data schedule.

(b) REPORTS ON FORM 8-K

During the thirteen-week period ended January 1, 1999, the Company filed the following reports on Form 8-K:

On December 22, 1998, the Company filed a Current Report on Form 8-K (pursuant to Item 5 thereof) describing the extension and amendment of its shareholder rights plan.

On December 31, 1998, the Company filed a Current Report on Form 8-K (pursuant to Item 5 thereof) announcing that the Company received funding under a new three-year, multi-currency $200 million credit facility arranged and syndicated by ABN AMRO Bank and First Union National Bank.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SCHEDULE

To the Board of Directors and Shareholders of
Artesyn Technologies, Inc.:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements included in Artesyn Technologies, Inc.'s Annual Report to Shareholders incorporated by reference in this Form 10-K, and have issued our report thereon dated January 22, 1999. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. We did not audit the statement of financial condition as of January 3, 1997 and the related statement of operations, shareholders' equity and cash flows for the fiscal year ended January 3, 1997 of Zytec Corporation, a company acquired on December 29, 1997 in a transaction accounted for under the pooling-of-interests method of accounting. Such statements are included in the consolidated financial statements of Artesyn Technologies, Inc. and were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for Zytec Corporation, is based solely upon the report of the other auditors. The schedule listed in Item 14(a)(2) is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, based on our audits and the report of other auditors, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

ARTHUR ANDERSEN LLP

Fort Lauderdale, Florida,
January 22, 1999.

REPORT OF INDEPENDENT ACCOUNTANTS

The Shareholders and Board of Directors of
Artesyn Technologies, Inc.:

We have audited the consolidated balance sheet of Zytec Corporation as of December 31, 1996, and the related consolidated statements of operations, cash flows and stockholders' equity for the year ended December 31, 1996 (not shown separately in Artesyn Technologies, Inc. Annual Report on Form 10-K for the year ended January 1, 1999). In connection with our audit of such financial statements, we have also audited the related financial statement schedule II, valuation and qualifying accounts for the year ended December 31, 1996 (not shown separately in Artesyn Technologies, Inc. Annual Report on Form 10-K for the year ended, January 1, 1999). These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit.

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We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Zytec Corporation as of December 31, 1996, and the consolidated results of its operations and its cash flows for the year ended December 31, 1996, in conformity with generally accepted accounting principles. In addition, in our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

PRICEWATERHOUSECOOPERS LLP

Minneapolis, Minnesota
February 18, 1997

ARTESYN TECHNOLOGIES, INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended on the Friday Nearest December 31 ($000s)
<TABLE>
<CAPTION>

COLUMN A	COLUMN B	COLUMN C		COLUMN D		COLUMN E
		Additions				
	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts	Deductions		Balance at End of Period
Description				Description	Amount	
Fiscal Year 1998:						
Reserve deducted from asset to which it applies:						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Allowance for doubtful accounts	$1,736	$ 138	$ -		$ -	$1,875
Restructuring reserve	-	5,958	-	(1)	3,163	2,795
Fiscal Year 1997:						
Reserve deducted from asset to which it applies:						
Allowance for doubtful accounts	$1,312	$ 426	$ -	(2)	$ 2	$1,736
Fiscal Year 1996:						
Reserve deducted from asset to which it applies:						
Allowance for doubtful accounts	$1,223	$ 89	$ -		$ -	$ 1,312
Other	292	-	-	(2)	292	-

</TABLE>

(1) This amount relates to payments.
(2) This amount relates to recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 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.

ARTESYN TECHNOLOGIES, INC.
(Registrant)

Dated: March 26, 1999 By: JOSEPH M. O'DONNELL

Joseph M. O'Donnell
Co-Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant in the

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capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
JOSEPH M. O'DONNELL ------------------- JOSEPH M. O'DONNELL	Co-Chairman of the Board, President and Chief Executive Officer, Director	03/26/99
RONALD D. SCHMIDT ----------------- RONALD D. SCHMIDT	Co-Chairman of the Board	03/26/99
RICHARD J. THOMPSON ------------------- RICHARD J. THOMPSON	Vice President-Finance, Chief Financial Officer, and Secretary	03/26/99
EDWARD S. CROFT, III -------------------- EDWARD S. CROFT, III	Director	03/26/99
DR. FRED C. LEE --------------- DR. FRED C. LEE	Director	03/26/99
LAWRENCE J. MATTHEWS -------------------- LAWRENCE J. MATTHEWS	Director	03/26/99
STEPHEN A. OLLENDORFF --------------------- STEPHEN A. OLLENDORFF	Director	03/26/99
PHILLIP A. O'REILLY PHILLIP A. O'REILLY	Director	03/26/99
BERT SAGER ---------- BERT SAGER	Director	03/26/99
A. EUGENE SAPP, JR. ------------------- A. EUGENE SAPP, JR.	Director	03/26/99
LEWIS SOLOMON ------------- LEWIS SOLOMON	Director	03/26/99
JOHN M. STEEL ------------- JOHN M. STEEL	Director	03/26/99

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
3.4	Articles of Amendement to the Articles of Incorporation
10.43	Outside Directors' Retirement Plan effective October 17, 1989, as amended January 25, 1994, August 15, 1996 and January 29, 1998.
13	Annual Report of Artesyn Technologies, Inc. for the fiscal year ended January 1, 1999
21	List of subsidiaries of the Registrant
23.1	Consent of Arthur Andersen LLP
23.2	Consent of PricewaterhouseCoopers LLP
27	Financial Data Schedule

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SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF AMENDMENT

OF

ARTICLES OF INCORPORATION

OF

ARTESYN TECHNOLOGIES, INC.

Pursuant to the provisions of the Florida Business Corporation
Act, Artesyn Technologies, Inc.
(the "Corporation") does hereby amend its
Articles of Incorporation

----

1. The name of the Corporation is Artesyn Technologies, Inc.

2. Article III of the Articles of Incorporation of the Corporation, as heretofore amended, relating to the authorized shares of the Corporation, provides, that the authorized preferred stock, par value $.01 per share ("Preferred Stock"), of the Corporation may be issued from time to time in one or more series with such distinctive designations as may be stated in a resolution providing for the issue of such stock adopted by the Board of Directors of the Corporation (the "Board"). The Board, on October 22, 1998 adopted the following resolution creating a Series A Junior Participating Preferred Stock:

"RESOLVED, that pursuant to authority conferred upon the Board of Directors (the "Board) of the Corporation by its Articles of Incorporation, a series of preferred stock, par value $.01 per share ("Preferred Stock"), of the Corporation is hereby created, and the designation and amount thereof and the voting powers, preferences and relative, participating, optional or other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof, are as follows:

Section 1. Designation and Number of Shares. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" ("Series A Preferred Stock"). The number of shares initially constituting the Series A Stock shall be 451,376; provided, however,

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that, if more than a total of 451,376 shares of Series A Preferred Stock shall be at any time issuable upon the exercise of the preferred share purchase rights (the "Rights") issued pursuant to the Amended and Restated Rights Agreement, dated as of November 21, 1998, between the Corporation and The Bank of New York, as Rights Agent, as amended from time to time (the "Rights Agreement"), the Board, by resolution, shall direct that articles of amendment be properly executed on behalf of the Corporation and filed with the Florida Department of State to provide for the total number of shares of Series A Preferred Stock authorized to be issued to be increased (to the extent that the Articles of Incorporation then permits) to the largest number of whole shares (rounded up to the nearest whole number) then issuable upon exercise of such Rights; and provided further that such number of shares may be decreased by resolution of the Board (which decrease shall be effected by articles of amendment properly executed and filed with the Florida Department of State), but no such decrease shall reduce the number of shares of Series A Preferred Stock to a number of shares less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. Dividends and Distributions.

(a) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $1.00 or (ii) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of

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shares of Common Stock, then, in each such case, the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (a) of this Section 2 immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by

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reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or in any other articles of amendment creating a series of Preferred Stock or any similar stock or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(c) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase

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or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board) to all holders of such shares upon such terms as the Board, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under this Section 4(a), purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall, be retired and cancelled promptly after the acquisition thereof. All such shares shall, upon their cancellation, become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Articles of Incorporation or in any other articles of amendment creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, plus an amount equal to the greater of $100 per share or an aggregate amount per share equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up; provided, however, that in the event the Corporation shall at any time declare or pay any dividend on

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the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then, in each such case, the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then, in any such case, each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event, and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, junior to all other series of the Corporation's Preferred Stock.

Section 10. The Articles of Incorporation of the Corporation, as amended hereby, shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class."

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3. The amendment was duly adopted by the Board on October 22, 1998 without shareholder action and shareholder action was not required for the adoption of such amendment.

Executed on December 22, 1998

ARTESYN TECHNOLOGIES, INC.

By Stephen A. Ollendorff

Stephen A. Ollendorff,
a Director

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ARTESYN TECHNOLOGIES, INC.
(formerly Computer Products, Inc.)

OUTSIDE DIRECTORS' RETIREMENT PLAN
Effective October 17, 1989
As Amended January 25, 1994, August 15, 1996
and January 29, 1998

SECTION 1. PURPOSE. The purpose of the Outside Directors' Retirement Plan (the "Plan") is to recognize the valuable services provided to Artesyn Technologies, Inc. (formerly Computer Products, Inc.) (the "Company") by its non-employee directors and to assist in attracting new members and retaining present non-employee members of the Board of Directors. The payments hereunder are part of the consideration for the services rendered by such non-employee directors.

SECTION 2. ELIGIBILITY. Any presently serving Outside Director (as hereinafter defined) who has served as of August 15, 1996 and who has or shall have continuously served for at least five years as an Outside Director, shall be eligible to participate in the Plan. The term "Outside Director" as used herein shall mean a director who during at least 5 consecutive years as a director has not been a full-time employee of the Company or any of its subsidiaries as determined for purposes of the Company's employee benefit plans. In determining the years of continuous service of an Outside Director for eligibility under the Plan, years of service as an Outside Director prior to the Effective Date of the Plan (as hereinafter defined) shall be taken into account.

SECTION 3. REMUNERATION. Each eligible Outside Director shall receive as an annual retirement benefit ("Retirement Benefit") upon the later of such Director's retirement as a director or upon his attainment of the age of 70 if not then a director an amount equal to $12,000 (plus cost-of-living increases commencing January 1, 1998 through December 31 of the year preceding his retirement) multiplied by a fraction, the numerator of which is the number of years the Outside Director served in such capacity (but in no event a number greater than ten) and the denominator of which is ten. The Retirement Benefit shall be paid in cash at the same intervals as the annual retainer paid to Outside Directors in service at the time the Retirement Benefit is paid, or, if no annual retainer is being paid, on a quarterly basis.

SECTION 4. DURATION. The Retirement Benefit will be paid to the Outside Director for the lesser of the number of years such Director has continuously served on the Board of Directors as an Outside Director or his life. In the event that the Outside Director dies during the period in which such Director is entitled to receive the Retirement Benefit, the final installment of the Retirement Benefit shall be payable through the date of the death of an Outside Director to such Director's estate or legal representative.

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SECTION 5. INSURANCE OR OTHER BENEFIT PLANS. An Outside Director's rights under any other benefit plan for members of the Board of Directors in effect on the date of the Outside Director's retirement under this Plan shall not be affected by the Outside Director's participation in this Plan.

SECTION 6. NON-ASSIGNABILITY. The rights and interests of an Outside Director hereunder may not be assigned, pledged or otherwise transferred.

SECTION 7. MISCELLANEOUS. The Company shall not be required to establish a reserve to meet its obligations hereunder.

SECTION 8. ADMINISTRATION. The Plan shall be administered by the Board of Directors or by a Committee consisting of three members of the Board of Directors which is appointed by the Board of Directors to perform such function.

SECTION 9. AMENDMENTS. The Board of Directors may at any time amend or terminate the Plan. No amendment or termination shall in any way adversely affect the rights and entitlements of an Outside Director under this Plan (i) who is serving on the Board of Directors at the time of such amendment or termination or (ii) who has retired from the Board of Directors and is eligible to receive benefits under the Plan, or (iii) who has retired from the Board of Directors and is receiving benefits under the Plan, from receiving any benefits under the Plan after such amendment or termination.

SECTION 10. EFFECTIVE DATE. The effective date of this Plan is October 17, 1989 ("Effective Date").

SECTION 11. SUCCESSORS. The terms and obligations of the Company under this Plan shall be binding upon its successors and assigns (whether direct or indirect and whether by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company. Without limiting the foregoing, the Company and any successor or assignee shall require any successor or assignee to expressly assume the obligations of the Company under the Plan in the same manner and to the same extent that the Company would be required to perform if no such succession or assignment had taken place.

SECTION 12. APPLICABLE LAW. This Agreement shall be governed by the laws of the State of Florida applicable to contracts made and to be wholly performed therein without regard to its choice of law provisions.

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FIVE-YEAR FINANCIAL HISTORY
For the Years Ended on the Friday Nearest December 31
(Dollars in Thousands Except Per Share Data)

	1998	1997	1996	1995	1994
RESULTS OF OPERATIONS					
Sales	$532,392	$527,236	$435,731	$344,969	$264,334
Income from continuing operations	27,044	31,882	29,555	16,483	7,658
Per share - basic	0.70	0.87	0.84	0.50	0.24
Per share - diluted	0.67	0.80	0.78	0.49	0.23
Net income	27,044	29,820	30,059	17,598	9,423
Per share - basic	0.70	0.81	0.85	0.53	0.30
Per share - diluted	0.67	0.75	0.79	0.52	0.28
FINANCIAL POSITION					
Working capital	$120,970	$115,822	$ 92,029	$ 66,449	$ 54,526
Property, plant & equipment, net	75,032	61,581	48,671	38,491	32,567
Total assets	325,392	322,177	239,487	202,858	159,871
Long-term debt and capital lease obligations	50,283	52,949	43,945	33,590	45,296
Total debt	52,990	68,547	57,097	50,251	53,928
Shareholders' equity	181,088	162,676	117,006	82,889	57,071
Total capitalization	234,078	231,223	174,103	133,140	110,999
FINANCIAL STATISTICS					
Selling, general and administrative expenses	$ 54,548	$ 52,058	$ 42,232	$36,353	$35,485
- as a % of sales	10.2%	9.9%	9.7%	10.5%	13.4%
Research and development expenses	33,401	30,032	23,612	21,085	14,950
- as a % of sales	6.3%	5.7%	5.4%	6.1%	5.7%
Operating income	41,981	52,443	41,077	26,776	15,865
- as a % of sales	7.9%	9.9%	9.4%	7.8%	6.0%
Total debt as a % of total capitalization	23%	30%	33%	38%	49%
Debt to equity ratio	29%	42%	49%	61%	94%
Interest coverage ratio	11.06	11.00	9.21	6.48	3.64
OTHER DATA					
Capital expenditures	$26,795	$22,231	$9,387	$10,046	$7,300
Depreciation and amortization	$16,898	$13,561	$10,287	$7,606	$6,768
Common shares outstanding (000's)	37,882	38,381	36,042	34,607	31,581
Employees	4,290	4,219	3,519	2,870	2,628
Temporary employees and contractors	2,326	2,663	1,670	1,923	874

Data for fiscal years 1994, 1995 and 1996 have been restated to reflect the merger of Computer Products, Inc. and Zytec Corporation effective December 29, 1997, which was accounted for as a pooling-of-interests.

Data for fiscal years 1994, 1995 and 1996 have been restated to give effect to the discontinued operations of RTP Corp. substantially all of the assets of which were sold on July 5, 1997.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS COMBINATIONS

Zytec -- On December 29, 1997, Computer Products, Inc. ("CPI") completed a merger with Zytec Corporation ("Zytec") whereby Zytec became a wholly-owned subsidiary of CPI. As a result of the merger, each share of Zytec's common stock, no par value, outstanding immediately prior to the merger was converted into 1.33 shares of CPI's common stock, $0.01 par value. The Zytec shares were exchanged for a total of approximately 14.1 million shares of CPI's common stock. The acquisition was accounted for as a pooling-of-interests; accordingly, consolidated financial statements presented herein for periods prior to the merger have been restated to include the combined results of operations, financial position and cash flows of Zytec as though it had always been a part of CPI. Hereafter, the merged entity will be collectively referred to as the Company.

The Company received shareholder approval at its annual shareholders' meeting held in May 1998 to legally change the Company's corporate name from Computer Products, Inc. to Artesyn Technologies, Inc. Since that date, the Company's

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common stock has been trading under The Nasdaq Stock MarketSM symbol ATSN.

The restatement of the consolidated financial information combines the financial information of CPI and Zytec giving retroactive effect to the merger as if the two companies had operated as a single company for all periods presented. However, the two companies actually operated independently prior to the merger, and the historical changes and trends in the financial condition and results of operations of these two companies resulted from independent activities. Nonetheless, the following management's discussion and analysis of financial condition and results of operations attempts to relate the activities which resulted in the changes in financial condition and results of operations of the combined company, taking into consideration that a trend or change in the historical results of the combined entity was caused by many events related to each individual company operating independently as competitors. The financial information presented on a historical restated basis is not necessarily indicative of the financial condition and results of operations that may have been achieved in the past or will be achieved in the future had the companies operated as a single entity for the periods presented. The following discussion of the consolidated operations and financial condition of the Company should be read in conjunction with the Company's consolidated financial statements and related notes thereto included elsewhere herein.

The Elba Group -- On July 22, 1997, pursuant to an Agreement on the Sale, Purchase and Transfer of Shares, the Company acquired all the outstanding capital stock of the following affiliated companies: Elba Electric GmbH, Elba Modul GmbH, Elba Elektronik AG, Elba Electronics Ltd., Elba-electric-produktion s.r.o., Elba Electronique S.A.R.L., and KRP Power Source B.V., collectively referred to as the Elba Group.

The Elba Group is engaged in the design, manufacture and marketing of a wide range of both AC/DC and DC/DC power conversion products in Europe. Elba's fastest growing product line is its medium power AC/DC converters (150-750 watts) sold to Original Equipment Manufacturer ("OEM") communications customers under the Elba and KRP Power Source labels. The Elba Group's customers include major multinational corporations such as Ericsson, Kodak, Krone AG and Siemens among others.

The purchase price of 52 million Deutsche marks (approximately $28.5 million) was paid in cash with proceeds from two seven-year term loans from First Union National Bank, London Branch. The loans bear interest at LIBOR plus .75%.

Effective December 11, 1998, the Company sold Elba-electric-produktion s.r.o. (its Czech Republic division) to a third party for 20,000 Deutsche marks and the repayment of the balance of an intercompany loan of approximately $400,000. In addition, the sales offices of the Elba Group located in Pfaffikon, Switzerland; Vaulx-Milieu, France; and Chesterfield, United Kingdom were closed during 1998. Costs related to such facilities closures were included in the restructuring charge described in Note 6 of the Notes to Consolidated Financial Statements.

BUSINESS ENVIRONMENT AND RISK FACTORS

The following discussion should be read in conjunction with the consolidated financial statements and related notes as well as the section under the heading "Risk Factors that May Affect Future Results." With the exception of historical information, the matters discussed below may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. The Company wishes to caution readers that a number of important factors, including those identified in the section entitled "Risk Factors that May Affect Future Results" as well as factors discussed in the Company's other reports filed with the Securities and Exchange Commission, could affect the Company's actual results and cause them to differ materially from those in the forward-looking statements.

RESULTS OF OPERATIONS

For 1998, income from continuing operations was $27.0 million, or $0.67 per diluted share, compared to $31.9 million, or $0.80 per diluted share, in 1997. Such amounts include $9.6 million restructuring and related inventory charges in 1998 and a $3.0 million merger-related charge in 1997.

1998 COMPARED TO 1997

Sales for 1998 improved modestly to $532.4 million compared to $527.2 million in 1997. Lower demand from OEM customers as a result of economic turmoil in Asia and South America, as well as widespread customer inventory reductions, hampered growth in the Company's primary market sectors: networking, telecommunications, computing and wireless infrastructure.

On January 1, 1999, the Company's order backlog was $98.3 million compared to $103.1 million on January 2, 1998. Despite an increase in orders during the fourth quarter of 1998 which supports management's belief that demand for product in the end use markets is gradually improving, the Company still has a cautious demand outlook for 1999.

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Gross profit margin for 1998 was 25.8% compared to 26.1% in 1997 primarily due to the $2.4 million charge for the write-off of duplicate product lines between the merged companies related to the Company's 1998 restructuring plan further described below. In addition, material cost and plant rationalization savings following the merger were offset by new product direct start-up costs. Although the Company continues to focus on reducing manufacturing costs and improving overall processes, the Company does not anticipate that gross profit margins will vary significantly from the current level due to continuing competitive pricing pressures and changes in product mix.

Operating expenses increased to approximately 17.9% of sales in 1998 from the 16.1% reported in 1997. Operating expenses for 1998 include a $7.2 million non-recurring charge related to the Company's 1998 restructuring plan. Excluding the restructuring charge, operating expenses were 16.5% of sales in 1998.

Operating income decreased to 7.9% of sales from 9.9% in 1997, as a result of lower gross profit margins, increased operating expenses, and restructuring and related inventory charges.

Selling, general and administrative expenses were $54.5 million in 1998 compared to $52.1 million in 1997 reflecting the inclusion of a full year of operations for Elba, which was acquired mid-year 1997, and various integration activities following the merger. Certain of these additional costs were incurred to begin implementation of a new company-wide Enterprise Resource Planning ("ERP") information system and to familiarize the Company's employees, customers, suppliers and investors with the resources of the new combined company, Artesyn Technologies. The Company has been taking aggressive steps to curb operating expenses and to eliminate excess manufacturing resources wherever prudent. However, the Company expects to incur the following additional expenses in 1999: higher new product start-up costs, expenses associated with Year 2000 readiness and compliance, and costs related to the implementation of the ERP system.

Research and development expenses totaled $33.4 million, or 6.3% of sales, in 1998 compared to $30.0 million, or 5.7% of sales, in 1997 reflecting the Company's continued investment in new product development for its global communications customers. The Company believes that the timely introduction of new technology and products is an important component of its competitive strategy and anticipates future research and development spending will continue at or near the same spending levels as a percentage of sales.

RESTRUCTURING CHARGE -- During the first quarter of 1998, the Company recorded a $9.6 million pre-tax charge in connection with the Company's restructuring plan following its merger with Zytec. This amount is allocated in the accompanying Consolidated Statements of Operations as follows: $7.2 million to Restructuring Charge, as further described below, and $2.4 million to Cost of Sales, which relates principally to inventory write-offs of duplicate product development programs which were underway at CPI and Zytec prior to the merger. The restructuring charge relates primarily to the elimination of duplicate facilities in an effort to reduce costs pursuant to the Company's integration plan. Specific restructuring actions included the closure of certain domestic and foreign manufacturing and other facilities through the consolidation of manufacturing operations with corresponding personnel reductions, the realignment of the Company's workforce to eliminate duplicate functions particularly in administrative areas, and other related cost-savings actions.

The following table includes the components of the restructuring charge and related charge for inventory write-offs, the current year payments and other activities, and the remaining restructuring reserve balance of approximately $2.8 million which is included in accrued liabilities as of January 1, 1999 ($000s):
<TABLE>
<CAPTION>

<S>	Employee Termination Benefits <C>	Asset Write-offs <C>	Facility Closures <C>	Product Line Rationalization <C>
Restructuring provision /write-offs	$3,956	$1,231	$2,002	$2,411
Cash payments	(2,806)	-	(357)	-
Non-cash activities	-	(1,231)	-	(2,411)
Reserve balance at January 1, 1999	$1,150	$ -	$1,645	$ -

</TABLE>

Employee termination benefits primarily represent severance pay and other benefits associated with the elimination of approximately 360 positions worldwide, with more than 70% of the eliminated positions coming from the rationalization of certain duplicate manufacturing locations and sales offices in Europe and the remaining 30% relating to duplicate management and administrative personnel. In the latter part of 1998, the Company's revised its initial estimate of positions to be eliminated from 400 to 360. The revised estimated charges for employee termination benefits approximate the initial estimate. As of January 1, 1999, approximately 300 of the anticipated 360

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positions had been eliminated worldwide.

The provision for the facility closures includes leasehold termination payments, service contracts obligations, and other exit costs associated with facilities closures discussed above.

As a result of such facilities closures, the Company evaluated whether related fixed assets (including duplicate management information systems and unusable manufacturing and testing equipment) had become impaired. The Company used an estimate of the related undiscounted cash flows over the remaining life of such machinery and equipment in measuring their recoverability and determined that such assets were permanently impaired. As a result, these fixed assets were written down to their net realizable value.

Total expected cash expenditures related to the restructuring charge are estimated to be approximately $6.0 million. With the exception of certain lease-related cash requirements, the remaining anticipated cash payments of approximately $2.8 million are expected to be paid during the first half of 1999.

Provision for income taxes decreased to 33.0% of pretax income in 1998 from 35.5% in 1997. The effective tax rate was lower in 1998 primarily due to lower state income taxes following the merger. For additional information regarding income taxes, refer to pages 35 through 36 of the Notes to Consolidated Financial Statements.

ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS

In 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income" which requires companies to report all changes in equity during a period, except those resulting from investment by owners and distributions to owners, in a financial statement for the period in which they are recognized. The Company has chosen to disclose Comprehensive Income, which encompasses net income and foreign currency translation adjustments, in the Consolidated Statements of Shareholders' Equity and Comprehensive Income. Prior years have been reclassified to conform to the SFAS 130 requirements.

In June 1997, the Financial Accounting Standards Board ("FASB") issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information" which was adopted by the Company in 1998. SFAS 131 establishes standards for reporting information about operating segments and related disclosures about products and services, geographic areas and major customers. Prior years have been reclassified to conform to the SFAS 131 requirements.

In March 1998, the Accounting Standards Executive Committee released Statement of Position 98-1, (SOP 98-1), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 requires companies to capitalize certain costs of computer software developed or obtained for internal use, provided that those costs are not research and development. In 1998, the Company adopted the guidelines established by SOP 98-1 in accounting for the costs of computer software developed or obtained for internal use in connection with its implementation of the ERP system.

1997 COMPARED TO 1996

Sales increased from $435.7 million in 1996 to $527.2 million in 1997. The 21% growth primarily resulted from a wider range of product offerings, continued foreign expansion and the increase of service and support programs.

Gross profit in 1997 increased by $30.6 million compared to 1996 on higher sales volume and improved margins. The Company's gross margin increased to 26.1% of sales in 1997 from 24.5% in 1996 due to cost reductions in both materials and labor as well as higher overhead absorption due to increased production volume.

Operating expenses increased to approximately 16.1% of sales in 1997 from the 15.1% reported in the prior year. In connection with the merger, in the fourth quarter of 1997, the Company recorded a charge to operating expenses of $3.0 million for direct merger transaction costs consisting primarily of fees for investment bankers, attorneys, accountants, financial printing and other related charges. Operating income rose to 9.9% of sales from 9.4% in 1996, as a result of higher gross profit partially offset by the increase in operating expenses.

Selling, general and administrative expenses in 1997 increased to 9.9% of sales versus 9.7% in 1996. Sales and marketing expenses increased $5.4 million or 24% due to increased commission expense resulting from higher sales levels, additional marketing programs to support the launch of new products, entry into new markets worldwide and expansion of distribution channels. General and administrative ("G&A") expenses increased $4.4 million, or 22%, as a result of the Company's business development activities and the inclusion of the Elba Group acquired in July 1997. As a percentage of sales, G&A expenses increased to 4.6% from 4.5% in 1996.

Research and development (R&D) expenses in 1997 increased $6.4 million or 27.2%

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from 1996. As a percentage of sales, R&D expenses were 5.7% in 1997 versus 5.4% in 1996. The higher expense level was primarily attributable to the cost of developing new products consistent with the Company's ongoing commitment to develop and produce high-quality, innovative products targeted to the communications industry.

Provision for income taxes increased to 35.5% of pretax income in 1997 from 21.4% in 1996. The effective tax rate was lower in 1996 primarily due to the recognition of an income tax benefit related to the net operating loss carryforwards in the Company's Austrian operations.

DISCONTINUED OPERATIONS--On April 17, 1997, the Company announced its intention to sell its Industrial Automation division, RTP Corp. ("RTP"), pursuant to a plan of disposal approved by the Company's Board of Directors. Accordingly, the Company classified RTP as a discontinued operation and recorded an after-tax non-recurring charge of $2.1 million, or $0.05 per share, against 1997 earnings. Effective July 5, 1997, the Company sold substantially all of the assets of RTP Corp. to RT Acquisition Florida Corp. Proceeds from the sale included $2.0 million cash, a subordinated unsecured one-year note in the aggregate principal amount of approximately $2.2 million bearing interest at the prime rate, and the assumption of certain of RTP's liabilities.

LIQUIDITY AND CAPITAL RESOURCES

As of January 1, 1999, the Company's cash balance decreased to $41.5 million from $55.4 million at January 2, 1998 primarily due to $19.4 million spent for repurchases of the Company's common stock, $19.0 million for principal debt repayments and $26.8 million for capital expenditures in 1998. These activities were funded primarily with cash on hand, cash from operations and $4.6 million proceeds from exercises of stock options.

Cash provided by operations increased to $44.1 million in 1998 versus $38.8 million in 1997 and $30.2 million in 1996. The increase in 1998 was primarily due to income from operations, excluding the $7.2 million pre-tax restructuring charge, and smaller increases in accounts receivable and inventories. The increase in 1997 is mainly the result of a decrease in prepaid expenses and an increase in accounts payable and accrued liabilities partially offset by increases in accounts receivable and inventory.

Accounts receivable increased to $88.8 million at January 1, 1999 from $84.4 million at January 2, 1998 partially due to higher sales volume but also due to a change in payment terms extended to certain OEMs from 35 to 45 days. Days sales outstanding in receivables increased to 55 days for 1998 compared to 51 in 1997. The increase in inventory levels was primarily attributable to production planning to meet manufacturing lead times, expansion of inventory depots to better service customers, and anticipated demand for new product introductions.

Capital expenditures for fiscal year 1998 totaled $26.8 million primarily for the continued maintenance of facilities and equipment in support of the Company's current operating activities with an additional $7.7 million related to the implementation of the new enterprise-wide ERP system. Such capital expenditures were financed with cash generated from operations. The Company's current commitment to implement the ERP system is approximately $25 million to be incurred over a three-year period of which approximately $22 million is expected to be capitalized and amortized and approximately $3 million is expected to be expensed as incurred.

Accounts payable increased $5.2 million, or 14%, from January 2, 1998 due to increases in capital expenditures including the implementation of the ERP system, operating expenses, and material purchases to support the Company's growth in sales.

On July 22, 1998, the Company's Board of Directors authorized a share repurchase program to purchase up to 4.0 million shares of the Company's common stock in the open market or in privately-negotiated transactions, depending on market conditions and other factors. As of January 1, 1999, the Company repurchased and retired 1,211,500 shares of its common stock for a total of approximately $19.4 million in cash.

The Company used $24.6 million, $44.7 million and $20.9 million in investing activities in fiscal years 1998, 1997 and 1996, respectively. The use of cash in fiscal 1998 reflects capital expenditures of $26.8 million partially offset by $2.2 million proceeds from the sale of substantially all of the assets of RTP Corp. The use of cash in fiscal 1997 was due mainly to the acquisition of the Elba Group for $26.2 million (net of cash acquired) and increased purchases of property, plant and equipment in line with the continued upgrading of the Company's overseas manufacturing facilities. The major investing activities for fiscal 1996 were capital additions to support business operations and the acquisition of Jeta for $9.6 million (net of cash acquired).

Cash used in financing activities in fiscal 1998 of $33.7 million reflects: (1) long-term debt principal repayments including $4.4 million on the Company's seven-year term loan, $3.2 million on its 6.9% mortgage note, approximately $7.6 million on the Company's Austrian subsidiary's revolving loans and notes

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payable, and $3.5 million in capital lease principal payments and (2) repurchase and retirement of 1,211,500 shares of the Company's common stock for $19.4 million, partially offset by $4.6 million in proceeds from stock option exercises.

Cash provided by financing activities in fiscal 1997 of $27.1 million reflected borrowings under the 52 million Deutsche mark term loans, net of debt issuance costs, and $5.5 million proceeds from exercises of stock options partially offset by $14.2 million long-term debt and capital lease principal repayments including $3.7 million on the Company's seven-year term loan. Financing activities used $1.5 million in fiscal 1996 for the repurchase of the Company's common stock and for the repayment of long-term debt partially offset by proceeds from issuance of debt and exercises of options.

Effective December 31, 1998, the Company entered into a credit agreement with a syndicate of banks which provides a new three-year, multi-currency $200 million credit facility. The new revolving facility, which expires on December 31, 2001, replaces the Company's previous $20 million credit line. The agreement provides for various interest rate options on the facility based on London Interbank Offering Rates plus .625% and includes a fee of .20% on the unused balance, both payable quarterly. The agreement contains certain restrictive covenants that, among other things, require the Company to maintain certain financial ratios and limit the purchase, transfer or distribution of the Company's assets. The funds are to be used for the repayment of the Company's existing $46.4 million term loans and for other general corporate purposes. As of January 1, 1999, the Company had made no borrowings under the revolving credit facility and was in compliance with the agreement's covenants. On January 8, 1999, the existing term loans were repaid from borrowings under the new revolving credit facility. Any amounts outstanding under the revolver are due on December 31, 2001.

Based on current plans and business conditions, the Company believes that its cash and equivalents, its available credit line, cash generated from operations, and other financing activities are expected to be adequate to meet capital expenditures, working capital requirements, debt and capital lease obligations and operating lease commitments through 1999.

QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to the impact of interest rate changes and foreign currency fluctuations. In the normal course of business, the Company employs established policies and procedures to manage its exposure to changes in interest rates and fluctuations in the value of foreign currencies using a variety of financial instruments.

The Company utilizes derivative financial instruments to reduce financial market risks. The Company manages its interest rate risk on its variable rate debt instruments through use of interest rate swaps pursuant to which the Company exchanges its floating rate interest obligations for fixed rates. The fixing of the interest rates offsets the Company's exposure to the uncertainty of floating interest rates during the term of the loans.

The Company has significant assets and operations in Europe and Asia and, as a result, its financial performance could be affected by significant fluctuations in foreign exchange rates. To mitigate potential adverse trends, the Company's operating strategy takes into account changes in exchange rates over time. Accordingly, the Company enters into various forward contracts that change in value as foreign exchange rates change to protect the value of its existing foreign currency assets, liabilities, commitments and anticipated foreign currency revenues. The principal currencies hedged are the Japanese yen, the Deutsche mark, and the Irish punt. For additional information, refer to Note 17 of the Notes to Consolidated Financial Statements.

It is the Company's policy to enter into foreign currency and interest rate transactions only to the extent considered necessary to meet its objectives as stated above. The Company does not enter into foreign currency or interest rate transactions for speculative purposes.

Given the current economic situation in Asia, there is a risk that the current pegging of the Hong Kong dollar to the US dollar will be removed. The Company's management has assessed the potential exposure in the event the peg is removed/changed and if there was a devaluation in the Hong Kong dollar. Since the Company's sales are in US dollars and purchases are either in US dollars or Hong Kong dollars, the potential effect would be to the carrying value of the Hong Kong building which currently approximates $6.7 million.

RECENT ACCOUNTING PRONOUNCEMENT

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS 133 establishes accounting and reporting standards for derivative instruments and for hedging activities, which the Company is required to adopt effective January 1, 2000. SFAS 133 will require the Company to record all derivatives as either assets or liabilities in the Consolidated Statement of Financial Position and measure those instruments at fair value. The accounting for changes in the fair value depends on the

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intended use of the derivative and the resulting designation. The impact of SFAS 133 on the Company's financial statements will depend on a variety of factors, including future interpretative guidance from the FASB, the future level of forecasted and actual foreign currency transactions, the extent of the Company's hedging activities, the types of hedging instruments used and the effectiveness of such instruments. However, given the Company's current use of derivatives and hedging activities, the Company does not believe the effect of adopting SFAS 133 will be material to its consolidated financial statements.

YEAR 2000 INITIATIVES AND EFFECTS

The Company has formed an internal Year 2000 compliance team and developed a compliance plan to evaluate its internal facilities, engineering and manufacturing processes, and business information systems with respect to Year 2000 readiness and compliance. Included in this evaluation are the Company's products and systems and potential impact of the Company's significant suppliers and customers. The Company is in the process of communicating with its significant suppliers and large customers to determine the extent to which the Company might be vulnerable to those third parties' failures to remedy their Year 2000 issues. The Company does not believe that it has material exposure related to the Year 2000 issue for the products it has sold.

There are five phases that describe the Company's process in becoming Year 2000 compliant. Phase 1, the awareness phase, encompasses developing a budget and project plan. Phase 2, the assessment phase, identifies mission-critical systems to check for compliance. Phase 3, the remediation phase, includes the actual corrective activities for non-compliant systems and processes. The Company is currently involved in some phase 3 remediation activities while completing the final assessment of internal applications and infrastructure. The initial inventory is complete with final assessments of Year 2000 issues scheduled for completion by the end of the first quarter in 1999. The remaining two phases, validation and implementation, are expected to start at the beginning of the second quarter of 1999 and be completed later in 1999.

The Company's current primary business information systems, in both the United States and its foreign locations, are known to be non-compliant. Upgrades for the Company's Asia-Pacific locations are complete. European locations are scheduled for upgrade in the first quarter of 1999. In addition, the Company is proceeding with a phased installation of a new Year 2000 compliant ERP system to replace its existing legacy application systems. The Company's goal is to complete the ERP implementation within all North American Artesyn facilities by mid-1999. In case of unexpected delays in the implementation of the ERP systems in North America, the Company's contingency plan will include the upgrade of its current business information systems to be Year 2000 compliant. The Company believes that it will have sufficient time to upgrade these systems in case of such a delay. The cost to upgrade these systems is not expected to be material. The implementation of the ERP system for the Company's European and Asia-Pacific locations is scheduled for completion by mid-year 2000. The implementation and installation of the new ERP system was a planned system change following the merger with Zytec to integrate the merged companies, and such implementation is not deemed undertaken solely for the Company to become Year 2000 compliant.

The Company has not completed its assessment of the total costs to address and remedy Year 2000 issues. The Company anticipates that it will complete a detailed breakdown of estimated costs shortly after completion of the Company's risk assessment. These costs will include time and effort of internal staff and consultants for renovation, validation and implementation, and computer and embedded technology systems enhancements and/or replacements. The total costs, excluding the implementation of the ERP systems, for achieving Year 2000 compliance is currently estimated at $3.5 million, of which approximately $700,000 has been incurred in 1998. Of the total estimated amount, approximately $2.5 million is expected to be capitalized and approximately $1.0 million is expected to be expensed as incurred. The total estimated cost to implement the new ERP systems is approximately $25 million to be incurred over a three-year period of which approximately $22 million is expected to be capitalized and amortized and approximately $3 million is expected to be expensed as incurred. ERP system costs incurred in 1998 totaled approximately $7.9 million, of which $7.7 million was capitalized and $200,000 was expensed. The Company expects these expenditures to be financed through operating cash flows or borrowings, as applicable.

The Company believes that its Year 2000 plan is sufficient and that the Year 2000 issue will not pose significant operational problems. However, the Company has identified the following potential Year 2000 risks at this time: 1) suppliers and/or customers may not be Year 2000 compliant; 2) ERP installation may not be completed on time; and 3) new systems/upgrades have incomplete or inadequate testing. The risk posed by suppliers to the Company is an interruption of material flow, which would impact shipments and resultant revenue. The risk posed by customers is a cancellation or delay in orders of products by customers who are not Year 2000 ready or whose costs to remedy Year 2000 issues are so significant that they cancel or delay orders. The risk of ERP installation not being complete is mitigated by the Company's anticipated ability to be able to upgrade current business information systems with Year 2000 upgrades, as applicable, for an amount not deemed by the Company to be

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material. In addition, Year 2000 issues would have a significant impact on the Company's operations and its financial results if: modifications cannot be completed on a timely basis; unforeseen needs or problems arise; or if systems operated by third parties are not Year 2000 compliant.

A "worse case scenario" Year 2000 contingency plan is scheduled to be completed by the beginning of the second quarter of 1999. The contingency plan will address plans to minimize any potential impact on Company operations in the case of unplanned Year 2000 related failures. The plan will include the upgrade of current information systems to Year 2000 compliant versions as well as management of materials and inventory to cover potential supplier-missed shipments.

The Company has not been required to, and does not anticipate, deferring any projects as a result of its Year 2000 preparation.

The estimates and conclusions set forth herein regarding Year 2000 compliance contain forward-looking statements and are based on management's estimates of future events and information provided by third parties. There can be no assurance that such estimates and information will prove to be accurate. Risks to completing the Year 2000 project include the availability of resources, the Company's ability to discover and correct potential Year 2000 problems and the ability of suppliers, customers and other third parties to bring their systems into Year 2000 compliance.

CONVERSION TO THE EURO CURRENCY

On January 1, 1999, certain member countries of the European Union are scheduled to establish fixed conversion rates between their existing currencies and the European Union's common currency ("Euro"). The Company conducts business in member countries. The transition period for the introduction of the Euro will be between January 1, 1999 and June 30, 2002. The Company is addressing the issues involved with the introduction of the Euro. The more important issues facing the Company include: converting information technology systems; reassessing currency risk; negotiating and amending licensing agreements and contracts; and processing tax and accounting records.

The company does not presently expect that introduction and use of the Euro will materially affect the Company's foreign exchange and hedging activities or the Company's use of derivative instruments. Management does not expect that the introduction of the Euro will result in any material increase in costs to the Company. All costs associated with the introduction of the Euro will be expensed to operations as incurred. While the Company will continue to evaluate the impact of the Euro introduction over time, based on currently available information, management does not believe that the introduction of the Euro currency will have a material adverse impact on the Company's financial condition or overall trends in results of operations.

CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended on the Friday Nearest December 31
(Amounts in Thousands Except Per Share Data)
<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
Sales	$532,392	$527,236	$435,731
Cost of Sales	395,273	389,703	328,810
Gross Profit	137,119	137,533	106,921
Expenses			
Selling, general and administrative	54,548	52,058	42,232
Research and development	33,401	30,032	23,612
Restructuring charge	7,189	-	-
Merger-related charges	-	3,000	-
	95,138	85,090	65,844
Operating Income	41,981	52,443	41,077
Other Income (Expense)			
Interest expense	(4,013)	(4,945)	(4,576)
Interest income	2,396	1,943	1,087
	(1,617)	(3,002)	(3,489)
Income from Continuing Operations before Income Taxes	40,364	49,441	37,588
Provision for Income Taxes	13,320	17,559	8,033
Income from Continuing Operations	27,044	31,882	29,555
Discontinued Operations			
Profit (loss) from operations, net of income taxes			

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of $(222) and $177, respectively	-	(333)	504
Loss on disposal of RTP (including provision of $1,000 for operating losses during phase-out period), net of tax benefit of $1,152	-	(1,729)	-
Net Income	$ 27,044	$ 29,820	$ 30,059
Earnings per Share			
Basic			
Income from Continuing Operations	$ 0.70	$ 0.87	$ 0.84
Discontinued Operations	-	(0.06)	0.01
Net Income	$ 0.70	$ 0.81	$ 0.85
Diluted			
Income from Continuing Operations	$ 0.67	$ 0.80	$ 0.78
Discontinued Operations	-	(0.05)	0.01
Net Income	$ 0.67	$ 0.75	$ 0.79
Common and Common Equivalent Shares Outstanding			
Basic	38,369	36,650	35,375
Diluted	40,635	40,654	37,870

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
As of the Friday Nearest December 31
(Amounts in Thousands Except Share Data)
<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>
ASSETS		
Current Assets		
Cash and equivalents	$ 41,525	$ 55,392
Accounts receivable, net of allowance for doubtful accounts of $1,875 at January 1, 1999 and $1,736 at January 2, 1998	88,828	84,479
Inventories	62,460	59,663
Prepaid expenses and other	4,832	8,522
Deferred income taxes, net	7,685	5,293
Total current assets	205,330	213,349
Property, Plant & Equipment, Net	75,032	61,581
Other Assets		
Goodwill, net	40,039	40,704
Deferred income taxes, net	2,682	4,509
Other assets, net	2,309	2,034
Total other assets	45,030	47,247
	$325,392	$322,177
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt and capital leases	$ 2,707	$ 15,598
Accounts payable and accrued liabilities	81,653	81,929
Total current liabilities	84,360	97,527
Long-Term Liabilities		
Long-term debt and capital leases	50,283	52,949
Other long-term liabilities	4,974	5,785
Deferred tax liabilities	4,687	3,240
Total long-term liabilities	59,944	61,974
Total liabilities	144,304	159,501

Commitments and Contingencies (see Notes 8, 10 and 13)

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Shareholders' Equity		
Preferred stock, par value $0.01; 1,000,000 shares authorized; none issued or outstanding	-	-
Common stock, par value $0.01; 80,000,000 shares authorized; 37,882,248 shares issued and outstanding at January 1, 1999 (38,380,964 at January 2, 1998)	379	384
Additional paid-in capital	85,018	78,056
Retained earnings	99,128	88,769
Foreign currency translation adjustment	(3,437)	(4,533)
Total shareholders' equity	181,088	162,676
	$325,392	$322,177

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended on the Friday Nearest December 31
(Amounts in Thousands)
<TABLE>
<CAPTION>

	1998	1997	1996
OPERATING ACTIVITIES			
<S>	<C>	<C>	<C>
Net income	$27,044	$29,820	$30,059
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	16,898	13,561	10,287
Deferred income taxes	1,042	(3,395)	(2,088)
Provision for inventory writedown	6,407	4,963	1,988
Provision for restructuring charge	7,189	-	-
Other non-cash charges	720	2,473	(383)
Changes in operating assets and liabilities:			
Increase in accounts receivable	(1,032)	(22,264)	(8,730)
(Increase) decrease in inventories	(6,466)	(14,489)	2,860
(Increase) decrease in prepaid expenses and other	(1)	8,683	24
Increase (decrease) in accounts payable and accrued liabilities	(7,659)	18,037	(2,617)
Net cash provided by (used in) discontinued operations	-	1,423	(1,220)
Net Cash Provided by Operating Activities	44,142	38,812	30,180
INVESTING ACTIVITIES			
Purchases of property, plant & equipment	(26,795)	(22,231)	(9,387)
Proceeds from sale of property, plant & equipment	54	1,656	-
Purchase of the Elba Group, net of cash acquired	-	(26,186)	-
Purchase of Jeta Power Systems, Inc., net of cash acquired	-	-	(9,577)
Purchase of Zytec Hungary Elektronikai Kft.	-	-	(830)
Proceeds from sale of RTP Corp.	2,150	2,000	-
(Increase) decrease in other assets	-	96	(206)
Investing activities of discontinued operations	-	(32)	(897)
Net Cash Used in Investing Activities	(24,591)	(44,697)	(20,897)
FINANCING ACTIVITIES			
Proceeds from issuances of long-term debt	-	35,796	20,086
Principal payments on debt and capital leases	(18,968)	(14,163)	(14,899)
Proceeds from revolving credit loans	-	14,726	144,806
Payments on revolving credit loans	-	(14,726)	(152,104)
Decrease in bank overdrafts	-	-	(1,220)
Proceeds from exercises of stock options	4,640	5,511	3,888
Repurchases of common stock	(19,379)	-	(2,032)
Net Cash Provided by (Used in) Financing Activities	(33,707)	27,144	(1,475)
Effect of Exchange Rate Changes on Cash and Equivalents	289	(543)	216
Increase (Decrease) in Cash and Equivalents	(13,867)	20,716	8,024
Cash and Equivalents, Beginning of Year	55,392	34,676	26,652
Cash and Equivalents, End of Year	$41,525	$55,392	$34,676
Supplemental Cash Flow Disclosures			
Cash paid during the year for:			
Interest	$ 3,511	$ 4,754	$ 4,627
Income taxes	12,442	9,213	5,139
Noncash investing and financing activities:			

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Fair value of assets acquired in connection with purchase acquisitions	-	35,000	14,055
Liabilities assumed in connection with purchase acquisitions	-	6,600	1,916
Goodwill reduction from utilization of loss carryforwards	-	-	606
Common stock issued from conversion of note (including debt issuance costs written off)	-	11,386	-
Tax benefit from exercises of stock options	5,011	3,163	1,934
Equipment acquired through issuance of debt	-	736	1,423
Property and equipment acquired through capital lease obligations	1,222	1,505	7,372
Note receivable from sale of RTP Corp.	-	2,150	-

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME
For the Years Ended on the Friday Nearest December 31
(Amounts in Thousands)
<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Foreign Currency Translation Adjustment	Comprehensive Income
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 29, 1995	28,830	$288	$52,375	$30,571	$ (345)	
Additional shares issued in two-for-one stock split	5,982	60	(60)	-	-	
Issuance of common stock	8	-	100	-	-	
Issuance of common stock under stock option and employee purchase plans	1,419	14	3,874	-	-	
Tax benefit from exercises of stock options	-	-	1,934	-	-	
Repurchases and retirement of common stock	(197)	(2)	(349)	(1,681)	-	
Net income	-	-	-	30,059	-	$30,059
Other comprehensive income - foreign currency translation adjustment, net of tax of $46	-	-	-	-	168	168
Comprehensive income						$30,227
Balance, January 3, 1997	36,042	360	57,874	58,949	(177)	
Issuance of common stock	21	-	146	-	-	
Issuance of common stock under stock option and employee purchase plans	1,151	12	5,499	-	-	
Tax benefit from exercises of stock options	-	-	3,163	-	-	
Conversion of convertible subordinated note (including debt issuance costs written off)	1,167	12	11,374	-	-	
Net income	-	-	-	29,820	-	$29,820
Other comprehensive income - foreign currency translation adjustment, net of tax of $2,397	-	-	-	-	(4,356)	(4,356)
Comprehensive income						$25,464
Balance, January 2, 1998	38,381	384	78,056	88,769	(4,533)	
Issuance of common stock under stock option and employee purchase plans	713	7	4,633	-	-	
Tax benefit from exercises of stock options	-	-	5,011	-	-	
Repurchases and retirement of common stock	(1,212)	(12)	(2,682)	(16,685)	-	
Net income	-	-	-	27,044	-	$27,044
Other comprehensive income - foreign currency translation adjustment, net of tax of $539	-	-	-	-	1,096	1,096
Comprehensive income						$28,140
Balance, January 1, 1999	37,882	$379	$85,018	$99,128	$(3,437)	

</TABLE>

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The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION The consolidated financial statements include the accounts of Artesyn Technologies, Inc. (formerly named Computer Products, Inc.) and its subsidiaries (collectively referred to as the "Company"). Intercompany accounts and transactions have been eliminated in consolidation. On December 29, 1997, Computer Products, Inc. completed a merger with Zytec Corporation ("Zytec") whereby Zytec became a wholly-owned subsidiary of Computer Products (the "merger"). The consolidated financial statements for all periods presented prior to the merger have been restated as if the Company operated as one entity since inception. The merger has been accounted for as a pooling-of-interests as discussed in Note 5.

The Company received shareholder approval at its annual shareholders' meeting held in May 1998 to legally change the Company's corporate name from Computer Products, Inc. to Artesyn Technologies, Inc. Since that date, the Company began trading under The Nasdaq Stock MarketSM symbol ATSN.

FISCAL YEAR The Company's fiscal year ends on the Friday nearest December 31, which results in a 52- or 53-week year. The fiscal years ended January 1, 1999, January 2, 1998 and January, 3, 1997 comprise 52, 52 and 53 weeks, respectively.

CASH AND EQUIVALENTS Only highly liquid investments with original maturities of 90 days or less are classified as cash and equivalents. These investments are carried at cost, which approximates market value.

INVENTORIES Inventories are stated at the lower of cost, on a first-in, first-out basis, or market.

PROPERTY, PLANT & EQUIPMENT Property, plant and equipment is stated at cost. Depreciation is provided for on the straight-line method over the estimated useful lives of the assets ranging from three to 30 years or the lease terms, if shorter. Leasehold improvements are recorded at cost and are amortized using the straight-line method over the remaining lease term or the economic useful life, whichever is shorter. Major renewals and improvements are capitalized, while maintenance, repairs and minor renewals not expected to extend the life of an asset beyond its normal useful life are expensed as incurred. The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of its property, plant and equipment or whether the remaining balance of property, plant and equipment should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the property, plant and equipment in measuring their recoverability.

GOODWILL The excess of purchase price over net assets of companies acquired (goodwill), which are accounted for under the purchase method, is capitalized and amortized on a straight-line basis over periods ranging from 20 to 40 years. Related accumulated amortization was $9,701,000 and $7,322,000 at January 1, 1999 and January 2, 1998, respectively. Amortization expense was $2,257,000, $1,550,000 and $837,000 in fiscal years 1998, 1997 and 1996, respectively. The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of goodwill or whether the remaining balance of goodwill should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the goodwill in measuring its recoverability.

FOREIGN CURRENCY TRANSLATION The functional currency of the Company's European subsidiaries is each foreign subsidiary's local currency. Assets and liabilities are translated from their functional currency into US dollars using exchange rates in effect at the balance sheet date. Income and expense items are translated using average exchange rates for the period. The effect of exchange rate fluctuations on translating foreign currency assets and liabilities into US dollars is included in shareholders' equity. Foreign exchange transaction gains and losses are included in the results of operations. The functional currency of the Company's Asian subsidiaries is the US dollar, as their transactions are substantially denominated in US dollars. Financial exposure may result from the timing of transactions and the movement of exchange rates.

REVENUE RECOGNITION The Company recognizes revenue as products are shipped and title is passed to the customer or as services are rendered by the Company.

PRODUCT WARRANTY The Company records estimated product warranty costs in the period in which the related sales are recognized.

INCOME TAXES Income taxes reflect the current and deferred tax consequences of events that have been recognized in the Company's financial statements or tax returns. The realization of deferred tax assets is based on historical tax

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positions and expectations about future taxable income.

EARNINGS PER SHARE Basic earnings per share ("EPS") is calculated by dividing income available to common shareholders by the weighted-average number of common shares outstanding during each period. Diluted earnings per share includes the potential impact of convertible securities and dilutive common stock equivalents using the treasury stock method of accounting. The reconciliation of the numerator and denominator of the EPS calculation is presented in Note 12.

COMPREHENSIVE INCOME In 1998, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income" which requires companies to report all changes in equity in a financial statement for the period in which they are recognized, except those resulting from investment by owners and distributions to owners. The Company has chosen to disclose Comprehensive Income, which encompasses net income and foreign currency translation adjustments, in the Consolidated Statements of Shareholders' Equity and Comprehensive Income. Prior years have been reclassified to conform to the SFAS 130 requirements.

STOCK SPLIT In April 1996, Zytec's board of directors authorized a two-for-one stock split in the form of a 100% stock dividend distributed on June 3, 1996 to shareholders of record on May 20, 1996. Applicable per share and number of share data have been retroactively restated to reflect the stock split, except for the Consolidated Statements of Shareholders' Equity and Comprehensive Income.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The more significant estimates made by management include the provision for doubtful accounts receivable, inventory write-downs for potentially excess or obsolete inventory, restructuring charges, warranty reserves, and the amortization period for intangible assets. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based on such periodic evaluation.

ACCOUNTING PRONOUNCEMENTS In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS 133 establishes accounting and reporting standards for derivative instruments and for hedging activities, which the Company is required to adopt effective January 1, 2000. SFAS 133 will require the Company to record all derivatives as either assets or liabilities in the Consolidated Statement of Financial Position and measure those instruments at fair value. The accounting for changes in the fair value depends on the intended use of the derivative and the resulting designation. The impact of SFAS 133 on the Company's financial statements will depend on a variety of factors, including future interpretative guidance from the FASB, the future level of forecasted and actual foreign currency transactions, the extent of the Company's hedging activities, the types of hedging instruments used and the effectiveness of such instruments. However, given the Company's current use of derivatives and hedging activities, the Company does not believe the effect of adopting SFAS 133 will be material to its consolidated financial statements.

In March 1998, the Accounting Standards Executive Committee released Statement of Position 98-1, ("SOP 98-1"), "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". SOP 98-1 requires companies to capitalize certain costs of computer software developed or obtained for internal use, provided that those costs are not research and development. In 1998, the Company adopted the guidelines established by SOP 98-1 in accounting for the costs of computer software developed or obtained for internal use in connection with its implementation of the ERP system.

RECLASSIFICATIONS Certain prior years' amounts have been reclassified to conform with the current year's presentation.

2. INVENTORIES

The components of inventories are as follows ($000s):

	1998	1997
Raw materials	$30,737	$31,181
Work in process	10,097	12,582
Finished goods	21,626	15,900
Inventories	$62,460	$59,663

3. PROPERTY, PLANT & EQUIPMENT

Property, plant & equipment is comprised of the following ($000s):

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	1998	1997
Land	$2,509	$2,423
Buildings and fixtures	18,136	18,227
Machinery and equipment	105,950	77,812
Leasehold improvements	4,816	1,763
Equipment, furniture and leasehold improvements under capital leases	13,400	12,214
	144,811	112,439
Less accumulated depreciation and amortization	69,779	50,858
Property, plant & equipment, net	$75,032	$61,581

Depreciation and amortization expense was $14,407,000, $11,525,000 and $8,840,000 in fiscal years 1998, 1997 and 1996, respectively.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The components of accounts payable and accrued liabilities are as follows ($000s):

	1998	1997
Accounts payable	$42,025	$36,790
Accrued liabilities:		
Compensation and benefits	13,543	14,875
Income taxes payable	8,296	14,071
Warranty reserve	4,897	3,457
Restructuring reserve	2,795	-
Other	10,097	12,736
	$81,653	$81,929

At January 1, 1999 and January 2, 1998, other accrued liabilities consisted primarily of accruals for commissions, advertising, professional fees, and other taxes.

5. BUSINESS COMBINATIONS

Zytec -- On December 29, 1997, Computer Products completed the merger with Zytec by exchanging approximately 14.1 million shares of its common stock for all the outstanding common stock of Zytec. Each share of Zytec was exchanged for 1.33 shares of the Company's common stock. In addition, outstanding Zytec employee stock options were converted at the same exchange factor into options to purchase up to approximately 3.9 million shares of the Company's common stock. All applicable share data have been retroactively restated in the consolidated financial statements. The merger constituted a tax-free reorganization and has been accounted for as a pooling-of-interests under Accounting Principles Board Opinion ("APB") No. 16. Accordingly, consolidated financial statements presented herein for periods prior to the merger have been restated to include the combined results of operations, financial position and cash flows of the merged companies.

There were no transactions between Computer Products and Zytec prior to the combination and certain adjustments were recorded in 1997 to conform Zytec's accounting policies to the Company's accounting policies. Differences in these practices prior to 1997 were deemed not to be material to the Company's financial statements. Certain reclassifications were made to the Zytec financial statements to conform to the Company's presentation.

Sales and earnings data for the separate companies and the combined amounts as presented in the consolidated financial statements are displayed in the table below ($000s). Since the merger was effective on December 29, 1997, the table reflects sales and earnings data for the entire 1997. Operations from December 29, 1997 to January 2, 1998 would not have had a material impact on the data presented for fiscal year 1997.

	1997	1996
Sales		
Computer Products	$262,774	$207,563
Zytec	264,462	228,168
Combined	$527,236	$435,731
Net Income		
Computer Products	$20,089	$19,578
Zytec	9,731	10,481

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Combined	$29,820	$30,059

In connection with the merger, in the fourth quarter of 1997, the Company recorded a charge to operating expenses of $3.0 million for direct transaction costs consisting primarily of fees for investment bankers, attorneys, accountants, financial printing and other related charges.

The ELBA Group -- On July 22, 1997, the Company acquired the Elba Group ("Elba"), a European designer, manufacturer and marketer of a wide range of both AC/DC and DC/DC power conversion products. The Company purchased Elba for 52 million Deutsche marks (approximately $28.5 million) in cash provided by two seven-year term loans from a financial institution. At the acquisition date, Elba had design, sales and manufacturing organizations in Oberhausen and Einsiedel, Germany; Chomutov, Czech Republic; and Etten-Leur, Netherlands. Elba also had sales offices in Pfaffikon, Switzerland; Vaulx-Milieu, France; and Chesterfield, United Kingdom.

The acquisition was accounted for under the purchase method of accounting. Accordingly, the excess of the purchase price over the estimated fair value of the net assets acquired, or approximately $21.5 million, was recorded as goodwill which is being amortized on a straight-line basis over a period of 20 years. Elba's results of operations have been included in the Company's consolidated financial statements from the date of acquisition. The following unaudited pro forma information combines the consolidated results of operations of the Company and Elba as if the acquisition had occurred at the beginning of the periods presented.

Unaudited Combined Pro Forma Information
($000s Except per Share Data)

	1997	1996
Sales	$540,545	$462,366
Income from Continuing Operations	32,556	31,312
Per share - basic	0.89	0.89
Per share - diluted	0.81	0.83
Net Income	30,494	31,816
Per share - basic	0.83	0.90
Per share - diluted	0.76	0.84

The unaudited pro forma results have been prepared for comparative purposes only and include certain adjustments, such as additional amortization expense as a result of goodwill, increased interest expense on the acquisition debt, and related income tax effects. The pro forma results do not purport to be indicative of results that would have occurred had the combination been in effect for the periods presented, nor do they purport to be indicative of the results that will be obtained in the future.

Effective December 11, 1998, the Company sold Elba-electric-produktion s.r.o. (its Czech Republic division) to a third party for 20,000 Deutsche marks and the repayment of an intercompany loan with a balance of approximately $400,000. The results of operations of such division were not significant in relation to the Company's consolidated financial statements; accordingly pro forma disclosures have not been presented. In addition, the sales offices located in Pfaffikon, Switzerland; Vaulx-Milieu, France; and Chesterfield, United Kingdom were closed during 1998. Costs related to such facilities closures were included in the restructuring charge described in Note 6.

Jeta Power Systems -- Effective August 23, 1996, the Company acquired the remaining 90% of the outstanding capital stock of Jeta Power Systems, Inc. ("Jeta") for approximately $11.25 million in cash. Jeta designs, manufactures and markets medium-to-high power systems in the 400 watt to 4 kilowatt range for applications in telecommunications, networking, computing and instrumentation markets. The Company had purchased an initial 10% of Jeta's capital stock during 1984 for approximately $433,000. The Company used cash on hand to pay for the acquisition.

The acquisition was accounted for under the purchase method of accounting. Accordingly, $7.9 million, representing the excess of the purchase price over the estimated fair value of the net assets acquired, has been recorded as goodwill and is being amortized on a straight-line basis over a period of 20 years. Jeta's results of operations have been included in the Company's consolidated financial statements from the date of acquisition and are not significant in relation to the Company's consolidated financial statements. Accordingly, pro forma financial disclosures have not been presented.

Artesyn Hungary Electronics -- In March 1996, Zytec completed the acquisition of the outstanding stock of BHG Tatabanya Alkatrezsgyarto Kft. (formerly known as Zytec Hungary Elektronikai Kft). The $830,000 purchase price was paid in cash. This acquisition has been recorded using the purchase method of accounting.

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Artesyn Hungary's results of operations have been included in the Company's consolidated financial statements from the date of acquisition and are not significant in relation to the Company's consolidated financial statements. Accordingly, pro forma financial disclosures have not been presented.

6. RESTRUCTURING

During the first quarter of 1998, the Company recorded a $9.6 million pre-tax charge in connection with the Company's restructuring plan following its merger with Zytec. This amount is allocated in the accompanying Consolidated Statements of Operations as follows: $7.2 million to Restructuring Charge, as further described below, and $2.4 million to Cost of Sales, which relates principally to inventory write-offs of duplicate product development programs which were underway at CPI and Zytec prior to the merger. The restructuring charge relates primarily to the elimination of duplicate facilities in an effort to reduce costs pursuant to the Company's integration plan. Specific restructuring actions included the closure of certain domestic and foreign manufacturing and other facilities through the consolidation of manufacturing operations with corresponding personnel reductions, the realignment of the Company's workforce to eliminate duplicate functions particularly in administrative areas, and other related cost-savings actions.

The following table includes the components of the restructuring charge and related charge for inventory write-offs, the current year payments and other activities, and the remaining restructuring reserve balance of approximately $2.8 million which is included in accrued liabilities as of January 1, 1999 ($000s):
<TABLE>
<CAPTION>

<S>	Employee Termination Benefits <C>	Asset Write-offs <C>	Facility Closures <C>	Product Line Rationalization <C>
Restructuring provision /write-offs	$3,956	$1,231	$2,002	$2,411
Cash payments	(2,806)	-	(357)	-
Non-cash activities	-	(1,231)	-	(2,411)
Reserve balance at January 1, 1999	$1,150	$ -	$1,645	$ -

</TABLE>

Employee termination benefits primarily represent severance pay and other benefits associated with the elimination of approximately 360 positions worldwide, with more than 70% of the eliminated positions coming from the rationalization of certain duplicate manufacturing locations and sales offices in Europe and the remaining 30% relating to duplicate management and administrative personnel. In the latter part of 1998, the Company's revised its initial estimate of positions to be eliminated from 400 to 360. The revised estimated charges for employee termination benefits approximate the initial estimate. As of January 1, 1999, approximately 300 of the anticipated 360 positions had been eliminated worldwide.

The provision for the facility closures includes leasehold termination payments, service contracts obligations, and other exit costs associated with facilities closures discussed above.

As a result of such facilities closures, the Company evaluated whether related fixed assets (including duplicate management information systems and unusable manufacturing and testing equipment) had become impaired. The Company used an estimate of the related undiscounted cash flows over the remaining life of such machinery and equipment in measuring their recoverability and determined that such assets were permanently impaired. As a result, these fixed assets were written down to their net realizable value.

Total expected cash expenditures related to the restructuring charge are estimated to be approximately $6.0 million. With the exception of certain lease-related cash requirements, the remaining anticipated cash payments of approximately $2.8 million are expected to be paid during the first half of 1999.

7. DISCONTINUED OPERATIONS

On April 17, 1997, the Company announced its intention to sell its Industrial Automation division, RTP Corp. ("RTP"), pursuant to a plan of disposal approved by the Board of Directors. Effective July 5, 1997, the Company sold substantially all of the assets of RTP to RT Acquisition Florida Corp. Proceeds from the sale included $2.0 million cash, a subordinated unsecured one-year note in the aggregate principal amount of approximately $2.2 million bearing interest at the prime rate, and the assumption of certain of RTP's liabilities. An estimated after-tax loss on the sale of approximately $1.7 million (net of income tax benefit of $1,152,000) was recorded in the first quarter of 1997 representing the estimated loss on the disposal of RTP's net assets and a pre-tax provision of $1,000,000 for expected operating losses during the

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phase-out period. The actual loss on disposal approximated the amount recorded in the first quarter of 1997.

RTP's sales from January 4, 1997 through its disposal date were $4,793,000. RTP sales in 1996 were $14,922,000. RTP's operating results are shown separately as discontinued operations in the accompanying Consolidated Statements of Operations.

8. LINE OF CREDIT

Effective December 31, 1998, the Company entered into a credit agreement with a syndicate of banks which provides a new three-year, multi-currency $200 million credit facility. The new revolving facility, which expires on December, 31 2001, replaces the Company's previous $20 million credit line. The agreement provides for various interest rate options on the facility based on London Interbank Offering Rates plus .625% and includes a fee of .20% on the unused balance, both payable quarterly. The agreement contains certain restrictive covenants that, among other things, require the Company to maintain certain financial ratios and limit the purchase, transfer or distribution of the Company's assets. The funds are to be used for the repayment of the Company's existing $46.4 million term loans and for other general corporate purposes. As of January 1, 1999, the Company had made no borrowings under the revolving credit facility and was in compliance with the agreement's covenants. On January 8, 1999, the existing term loans were repaid from borrowings under the new revolving credit facility. Any amounts outstanding under the revolver are due on December 31, 2001.

9. LONG-TERM DEBT AND CAPITAL LEASES

Long-term and capital lease obligations consist of the following ($000s):
<TABLE>
<CAPTION>

<S>	<C> 1998	<C> 1997
5.58% interest-bearing note (a)	$31,023	$28,921
8.25% interest-bearing note (b)	15,400	19,800
4.875% long-term investment loan due July 1, 2002 (c)	611	713
3.50% revolving credit loan (d)	-	3,562
6.9% mortgage note (e)	-	3,286
3.875% notes payable (f)	-	2,414
Loan payable to bank (g)	-	1,618
Variable rate demand industrial development revenue bonds (h)	-	820
Capital lease obligations (see Note 10)	5,956	7,413
	52,990	68,547
Less current maturities	2,707	15,598
Long-term debt and capital leases	$50,283	$52,949

</TABLE>

(a) On July 15, 1997, the Company and one of its subsidiaries entered into two separate unsecured seven-year term loans with a bank providing an aggregate of 52 million Deutsche marks. The term loans bear interest at LIBOR plus .75% (see Note 17). Proceeds from the term loans were used to finance the Elba Group acquisition on July 22, 1997 (see Note 5). On January 8, 1999, the term loans were repaid from borrowings under the Company's new revolving credit facility (see Note 8).

(b) On April 4, 1995, the Company entered into an unsecured credit agreement with a bank that provided for a $25 million seven-year term loan. Proceeds from the term loan were used to redeem the Company's Debentures. The term loan bears interest at LIBOR plus .75% (see Note 17). On January 8, 1999, the term loan was repaid from borrowings under the Company's new revolving credit facility (see Note 8).

(c) Interest is payable at 4.875% through June 30, 1999 after which it will be renegotiated. Principal payments are as follows: 900,000 Austrian Schillings due semi-annually on January 1 and July 1 of each year, with interest payable annually.

(d) The Company's Austrian subsidiary had a revolving credit loan with a bank for financing export sales. The agreement was renewable quarterly and bore interest at 3.5%. This revolving credit loan was repaid and

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terminated during 1998.

(e) On June 28, 1994, the Company obtained a $3,600,000 seven-year commercial mortgage loan from a bank at a fixed interest rate of 6.9% for the first three years, repriced thereafter at 250 basis points over the then prevailing four-year U.S. Treasury Index. The loan proceeds were used to provide additional working capital. Effective July 1, 1997, the loan agreement was amended to extend the interest rate of 6.9% through June 30, 1998. The note was repaid in June of 1998.

(f) Notes payable include various notes which matured and were repaid from January to April 1998. The interest rate on each of the notes was 3.875% during 1998.

(g) Loan payable to bank bore interest at rates ranging from 5% to 6.3% and was repaid during 1998.

(h) The interest rate on demand industrial revenue bonds was established weekly based on market conditions such that the market value of the bonds would remain equal to their principal value. The bonds were repaid during 1998.

Maturities of long-term debt, including amounts borrowed under the revolver (which has a mandatory repayment date of December 31, 2001) and excluding capital lease obligations, are as follows: $153,000 in 1999, $153,000 in 2000, $46,576,000 in 2001, and $152,000 in 2002.

The fair value of the debt and capital leases, based upon discounted cash flow analysis using current market interest rates, approximates its carrying value at January 1, 1999.

10. LEASE OBLIGATIONS

Items under capital leases include certain equipment, furniture and leasehold improvements. The Company is also obligated under noncancelable operating leases for facilities and equipment that expire at various dates through 2005 and contain renewal options at favorable terms. Future minimum annual rental obligations and noncancelable sublease income are as follows ($000s):

Year	Capital Leases	Operating Leases	Sublease Income
1999	$3,022	$8,706	$2,432
2000	2,046	8,284	2,432
2001	1,453	7,469	2,432
2002	100	7,037	2,432
2003	64	6,064	396
Thereafter	61	12,924	-
	6,746	$50,484	$10,124
Less amount representing interest	(790)		
Present value of net minimum lease payments	$5,956		

Rental expense under operating leases amounted to $8,269,000, $6,133,000 and $6,395,000 in fiscal years 1998, 1997 and 1996, respectively. Sublease income was $2,257,000, $1,941,000 and $1,941,000 for fiscal years 1998, 1997 and 1996, respectively.

A lease liability has been recorded for a leased manufacturing facility no longer deployed in the Company's operations. Although the facility is being subleased, the future lease obligations exceed future sublease income, thereby creating a loss contract. The aggregate minimum annual rental obligations and sublease income under this lease have been included in the lease commitments table presented above. The lease liability is estimated based on contract provisions and historical and current market rates. This estimate can be materially affected by changes in market conditions. This lease liability is included in "other long-term liabilities" in the Consolidated Statements of Financial Condition and amounted to $4.4 million as of January 1, 1999.

11. INCOME TAXES

The components of the provision for income taxes on income from continuing operations consist of the following ($000s):

	1998	1997	1996
Currently payable:			
Federal	$8,872	$12,979	$4,410

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State	2,173	2,129	2,424
Foreign	1,233	5,846	3,287
Total current	12,278	20,954	10,121
Deferred provision:			
Federal	(2,252)	(3,019)	612
State	(251)	140	134
Foreign	3,545	(516)	(2,834)
Total deferred	1,042	(3,395)	(2,088)
Total provision for income taxes	$13,320	$17,559	$8,033

The exercise of nonqualified stock options resulted in state and federal income tax benefits to the Company related to the difference between the fair market price of the stock at the date of exercise and the exercise price. In fiscal 1998, 1997 and 1996, the provision for income taxes excludes current tax benefits of $5,011,000, $3,163,000 and $1,934,000, respectively, related to the exercise of stock options credited directly to additional paid-in capital.

During fiscal 1996, the Company utilized tax loss carryforwards obtained in a prior business combination. The effect of utilizing these carryforwards was to reduce goodwill by approximately $606,000 in 1996.

Income taxes have not been provided on the undistributed earnings of the Company's foreign subsidiaries, which approximated $68.3 million as of January 1, 1999, as the Company does not intend to repatriate such earnings.

The components of the Company's income from continuing operations before provision for income taxes consist of the following ($000s):

	1998	1997	1996
U.S.	$25,240	$28,626	$25,157
Foreign	15,124	20,815	12,431
Total income from continuing operations before income taxes	$40,364	$49,441	$37,588

The Company's effective tax rate differs from the U.S. statutory federal income tax rate due to the following:

	1998	1997	1996
U.S. federal statutory tax rate	35.0%	35.0%	35.0%
Foreign tax effects	(1.3)	(2.3)	(1.8)
Recognition of deferred tax benefit of NOL carryforward	-	-	(8.4)
Permanent items -non-deductible	0.8	2.7	0.3
Change in the valuation allowance	(4.2)	(5.2)	(10.8)
Effect of AMT and state income taxes	2.2	5.1	6.9
Other	0.5	0.2	0.2
Effective income tax rate	33.0%	35.5%	21.4%

In May 1996, the Austrian government changed the treatment of net operating loss ("NOL") carryforwards by (a) suspending the use of NOLs during the years 1996 and 1997 retroactively to January 1, 1996 and (b) removing the time limitations on the use of the NOLs. In light of this new statute and based on the Company's assessment of the strong financial results of the Austrian operations, the Company recognized the deferred income tax benefit related to the Austrian NOL carryforwards. This resulted in a $2,626,000 net reduction of income taxes in the second quarter of 1996, comprised of a tax benefit of $3,175,000 relating to recognition of the deferred tax benefit offset by $549,000 in income tax expense resulting from the retroactive application of this tax law change to first and second quarter Austrian operations.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and deferred tax liabilities as of January 1, 1999 and January 2, 1998 are as follows ($000s):

	1998	1997
DEFERRED TAX ASSETS		

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Net operating loss carryforwards	$ -	$1,118
Tax credit carryforwards	-	2,086
Foreign net operating loss carryforwards	-	2,665
Lease liabilities	1,751	1,799
Inventory reserves	2,604	2,558
Other accrued liabilities	5,283	3,430
Allowance for bad debt	696	595
Other	33	402
Gross deferred tax assets	10,367	14,653
Valuation allowance	-	(4,851)
Net deferred tax assets	$10,367	$9,802
DEFERRED TAX LIABILITIES		
Depreciation	$(1,708)	$(1,300)
Amortization of goodwill	(481)	(412)
Other	(2,498)	(1,528)
Deferred tax liabilities	$(4,687)	$(3,240)

The valuation allowance at January 2, 1998 included approximately $3.2 million related to the exercise of stock options, which was recognized during fiscal 1998 and was credited directly to additional paid-in capital. During the year ended January 1, 1999, the valuation allowance was eliminated due to management's belief that it is more likely than not that future taxable income will be sufficient to utilize deferred tax assets of approximately $10.4 million. In assessing the likelihood of utilization of existing deferred tax assets, management has considered the historical results of operations and the current operating environment.

12. EARNINGS PER SHARE

The following data show the amounts used in computing earnings per share and the effects on income and the weighted-average number of shares of potentially dilutive common stock. The number of shares used in the calculation for 1996 reflects a two-for-one stock split of Zytec's shares occurring on June 3, 1996. Also, the number of shares used in the calculation for fiscal years 1997 and 1996 was adjusted to reflect the additional shares issued pursuant to the merger with Zytec at a conversion ratio of 1.33. The reconciliation of the numerator and denominator of the EPS calculation is presented below (000s except per share data):

<TABLE>
<CAPTION>

	1998	1997	1996
Basic EPS			
<S>	<C>	<C>	<C>
Income from continuing operations	$27,044	$31,882	$29,555
Weighted average shares	38,369	36,650	35,375
Per share - basic	$ 0.70	$ 0.87	$ 0.84
Diluted EPS			
Income from continuing operations	$27,044	$31,882	$29,555
Add: after-tax interest on convertible note	-	548	-
	$27,044	$32,430	$29,555
Weighted average shares	38,369	36,650	35,375
Effect of dilutive items:			
Stock options	2,266	2,837	2,495
Convertible note	-	1,167	-
	40,635	40,654	37,870
Per share- diluted	$ 0.67	$ 0.80	$ 0.78
Antidilutive weighted options	723	167	433

</TABLE>

The above antidilutive weighted options to purchase shares of common stock were not included in computing diluted earnings per share because their effects were antidilutive for the respective periods.

13. COMMITMENTS AND CONTINGENCIES

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Grant Agreements

In prior years, the Company received grant assistance, under grant agreements, from the Industrial Development Authority (" IDA") of Ireland in connection with the Company's establishment of its Irish manufacturing operations. The funds received reduced the cost of the facility and equipment and operating expenses. In October 1997, the Company entered into a new grant agreement whereby the IDA granted the sum of approximately $3.0 million to the Company in consideration for the Company providing employment for a given number of Irish citizens, over a three-year period. As of January 1, 1999, the Company had received approximately $230,000 of the $3.0 million grant. The funds reduced operating expenses incurred in connection with the expansion of the Company's operations in Ireland. In the event of noncompliance with certain terms and conditions of the above-mentioned grant agreements, the Company may be required to repay approximately $2.7 million of funds received to date from prior grants. Management believes that noncompliance with the agreements is unlikely.

Legal Proceedings

The Company is a party to various legal proceedings which have arisen in the ordinary course of business. While the results of these matters cannot be predicted with certainty, the Company believes that losses, if any, resulting from the ultimate resolution of these matters will not have a material adverse effect on the Company's consolidated results of operations, cash flows or financial position.

Purchase Commitments

The Company has long-term relationships pertaining to the purchase of certain raw materials with various suppliers through December 31, 1999. These purchase commitments are not expected to exceed usage requirements.

14. STOCK REPURCHASES

On July 22, 1998, the Company's Board of Directors authorized a share repurchase program to purchase up to 4.0 million shares of the Company's common stock in the open market or in privately-negotiated transactions, depending on market conditions and other factors. As of January 1, 1999, the Company repurchased and retired 1,211,500 shares of its common stock for a total of approximately $19.4 million in cash. The excess of the cost of shares repurchased over par value was allocated to additional paid-in capital based on the pro rata share amount of additional paid-in capital for all shares with the difference charged to retained earnings.

During fiscal 1996, the Company repurchased and retired a total of 197,000 shares of its common stock pursuant to a share buy-back plan announced in May 1995. The Company did not repurchase any shares during 1997. The excess of the cost of shares repurchased over par value was allocated to additional paid-in capital based on the pro rata share amount of additional paid-in capital for all shares with the difference charged to retained earnings. In September 1997, the Company terminated such stock repurchase program.

15. STOCK-BASED COMPENSATION PLANS

EMPLOYEE STOCK OPTION PLANS Under the Company's 1981 Incentive Stock Option Plan, options were granted to purchase up to 2,000,000 shares of the Company's common stock at prices not less than the fair market value at date of grant. The options generally vest at the rate of 25% per year beginning one year from the date of grant. The options expire 10 years from the date of grant or three months after termination of employment, if earlier. This plan was replaced by the 1990 Performance Equity Plan ("PEP").

The Company established the PEP plan in 1990 under which it had reserved 3,000,000 shares of common stock for granting of either incentive or nonqualified stock options to key employees and officers. The Company increased authorized shares under the PEP plan to 5,950,000 in 1997. Both incentive or nonqualified stock options have been granted at prices not less than the fair market value on the date of grant as determined by the Company's Board of Directors. The maximum term of the options is 10 years, although some options have been granted with a five-year term. Beginning with grants made in 1995, the majority of the options become exercisable after the price of the Company's common stock achieves certain levels for specified periods of time or upon the passage of a certain number of years from the date of grant. For grants made prior to 1995, options vest at the rate of 25% per year beginning one year from the date of grant. As of January 1, 1999, 842,262 stock options were reserved for future grants.

The Zytec stock options outstanding at the date of the merger were converted to the Company's stock options. The Zytec option activity and share prices have been restated, for all years presented, to the Company's equivalents using the exchange ratio of 1.33 shares of the Company's common stock to one share of Zytec common stock. Zytec existing options generally expire six years from the date of grant, or three months after termination of employment, if earlier.

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Options vest at the rate of 20% per year beginning one year from the date of grant. No additional grants from the Zytec plans are allowed to be made after December 29, 1997.

OUTSIDE DIRECTORS STOCK OPTION PLANS The Company established an Outside Directors Stock Option Plan in 1986 under which it authorized and reserved 250,000 shares of common stock for granting of nonqualified stock options to directors of the Company who are not employees of the Company at exercise prices not less than the fair market value on the date of grant. The plan was replaced by the 1990 Outside Directors Stock Option Plan under which the Company initially authorized and reserved 250,000 shares. The Company increased authorized shares under such plan to 500,000 in 1996. Effective in 1996, upon initial election or appointment to the Board of Directors and each year thereafter, outside directors shall receive an option to purchase 10,000 shares of common stock provided that they own a given number of shares of common stock of the Company based on a formula as defined in the plan. The options granted under both Outside Directors plans fully vest on the one-year anniversary of the date of grant. As of January 1, 1999, 20,000 stock options were reserved for future grants. Management is requesting shareholder approval at its next annual shareholders' meeting in May 1999 to increase the number of stock options authorized under the Outside Directors Stock Option Plan.

The Company applies APB No. 25, "Accounting for Stock Issued to Employees" and related Interpretations with supplemental disclosures in accounting for stock-based compensation. In accordance with APB 25, as the exercise price of the Company's stock options equals the market price of the underlying stock on the date of grant, no compensation cost has been recognized for its fixed stock option plans. Pro forma information regarding net income and earnings per share is required by SFAS 123 "Accounting for Stock-Based Compensation" and has been determined as if the Company had accounted for its employee and outside directors stock-based compensation plans under the fair value method. The fair value of each option grant was estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	1998	1997	1996
Risk-free interest rate	5.3%	6.2%	6.0%
Dividend yield	-	-	-
Expected volatility	70%	63%	52%
Expected life	2.7 years	3.2 years	3.4 years

The Company's pro forma information follows ($000s except per share data):

		1998	1997	1996
Net Income	As reported	$27,044	$29,820	$30,059
	Pro forma	$19,993	$24,028	$27,354
EPS - Basic	As reported	$ 0.70	$ 0.81	$ 0.85
	Pro forma	$ 0.52	$ 0.66	$ 0.77
EPS- Diluted	As reported	$ 0.67	$ 0.75	$ 0.79
	Pro forma	$ 0.50	$ 0.61	$ 0.72

The effects of applying SFAS 123 in this pro forma disclosure are not necessarily indicative of future results. SFAS 123 does not apply to awards prior to 1995.

The following table summarizes activity under all plans for the years ended 1998, 1997 and 1996:
<TABLE>
<CAPTION>

	1998		1997		1996	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Options outstanding, beginning of year	6,178,804	$10.53	4,808,247	$ 6.51	4,163,603	$ 2.77
Options granted	1,266,000	16.61	2,876,493	14.99	2,345,771	10.81
Options exercised	(712,784)	6.49	(1,055,662)	4.43	(1,403,047)	2.70

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Options canceled	(345,823)	13.91	(450,274)	10.36	(298,080)	6.08
Options outstanding, end of year	6,386,197	$12.01	6,178,804	$10.53	4,808,247	$ 6.51
Options exercisable, end of year	2,763,093		1,947,762		1,787,520	
Weighted-average fair value of options granted during the year	$7.88		$6.87		$4.42	

</TABLE>

The following table summarizes information about stock options outstanding at January 1, 1999:
<TABLE>
<CAPTION>

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 1/1/99	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable at 1/1/99	Weighted-Average Exercise Price
<S>	<C>	<C>	<C>	<C>	
$0.75 - 4.32	1,316,071	3.01	$ 3.12	851,798	$ 2.77
4.38 - 9.59	1,547,659	4.30	8.51	552,834	6.96
10.38 - 15.75	1,085,963	4.99	13.02	326,087	12.99
16.00 - 16.00	1,172,940	5.44	16.00	373,350	16.00
16.44 - 27.50	1,077,354	7.48	19.49	622,582	18.28
29.50 - 29.56	186,210	4.90	29.56	36,442	29.56
$ 0.75 - 29.56	6,386,197	4.91	$ 12.01	2,763,093	$ 10.45

</TABLE>

EMPLOYEE STOCK PURCHASE PLANS In May 1996, the Company's Board of Directors established an employee stock purchase plan effective July 1, 1996 that allows substantially all employees to purchase shares of the Company's common stock. Under the terms of the plan, eligible employees may purchase shares of common stock through the accumulation of payroll deductions of at least 2% and up to 6% of their base salary. The purchase price is an amount equal to 85% of the market price determined on the tenth trading day following each three-month offering period. The Company's policy is to purchase these shares on the market rather than issue them from treasury; therefore, the 15% employee discount is currently being recognized as compensation expense. Such amounts were not significant in fiscal years 1998, 1997 and 1996. Employees purchased 51,997, 17,864 and 8,707 shares in 1998, 1997 and 1996, respectively.

On October 9, 1996, Zytec's shareholders approved a stock purchase plan allowing substantially all of Zytec's employees to purchase, through payroll deductions, newly issued shares of Zytec's common stock. The plan allowed Zytec's employees to purchase common stock on a quarterly basis at the lower of 85% of the market price at the beginning or end of each calendar quarter. Employees purchased 71,742 shares in 1997 at purchase prices ranging from $9.03 to $22.41. No shares were issued in 1996. The plan was terminated effective December 29, 1997. Under SFAS 123, compensation cost of approximately $286,000 was recognized in 1997 for the fair value of the employees' purchase rights, which was estimated using the Black-Scholes model with the following weighted-average assumptions for 1997: risk-free interest rate of 5.73%, dividend yield of 0%, expected volatility of 69% and expected life of .25 years. The weighted-average fair value of the purchase rights granted in 1997 was $5.03.

16. EMPLOYEE BENEFIT PLANS

The Company provides retirement benefits to its employees through the Computer Products Inc. Employees' Thrift and Savings Plan (the "Plan"). As allowed under Section 401(k) of the Internal Revenue Code, the Plan provides tax deferred salary deductions for eligible employees. The Plan permits substantially all United States employees to contribute up to 15% of their base compensation (as defined) to the Plan, limited to a maximum amount as set by the Internal Revenue Service. The Company may, at the discretion of the Board of Directors, make a matching contribution to the Plan. Costs charged to operations for matching contributions were approximately $580,000, $444,000, and $400,000, respectively, for fiscal 1998, 1997, and 1996. Effective January 1, 1999, the Plan name was changed to Artesyn Technologies, Inc. Employees' Thrift and Savings Plan.

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The Company also had a defined contribution 401(k) plan covering substantially all domestic employees of the former Zytec. The Company's matching contributions to the plan were based on employee contributions to the plan. Costs charged to operations were $835,000, $657,000, and $424,000, respectively, for fiscal 1998, 1997, and 1996. Effective December 31, 1998, this plan was terminated and funds were transferred into the Company's Employees' Thrift and Savings Plan.

During 1998, the Company established a noncontributory profit-sharing plan covering substantially all North America employees. The Company contributed approximately $157,000 to such plan in 1998.

In April 1996, Zytec's board of directors established a noncontributory profit-sharing plan covering substantially all Zytec employees. The plan was effective July 1, 1996. The Company contributed $1.3 million to such plan in 1997. No contributions were made to such plan in 1996. Effective December 29, 1997, this plan was terminated.

Substantially all employees of the Company's Austrian subsidiary are entitled to benefit payments under a severance plan. The benefit payments are based primarily on the employees' salaries and the number of years of service and are paid upon the employees' voluntary retirement. At January 1, 1999 and January 2, 1998, the Company had recorded a liability of $924,000 and $681,000, respectively, related to this severance plan. The Company recorded $261,000, $260,000 and $106,000 in severance expense during 1998, 1997, and 1996, respectively. The Company has invested in Austrian bonds of $344,000 and $294,000 at January 1, 1999 and January 2, 1998, respectively, to partially fund the severance plan as required by Austrian law.

17. DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS
Foreign Exchange Instruments The Company utilizes derivative financial instruments to reduce financial market risks. These instruments are used to hedge foreign currency market exposures of underlying assets and liabilities. The Company does not use derivative financial instruments for speculative or trading purposes. The Company's accounting policies for these instruments are based on the Company's designation of such instruments as hedging transactions. The criteria the Company uses for designating an instrument as a hedge include the instrument's effectiveness in risk reduction and one-to-one matching of derivative instruments to underlying transactions. Gains and losses on currency forward contracts that are designated and effective as hedges of anticipated transactions, for which a firm commitment has been attained, are deferred and recognized in income in the same period that the underlying transactions are settled. Gains and losses on currency forward contracts that are designated and effective as hedges of existing transactions are recognized in income in the same period as losses and gains on the underlying transactions are recognized and generally offset. Gains and losses on any instruments not meeting the above criteria would be recognized in income in the applicable period.

The Company transacts business in various foreign currencies, primarily Irish punt, Deutsche mark, Austrian schilling, Japanese yen and other European currencies. The Company has established balance sheet hedging programs to protect against reductions in value and volatility of future cash flows caused by changes in foreign exchange rates. At January 1, 1999, the Company's outstanding notional amount for currency forward contracts was approximately $12.8 million maturing in three to six months. At January 2, 1998, the Company held $6.6 million of forward currency exchange contracts. The amount of any gain or loss on these contracts for fiscal years 1998, 1997 and 1996 was not material. Deferred gains or losses attributable to the foreign currency instruments are not material.

Interest Rate Instruments -- On July 14, 1997, the Company entered into two interest rate swap agreements with a bank pursuant to which it exchanged its floating rate interest obligations on the aggregate 52 million Deutsche marks notional principal loan amount for a fixed rate payment obligation of 5.58% per annum for a seven-year period beginning August 1, 1997. The fixing of the interest rates for these periods offsets the Company's exposure to the uncertainty of floating interest rates during the term of the loans. The differential paid or received on these interest rate swaps is recognized as an adjustment to interest expense. Pursuant to the Company entering into the $200 million credit agreement with a syndicate of banks, on January 8, 1999, such swaps were amended to apply to $31.0 million of the current outstanding balance under the new agreement (see Note 8).

In May 1995, the Company entered into an Interest Rate Collar Agreement with a bank, which set boundaries for the interest payment terms on its $25 million term loan. The agreement placed a ceiling of 9.75% on the Company's floating rate option in exchange for the bank's ability to elect a fixed rate option of 8.25%. In June 1995, the bank exercised its option to receive interest at the fixed rate for the remaining term of the loan. The differential paid or received on these interest rate swaps is recognized as an adjustment to interest expense. Pursuant to the Company entering into the $200 million credit agreement with a syndicate of banks, on January 8, 1999, such swap was amended to apply to $15.4 million of the current outstanding balance under the new agreement (see Note 8).

The Company enters into various other types of financial instruments in the

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normal course of business. Fair values for certain financial instruments are based on quoted market prices. For other financial instruments, fair values are based on the appropriate pricing models, using current market information. The amounts ultimately realized upon settlement of these financial instruments will depend on actual market conditions during the remaining life of the instruments. Fair values of cash and equivalents, accounts receivable, accounts payable, other current liabilities and debt reflected in the January 1, 1999 and January 2, 1998 Consolidated Statements of Financial Condition approximate carrying value at those dates.

CONCENTRATION OF CREDIT RISK Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and equivalents, trade accounts receivable and financial instruments used in hedging activities. The Company's cash management and investment policies restrict investments to low-risk, highly-liquid securities, and the Company performs periodic evaluations of the credit standing of the financial institutions with which it deals. The Company sells its products to customers in various geographical areas. The Company performs ongoing credit evaluations of its customers' financial condition and generally does not require collateral. The Company maintains reserves for potential credit losses, and such losses traditionally have been within management's expectations and have not been material in any year. As of January 1, 1999 and January 2, 1998, management believes the Company had no significant concentrations of credit risk.

18. BUSINESS SEGMENT AND GEOGRAPHIC INFORMATION

In June 1997, the FASB issued SFAS 131, "Disclosures about Segments of an Enterprise and Related Information" which was adopted by the Company in 1998. SFAS 131 establishes standards for reporting information about operating segments and related disclosures about products and services, geographic areas and major customers.

The Company operates in one industry segment encompassing the design, development, manufacture, sale and service of electronic products and subsystems The Company sells its products directly to OEMs and also to a network of industrial and retail distributors throughout the world. The Company's principal markets are in the United States, Europe and Asia-Pacific, with the United States and Europe being the largest based on sales. The Company's principal market focus is on the communications industry. Sales are in US dollars and certain European currencies. Intercompany sales are in US dollars and are based on cost plus a reasonable profit.

As the Company operates and tracks its results in one operating segment, certain disclosure requirements are not applicable. Information about the Company's operations in different geographical regions is shown below. Sales are attributed to geographical areas based on selling location, and long-lived assets consist of property, plant and equipment ($000s):

	1998	1997	1996
SALES			
United States	$356,922	$339,506	$296,299
Austria	83,261	80,136	58,240
Ireland	40,045	57,165	47,183
Hong Kong/PRC	31,443	39,753	34,009
Other foreign countries	20,721	10,676	-
Total sales	$532,392	$527,236	$435,731
LONG-LIVED ASSETS			
United States	$36,841	$27,894	$24,277
Austria	9,172	6,829	4,098
Ireland	6,157	6,309	6,147
Hong Kong/PRC	20,025	17,509	14,149
Other foreign countries	2,837	3,040	-
Total long-lived assets	$75,032	$61,581	$48,671

The following table includes sales to customers in excess of 10% of total sales:

	1998	1997	1996
Customer A	17%	15%	14%
Customer B	11%	9%	2%
Customer C	10%	6%	4%

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19.SELECTED CONSOLIDATED QUARTERLY DATA (UNAUDITED)
($000s Except Per Share Data)

<TABLE>
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	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
FISCAL 1998				
<S>	<C>	<C>	<C>	<C>
Sales	$147,178	$121,824	$124,582	$138,808
Gross profit	35,810	32,422	34,033	34,854
Net income	3,236	6,175	8,000	9,633
Per share - basic	0.08	0.16	0.21	0.25
- diluted	0.08	0.15	0.20	0.24
Stock price per common share				
High	26.63	26.88	19.25	19.63
Low	18.88	12.88	13.75	11.75
FISCAL 1997				
Sales	$114,463	$130,878	$133,744	$148,151
Gross profit	29,556	35,798	36,292	35,887
Income from continuing operations	7,076	10,437	10,383	3,986
Per share - basic	0.20	0.29	0.28	0.11
- diluted	0.19	0.26	0.25	0.10
Net income	5,014	10,437	10,383	3,986
Per share - basic	0.14	0.29	0.28	0.11
- diluted	0.13	0.26	0.25	0.10
Stock price per common share				
High	18.75	25.25	33.44	30.88
Low	13.75	13.75	23.25	14.56

</TABLE>

Net income for the first quarter of 1998 includes a $7.2 million pre-tax restructuring charge and a $2.4 million charge to cost of sales related principally to inventory write-offs of duplicate product development programs following the merger with Zytec. Net income for the fourth quarter of 1997 includes direct merger costs of $3.0 million.

Quarterly sales and gross profit amounts exclude sales and gross profits of RTP Corp., which the Company classified as discontinued operations in the first quarter of 1997.

Data in the above table are presented on a 13-week period.

The sum of the quarterly earnings per share amounts differs from those reflected in the Company's consolidated statements of operations due to the weighting of common and common equivalent shares outstanding during each of the respective periods.

The Company's common stock is traded on The Nasdaq Stock MarketSM under the symbol ATSN. As of January 1, 1999, there were approximately 14,400 shareholders consisting of record holders and individual participants in security position listings. To date, the Company has not paid any cash dividends on its capital stock. The Board of Directors presently intends to retain all earnings for use in the Company's business and does not anticipate paying cash dividends in the foreseeable future.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of Artesyn Technologies, Inc. :

We have audited the accompanying consolidated statements of financial condition of Artesyn Technologies, Inc. (a Florida corporation, formerly named Computer Products, Inc.) and subsidiaries as of January 1, 1999 and January 2, 1998, and the related consolidated statements of operations, shareholders' equity and comprehensive income and cash flows for each of the three fiscal years in the fiscal period ended January 1, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the statements of operations, shareholders' equity and cash flows for the fiscal

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year ended January 3, 1997 of Zytec Corporation, a company acquired on December 29, 1997 in a transaction accounted for under the pooling-of-interests method of accounting, as discussed in Note 5. Such statements are included in the consolidated financial statements of Artesyn Technologies, Inc. and reflect total sales of 52% in fiscal 1996 of the related consolidated totals. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for Zytec Corporation, is based solely upon the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Artesyn Technologies, Inc. and subsidiaries as of January 1, 1999 and January 2, 1998, and the results of their operations and their cash flows for each of the three fiscal years in the fiscal period ended January 1, 1999 in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Fort Lauderdale, Florida,
January 22, 1999.

STATEMENT OF MANAGEMENT RESPONSIBILITY

The Company's management is responsible for the preparation, integrity and objectivity of the consolidated financial statements and other financial information presented in this report. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles and reflect the effects of certain estimates and judgments made by management.

The Company's management maintains an effective system of internal control that is designed to provide reasonable assurance that assets are safeguarded and transactions are properly recorded and executed in accordance with management's authorization. The system is continuously monitored by direct management review and by internal auditors who conduct an extensive program of audits throughout the company. The Company selects and trains qualified people who are provided with and expected to adhere to the Company's standards of business conduct. These standards, which set forth the highest principles of business ethics and conduct, are a key element of the Company's control system. Additionally, our independent certified public accountants, Arthur Andersen LLP, obtain a sufficient understanding of the internal control structure in order to plan and complete the annual audit of the Company's consolidated financial statements.

The Audit Committee of the Board of Directors, which consists of six outside directors, meets regularly with management, the internal auditors and the independent certified public accountants to review accounting, reporting, auditing and internal control matters. The Committee has direct and private access to both internal and external auditors.

JOSEPH M. O'DONNELL
Co-Chairman of the Board, President and Chief Executive Officer

RICHARD J. THOMPSON
Vice President, Finance and Chief Financial Officer

RISK FACTORS THAT MAY AFFECT FUTURE RESULTS

As noted above, the foregoing discussion and the letter to shareholders may include forward-looking statements which involve risks and uncertainties. In addition, the Company identified the following risk factors that could affect its actual results and cause them to differ materially from those in the forward-looking statements.

RISKS RELATED TO NEW PRODUCTS The markets for the Company's products are characterized by rapidly changing technologies, increasing customer demands, evolving industry standards, frequent new product introductions and, in some cases, short product life cycles. The development of new, technologically advanced products is a complex and uncertain process requiring high levels of innovation and cost, as well as the accurate anticipation of technological and market trends. There can be no assurance that the Company will successfully

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develop, introduce or manage the transition of new products. The failure of or the delay in anticipating technological advances or developing and marketing product enhancements or new products that respond to any significant technological change could have a material adverse effect on the business, operating results and financial condition of the Company.

RELIANCE ON CUSTOMERS Sales to three customers accounted for approximately 17%, 11% and 10%, respectively, of sales in 1998. Decisions by a small number of customers to defer their purchasing decisions or to purchase products elsewhere could have a material adverse effect on the business, results of operations and financial condition of the Company.

FLUCTUATIONS IN QUARTERLY OPERATING RESULTS The Company has experienced erratic quarterly growth in sales as a result of economic turmoil in Asia and South America, as well as widespread customer inventory reductions. Due to the rapidly changing nature of the markets for its products, as well as the likelihood of increased competition, there can be no assurance that the Company's sales and operating results will resume their past growth rates. If sales are below expectations in any given quarter, the adverse impact of any shortfall on the operating results of the Company may be magnified to the extent the Company is unable to adjust spending to compensate for the shortfall. Accordingly, there can be no assurance that the Company will be able to sustain profitability in the future, particularly on a quarter-to-quarter basis.

COMPETITION; INCREASED COMPETITION DUE TO INDUSTRY CONSOLIDATION The industry in which the Company competes is highly competitive and characterized by increasing customer demands for product performance, shorter manufacturing cycles and lower prices. These trends result in frequent introductions of new products with added capabilities and features and continuous improvements in the relative price/performance of the products. Increased competition could result in price reductions, reduced profit margins and loss of market share, each of which could adversely affect the Company's results of operations and financial condition. The Company's principal competitors include Lucent Technologies, Delta Product and Astec (BSR) plc. Certain of the Company's major competitors have also been engaged in merger and acquisition transactions. Such consolidations by competitors are likely to create entities with increased market share, customer bases, technology and marketing expertise, sales force size, and/or proprietary technology. These developments may adversely affect the Company's ability to compete in such markets.

RISKS RELATED TO GROSS MARGIN The Company's gross margin percentage is a function of the product mix sold in any period. Other factors such as unit volumes, heightened price competition, changes in channels of distribution, shortages in components due to timely supplies of parts from vendors or ability to obtain items at reasonable prices, and availability of skilled labor, also may continue to affect the cost of sales and the fluctuation in gross margin percentages in future periods.

RISKS RELATED TO BACKLOG The Company has attempted to reduce its product manufacturing lead times and its backlog of orders. To the extent that backlog is reduced during any particular period, it could result in more variability and less predictability in the Company's quarter-to-quarter sales and operating results. If manufacturing lead times are not reduced, the Company's customers may cancel, or not place, orders if shorter lead times are available from other manufacturers

RISKS RELATED TO INTELLECTUAL PROPERTY RIGHTS The Company currently relies upon a combination of patents, copyrights, trademarks and trade secret laws to establish and protect its proprietary rights in its products. There can be no assurance that the steps taken by the Company in this regard will be adequate to prevent misappropriation of its technology or that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technology. In addition, the laws of some foreign countries do not protect the Company's proprietary rights to the same extent, as do the laws of the United States. Although the Company continues to evaluate and implement protective measures, there can be no assurance that these efforts will be successful or that third parties will not assert intellectual property infringement claims against the Company.

RISKS RELATED TO ACQUISITIONS Acquisitions of complementary businesses and technologies, including technologies and products under development, have been an important part of the Company's business strategy. Acquisitions require significant financial and management resources both at the time of the transaction and during the process of integrating the newly acquired business into the Company's operations. The Company's operating results could be adversely affected if it is unable to successfully integrate such new companies into its operations. Future acquisitions by the Company could also result in issuances of equity securities or the rights associated with the equity securities, which could potentially dilute earnings per share. In addition, future acquisitions could result in the incurrence of additional debt, taxes, or contingent liabilities, and amortization expenses related to goodwill and other intangible assets. These factors could adversely affect the Company's future operating results and financial position.

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DEPENDENCE ON SOLE SOURCE SUPPLIERS As a result of the custom nature of certain of the Company's manufactured products, components used in the manufacture of these products are currently obtained from a limited number of suppliers. Although there are a limited number of manufacturers of certain components, management believes that other suppliers could provide similar components on comparable terms. A change in suppliers, however, could cause a delay in manufacturing and a possible loss of sales that could adversely affect the Company's future operating results and financial position.

RISKS RELATED TO INTERNATIONAL SALES International sales have been, and are expected to continue to be, an increasingly important contributor to sales of the Company. International sales are subject to certain inherent risks, including unexpected changes in regulatory requirements and tariffs, difficulties in staffing and managing foreign operations, longer payment cycles, problems in collecting accounts receivable and potentially adverse tax consequences. Other risks of international sales include changes in economic conditions in the international markets in which the products are sold, political and economic instability, fluctuations in currency exchange rates, import and export controls, and the burden and expense of complying with foreign laws. In addition, sales in developing nations may fluctuate to a greater extent than sales to customers in developed nations, as those markets are only beginning to adopt new technologies and establish purchasing practices. These risks may adversely affect the operating results and financial condition of the Company.

RISKS RELATED TO GOVERNMENT REGULATIONS AND PRODUCT CERTIFICATION The Company's operations are subject to laws, regulations, government policies and product certification requirements worldwide. Changes in such laws, regulations, policies or requirements could affect the demand for the Company's products or result in the need to modify products, which may involve substantial costs or delays in sales and could have an adverse effect on the Company's future operating results.

RISKS RELATED TO FOREIGN MANUFACTURING OPERATIONS The Company manufactures a significant amount of its products in foreign locations. Approximately 30% of the Company's 1998 sales were from products manufactured in Asia-Pacific, 28% from products manufactured in Europe and the remaining 42% from domestic operations.

The supply and cost of these products can be adversely affected, among other reasons, by changes in foreign currency exchange rates, increased import duties, imposition of tariffs, imposition of import quotas, interruptions in sea or air transportation and political or economic changes. From time to time, the Company explores opportunities to diversify its sourcing and/or production of certain products to other low cost locations or with other third parties to reduce its dependence on production in any one location. In addition, the Company has taken necessary measures, including insuring against certain risks, to mitigate its exposure to potential political and economic changes in Hong Kong and China. In the event of confiscation, expropriation, nationalization, or governmental restrictions in the above mentioned foreign or other locations, earnings could be adversely affected from business disruption resulting in delays and/or increased costs in the production and delivery of products.

VOLATILITY OF STOCK PRICE The market price of the Company's common stock has been, and, may continue to be, relatively volatile. Factors such as new product announcements by the Company, its customers or its competitors, quarterly fluctuations in operating results, challenges associated with integration of businesses and general conditions in the markets in which the Company competes, such as a decline in industry growth rates, may have a significant impact on the market price of the Company's common stock. These conditions, as well as factors which generally affect the market for stocks of technology companies, could cause the price of the Company's common stock to significantly fluctuate over relatively short periods.

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EXHIBIT 21

SUBSIDIARIES OF REGISTRANT

Subsidiaries of the Company, all of which are wholly-owned by the Company and are included in the consolidated financial statements, include the following:

Name	State or Country of Incorporation
Artesyn Asia-Pacific Ltd.	Hong Kong
Artesyn Austria GmbH	Austria
Artesyn Communication Products, Inc.	Wisconsin
Artesyn Elektronische Gerate Beleilgungs- Und Verwalungs - GmbH	Germany
Artesyn Energy Systems S.p.A.	Italy
Artesyn France S.A.R.L.	France
Artesyn FSC Inc.	Barbados
Artesyn Germany GbR	Germany
Artesyn Germany GmbH	Germany
Artesyn GmbH & Co. KG	Germany
Artesyn Hungary Electronikai Kft.	Hungary
Artesyn International, Ltd.	Cayman Islands, B.W.I.
Artesyn Ireland, Ltd.	Cayman Islands, B.W.I.
Artesyn Netherlands BV	Netherlands
Artesyn North America Inc.	Delaware
Artesyn Solutions Inc.	Delaware
Artesyn UK Ltd.	England
C.P. Power Products (Zhong Shan) Co., Ltd.	People's Republic of China
Jeta Power Systems, Inc.	California

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EXHIBIT 23.1

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

As independent certified public accountants, we hereby consent to the incorporation of our reports included in or incorporated by reference in this Form 10-K, into the Company's previously filed Form S-3 (Registration Statement File Nos. 33-70326 and 33-49176), Form S-4/A (Registration Statement File No. 333-36375) and Form S-8 (Registration Statement File Nos. 33-42516, 33-63501, 33-63503, 33-63499, 333-03937, 333-08475, 333-45691 and 333-58771).

ARTHUR ANDERSEN LLP

Fort Lauderdale, Florida,
March 26, 1999.

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EXHIBIT 23-2

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Artesyn Technologies, Inc. on Form S-3 (File Nos. 33-70326 and 33-49176), Form S-4/A (File No. 333-36375) and Form S-8 (File Nos. 33-42516, 33-63501, 33-63503, 33-63499, 333-03937, 333-08475, 333-45691 and 333-58771) of our report dated February 18, 1997, on our audit of the consolidated financial statements and financial statement schedule of Zytec Corporation as of December 31, 1996, and for the year then ended, which report is included in this Annual Report on Form 10-K.

PRICEWATERHOUSECOOPERS LLP

Minneapolis, Minnesota
March 26, 1999

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<OTHER-SE>	95,691	84,236
<TOTAL-LIABILITY-AND-EQUITY>	325,392	322,177
<SALES>	532,392	527,236
<TOTAL-REVENUES>	532,392	527,236
<CGS>	395,273	389,703
<TOTAL-COSTS>	395,273	389,703
<OTHER-EXPENSES>	95,138	85,090
<LOSS-PROVISION>	138	426
<INTEREST-EXPENSE>	4,013	4,945
<INCOME-PRETAX>	40,364	49,441
<INCOME-TAX>	13,320	17,559
<INCOME-CONTINUING>	27,044	31,882
<DISCONTINUED>	0	(2,062)
<EXTRAORDINARY>	0	0
<CHANGES>	0	0
<NET-INCOME>	27,044	29,820
<EPS-PRIMARY>	0.70	0.81
<EPS-DILUTED>	0.67	0.75

</TABLE>

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