

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K/A  
AMENDMENT NO. 1 TO FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported):  
March 2, 1998

VISHAY INTERTECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

1-7416

38-168645 3

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

63 Lincoln Highway, Malvern, PA

19355

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (610) 644-1300

Not Applicable

(Former name or former address, if changed since last report)

This Form 8-K/A amends the Form 8-K filed on March 17, 1998. The following items have been amended:

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statement of business acquired.

Set forth on pages 1 through 24 are the financial statements of the business acquired, required to be set forth in the Registrant's Current Report on Form 8-K, dated March 17, 1998, which report is hereby amended. The following are included:

Independent Auditors' Report.

Combined Balance Sheet -- December 31, 1997.

Combined Statement of Revenues and Expenses for the year ended December 31, 1997.

Combined Statement of Cash Flow for the year ended December 31, 1997.

Notes to Combined Financial Statements.

(b) Pro Forma Financial Information.

Set forth on pages 25 through 29 is pro forma financial information required to be set forth in the Registrant's Current Report on Form 8-K, dated March 17, 1998, which report is hereby amended. The following are included:

Pro Forma Condensed Consolidated Balance Sheet (Unaudited) -- December 31, 1997.

Pro Forma Condensed Consolidated Statement of Operations (Unaudited) -- Year ended December 31, 1997.

Notes to Pro Forma Condensed Consolidated Financial Statements (Unaudited).

(c) Exhibits.

23 -- Consent of Independent Accountants.



INDEPENDENT AUDITORS' REPORT

To the Stockholders of the  
TEMIC Semiconductor Business

We have audited the accompanying combined balance sheet of the TEMIC Semiconductor Business ("TEMIC") of Daimler-Benz Aktiengesellschaft (as described in Note 1 to the combined financial statements) as of December 31, 1997, and the related combined statements of revenues and expenses and cash flow for the year then ended. These combined financial statements are the responsibility of TEMIC's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Germany and the United States. 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 audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of TEMIC as of December 31, 1997 and the result of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles in Germany.

Generally accepted accounting principles in Germany vary in certain significant respects from generally accepted accounting principles in the United States (U.S. GAAP). Application of generally accepted accounting principles in the United States would have affected the results of operations for the year ended December 31, 1997 and equity as of December 31, 1997, to the extent summarized in Note 2 to the combined financial statements.

KPMG DEUTSCHE TREUHAND-GESELLSCHAFT AG

Stuttgart, Germany  
May 14, 1998

TEMIC SEMICONDUCTOR BUSINESS  
 COMBINED BALANCE SHEET  
 DECEMBER 31, 1997  
 (IN THOUSANDS OF DEUTSCHE MARKS)

A. FIXED ASSETS		
I. Intangible Assets		
1. Concessions, industrial and similar rights and assets and licenses in such rights and assets	21,418	
2. Software	13,044	
3. Goodwill	312	
	-----	
	34,774	
	-----	
II. Tangible Assets		
1. Land, leasehold rights and buildings including buildings on third party land	133,235	
2. Technical equipment and machines	347,469	
3. Other equipment, factory and office equipment	42,238	
4. Payments on account and assets under construction	42,279	
	-----	
	565,221	
	-----	
III. Financial Assets		
1. Shares in affiliated companies	945	
2. Loans to affiliated companies	604	
3. Shares in associated companies	19,512	
4. Securities	3,221	
5. Other loans	233	
	-----	
	24,515	
	-----	
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	53,374	
2. Work-in-process	134,520	
3. Finished goods and goods purchased for resale	79,560	
4. Advance payments on inventories and assets under construction	6,629	
	-----	
	274,083	
	-----	
II. Receivables and other assets		
1. Trade receivables	288,528	
2. Receivables from affiliated companies	26,221	
3. Receivables from enterprises in which participating interests are held	1,746	
4. Other assets	60,261	
	-----	
	376,756	
	-----	
IV. Cheques, cash-in-hand, bank balances		
	33,540	
	-----	
C. PREPAID EXPENSES		
	3,192	
	=====	
	1,312,081	
	=====	

TEMIC SEMICONDUCTOR BUSINESS  
 COMBINED BALANCE SHEET  
 DECEMBER 31, 1997  
 (IN THOUSANDS OF DEUTSCHE MARKS)

A. EQUITY		
I. Subscribed capital		80,000
II. Capital reserves		138,463
III. Accumulated deficit		(19,997)
IV. Minority interests:		
Daimler-Benz Group		215,260
Other		66,600
		-----
		480,326
		-----
B. ACCRUALS		
1. Accruals for pensions and similar obligations		84,557
2. Tax accruals		19,872
3. Other accruals		122,771
		-----
		227,200
		-----
C. LIABILITIES		
1. Bank borrowings		163,769
2. Payments received on account of orders		270
3. Trade payables		129,705
4. Liabilities on bills accepted and drawn		5,669
5. Payables to affiliated companies		208,626
6. Payables to enterprises in which participating interests are held		940
7. Other liabilities		95,576
		-----
		604,555
		=====
		1,312,081
		=====

TEMIC SEMICONDUCTOR BUSINESS  
 COMBINED STATEMENT OF REVENUES AND EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1997  
 (IN THOUSANDS OF DEUTSCHE MARKS)

SALES	1,530,965
Cost of sales	(1,140,976)
Research and development cost	(121,480)
	-----
GROSS MARGIN	268,509
	-----
Selling expenses	(203,202)
General administration expenses	(53,048)
Other operating income	28,272
Other operating expense	(15,021)
	-----
	(242,999)
	-----
Loss from participations	(487)
Net other financial income (expense)	(61)
Net interest income (expense)	(14,830)
	-----
NET FINANCIAL INCOME (EXPENSE)	(15,378)
	-----
RESULTS FROM ORDINARY ACTIVITIES	10,132
	-----
Extraordinary income	16,817
Income taxes	(11,420)
	-----
NET INCOME BEFORE MINORITY INTEREST	15,529
	=====
Accumulated deficit - beginning of the year	(2)
Minority interests in net earnings/ losses of subsidiaries:	
Daimler-Benz Group (Note 1)	(50,865)
Other	(421)
Releases from/transfers to reserves	13,735
Currency conversion differences	2,027
	=====
ACCUMULATED DEFICIT - END OF THE YEAR	(19,997)
	=====

TEMIC SEMICONDUCTOR BUSINESS  
 COMBINED STATEMENT OF CASH FLOW  
 FOR THE YEAR ENDED DECEMBER 31, 1997  
 (IN THOUSANDS OF DEUTSCHE MARKS)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income (German GAAP)	15,529
Extraordinary income	(16,817)
Depreciation and amortization	151,950
Increase in pension accruals	9,361
Loss on disposals of assets	1,753
Increase in inventories, trade receivables and other assets	(50,481)
Increase in trade payables and other liabilities	29,800

NET CASH PROVIDED BY OPERATING ACTIVITIES	141,095
---	---------

CASH FLOWS FROM INVESTING ACTIVITIES

Disposals of fixed assets	25,817
Purchases of fixed assets	(207,312)
Cash from first year consolidations	411

NET CASH USED IN INVESTING ACTIVITIES	(181,084)
---------------------------------------	-----------

CASH FLOWS FROM FINANCING ACTIVITIES

Reduction in bank loans	(31,417)
Increase in other loans from Daimler-Benz Group	28,457
Capital contribution	16,817
Other equity transactions	8,149

NET CASH PROVIDED BY FINANCING ACTIVITIES	22,006
---	--------

Effects of foreign exchange rate changes on cash	1,891
--	-------

Net decrease in cash	(16,092)
Cash at beginning of year	49,632

CASH BALANCE AT END OF YEAR	33,540
-----------------------------	--------

Supplemental disclosure of cash flow information	
Interest paid	18,638
Income taxes paid	6,750

TEMIC SEMICONDUCTOR BUSINESS  
NOTES TO COMBINED FINANCIAL STATEMENTS  
DECEMBER 31, 1997

(ALL AMOUNTS IN THOUSANDS OF DEUTSCHE MARKS (KDM) UNLESS OTHERWISE STATED)

BACKGROUND

The TEMIC Semiconductor Business ("TEMIC") comprises the following indirectly majority owned entities of Daimler-Benz AG:

- 0 TEMIC Semiconductor GmbH, Heilbronn, Germany ("TSG"), and subsidiaries ("German Group")
- 0 Siliconix Incorporated, Santa Clara, USA, and subsidiaries ("Siliconix Group")
- 0 Dialogue Semiconductors Ltd., Swindon, UK, and subsidiaries ("Dialogue Group")

Vishay Intertechnology, Inc. ("Vishay") of Malvern, Pennsylvania, USA and certain subsidiaries have entered into a stock purchase agreement on the acquisition of the TEMIC Semiconductor Business. The effective date for the acquisition was February 28, 1998.

Ericsson Radio Systems AB ("Ericsson"), a minority shareholder of Dialogue Semiconductor Limited, Swindon, UK ("Dialogue"), on February 23, 1998 exercised a call option on the shares of Dialogue. The transaction with Ericsson occurred subsequent to the purchase of TEMIC by Vishay. However, the Dialogue Group has been included in the combined financial statements of the TEMIC Semiconductor Business as of December 31, 1997. The net assets of the Dialogue Group under German generally accepted accounting principles ("GAAP") were KDM 6,763 as of December 31, 1997. The revenues in 1997 were KDM 75,352 and net income under German GAAP was KDM 4, 115.

Additionally, Vishay has subsequently entered into a Share Sale and Transfer Agreement with ATMEL Corporation, San Jose, USA ("ATMEL"). Vishay has agreed to sell the integrated circuit division ("IC-Business") (which was part of the acquired Semiconductor Business) to ATMEL. This transaction, once legally effective, will become economically effective as of February 28, 1998.

The combined financial statements have been prepared under the assumption that none of the above two sales would result in significant changes in the basis of valuation. Therefore, any influences which could occur out of the two sales have not been considered.



The Directors of TSG exercised a call option to acquire the remaining 50 % of the issued share capital of Matra MHS S.A., Nantes, France ("Matra MHS") for a price of 1 French Franc with written notice dated December 30, 1997. According to the contractual agreement, the shares may only be transferred at the earliest after 60 days have elapsed since the option was exercised.

Matra MHS has recognized as revenue grants from the French Government totally approximately French Francs 497 millions as of December 31, 1997. There is a provision in the grant agreements that provides that the grants may be required to be refunded to the French Government upon certain changes in ownership of Matra MHS. The sale and the transfer of the shares of Matra MHS to Vishay and ATMEL could result in the French Government requesting repayment of all or part of these grants. The ultimate resolution of this matter can not be determined at this time.

## 1. DISCLOSURES TO THE FINANCIAL STATEMENTS UNDER GERMAN GAAP

The combined financial statements of TEMIC have been prepared in accordance with the regulations of the German Commercial Code (HGB) under the assumption that TSG is the parent entity.

### COMBINED COMPANIES

The combined financial statements include all semiconductor companies which are subsidiaries of TSG in accordance with Section 290 of the German Commercial Code as well as subsidiaries of the Daimler-Benz Group that are industrially managed (Siliconix Group and Dialogue Group). Significant investments in which TEMIC has an ownership interest in the range of 20 % to 50 % ("associated companies") are generally included using the equity method of accounting.

The combined financial statements of TEMIC include the following companies:

0 TEMIC Semiconductor GmbH, Heilbronn/Germany, (until September 30, 1997 legally dependent part of TEMIC TELEFUNKEN microelectronic GmbH, Heilbronn/Germany) and the following subsidiaries

- 0 TEMIC Semiconductors Itzehoe GmbH, Itzehoe/Germany
- 0 TEMIC TELEFUNKEN microelectronic Ges.m.b.H., Vocklabruck/Austria
- 0 TEMIC Semiconductors (Philippines) Inc., Manila/Philippines, (in 1997 legally dependent part of TEMIC TELEFUNKEN microelectronic (Philippines) Inc., Manila/Philippines)
- 0 Shanghai TEMIC Opto Semiconductors Company Ltd., Shanghai/China
- 0 Shanghai TEMIC Discrete Semiconductors Company Ltd., Shanghai/China
- 0 Matra MHS S.A., Nantes/France.

Dialogue Semiconductors Ltd., Swindon/Great Britain, and the following subsidiaries:

- 0 Dialog Semiconductor GmbH, Kirchheim-Teck/Germany
- 0 Dialog Semiconductor Ltd., Swindon/Great Britain.

SiliconixInc., Santa Clara, USA, and the following subsidiaries:

- 0 Siliconix Ltd., Bracknell/Great Britain
- 0 Siliconix (Hong Kong) Ltd., Hong Kong/China
- 0 Siliconix Technology C.V., Amsterdam/Netherlands
- 0 TEMIC (S) Pte. Ltd., Singapore
- 0 TEMIC Japan KK, Tokyo/Japan
- 0 Siliconix (Taiwan) Ltd., Kaohsiung/Taiwan
- 0 TEMIC North America Inc., Basking Ridge/USA.

Prior to October 1, 1997 TEMIC Semiconductor GmbH was not a separate entity and therefore the net assets as well as the income and expenses had to be extracted from the financial statements of TEMIC TELEFUNKEN microelectronic GmbH ("TEMIC GmbH"). The preparation of the combined financial statements require management to make estimates and assumptions that effect the recorded balances.

TEMIC Semiconductors (Phils.) Inc., Manila ("TSP") was founded in September 1997 and its respective financial statements are included as of December 31, 1997. Prior to that date the semiconductor segment of TEMIC TELEFUNKEN microelectronics (Phils.) Inc., Manila ("TMP") was not a separate entity.

The Siliconix Group and the Dialogue Group are included in the combined financial statements using the combined method, whereby the equity is shown under minority interests of the Daimler-Benz Group because the shares are not owned by TSG.

All assets and liabilities of Matra MHS are fully included in the combined financial statements as of December 31, 1997. One half of the net assets are included within equity and the remaining 50 % are included within minority interests (Other).

Shanghai SIMCONIX Electronic Company Limited, Shanghai, China, has been included in the combined financial statements using the equity method of accounting (Exhibit 3). Due to their insignificance with respect to the financial and earnings position eleven subsidiaries have not been included in the combined financial statements in accordance with Section 296 Paragraph 2 German Commercial Code (Exhibit 2).

#### PRINCIPLES OF COMBINATION

The equity combination of the group is performed according to the book value method as prescribed by German accounting standards. The carrying value of the shares owned by the parent company is eliminated against the amount which these shares represent in the equity of the subsidiary company. The elimination is based on the values at the time of acquisition of shares or first combination of the subsidiary in the combined financial statements.

The combined subsidiaries' equity amounts related to shares not owned directly or indirectly by TSG are disclosed as minority interests.

Investments in associated companies are carried in the combined balance sheet at an amount which corresponds to the proportionate share of the associated company's net equity.

Intercompany balance sheet and income statement balances and transactions have been eliminated in combination.

#### METHODS OF ACCOUNTING AND VALUATION

The financial statements of the combined companies have generally been prepared in accordance with the same methods of accounting and valuation for the entire Group. In accordance with Section 312 paragraph 5 German Commercial Code the accounting and valuation principles of Shanghia SIMCONIX Electronic Company Ltd., an associated company which is included in the combined financial statements using the equity method, have not been adjusted to the accounting and valuation principles used in the combined financial statements.

Intangible assets acquired are stated at cost and are depreciated straight line with useful lives between 4 and 5 years.

Property and equipment are stated at acquisition or manufacturing cost. Depreciation is based on the underlying -- and permitted for tax purposes -- useful economic lives of the assets. When applying the accelerated method, a changeover to the straight-line method occurs when higher depreciation expense results using this method.

At the German companies, in calculating depreciation on movable fixed assets, an entire year's depreciation is charged to additions recorded during the first half of the year and a half year's depreciation is charged to additions made in the second half of the year. Low-value assets with an individual purchase price of up to DM 800 are fully depreciated in the year of purchase and are disclosed as disposal.

The following useful lives and depreciation rates are used in calculating ordinary depreciation:

	Useful life (years) -----	Depreciation method -----
Additions to buildings up to 12.31.1988	40	straight line
Additions to buildings after 12.31.1988	25	straight line
Technical equipment and machinery	7-10	accelerated, straight line
EDP equipment and vehicle fleet	4	straight line
Tools	2	straight line
Factory and office equipment	6-7	straight line

Investments in non-consolidated subsidiaries and participations and marketable securities are carried at cost or at a lower value appropriate at the balance sheet date. Investments in associated companies are accounted for at equity. Other long-term investments are carried at acquisition cost. Other loans which are low- or non-interest bearing are stated at their present value.

Inventory is valued at the lower of acquisition or manufacturing cost or market, cost being generally determined on the basis of an average or first-in, first-out method. Manufacturing costs comprise direct material and labor and applicable manufacturing overheads, including depreciation charges.

Raw materials are valued at average cost. Obsolescence risks have been accounted for.

Unfinished and finished goods are valued at manufacturing costs. Such manufacturing costs include direct material, material related overhead, direct labor costs, labor related overhead and related depreciation of property, plant and equipment. Appropriate reserves have been recorded for obsolete or slow moving items.

Receivables and other assets are recorded at face value less write downs or allowances. All known risks have been accounted for. In addition to the specific allowance for bad debts a general allowance of 1% has been recorded on domestic receivables in accordance with German tax regulations. Outside of Germany the general allowance is recorded based on past experience.

Non interest bearing and low interest bearing receivables due after more than one year are reported at present values.

Receivables denominated in foreign currencies are stated at the lower of the rate in effect at the date the receivable was recorded or the rate in effect at the balance sheet date.

The accruals for pension and similar obligations are stated using the values derived from actuarial appraisals in accordance with Section 6 a German Income Tax Law using a discount rate of 6%.

An accrued liability for taxes and other contingencies is recorded when an obligation with third parties has been incurred, its utilization is probable and the amount can be reasonably estimated.

Liabilities are recorded at face value. Liabilities in foreign currency are stated at the rate in effect at the date the liability was recorded or at the higher rate in effect at the balance sheet date.

#### FOREIGN CURRENCY TRANSLATION

Assets and liabilities reported by foreign subsidiaries have been translated into Deutsche Marks using the exchange rate in effect at the balance sheet date. Translation differences in the balance sheet between the years resulting from translation at different exchange rates are recorded in capital reserves. Revenues, expenses and net income/loss for the year have been translated into Deutsche Marks using average exchange rates. The resulting translation difference is recorded in capital reserves.

#### DISCLOSURES TO THE COMBINED BALANCE SHEET

##### FIXED ASSETS

See Exhibit 1 for details of the development of fixed assets in 1997.

The depreciation for the year includes extraordinary depreciation in the amount of KDM 3,498.

Details of financial investments are given in Exhibit 2 and 3.

##### RECEIVABLES

Receivables from affiliated companies comprise trade receivables of KDM 9,218 and receivables from intercompany financing of KDM 17,003.

Trade receivables and receivables from affiliated companies include receivables due from shareholders of KDM 16,549 and of KDM 4,200, respectively.

The receivables are due within one year except for an amount of KDM 7,000 included in other assets which is due in more than one year.

##### SUBSCRIBED CAPITAL

The subscribed capital only comprises the capital of TSG.

## MINORITY INTERESTS

The minority interests of Daimler-Benz Group comprise subsidiaries of Daimler-Benz Group that are industrially managed and include interests in Dialogue Group and Siliconix Group.

Other minority interests include interests in Dialogue Group, Siliconix Group, Matra MHS and Shanghai TEMIC Opto Semiconductors Company Limited, which are not owned by any company of the Daimler-Benz Group.

## ACCRUALS

Other Accruals mainly include provisions for sales deductions and bonuses, royalties, warranty obligations, accrued losses on uncompleted contracts, termination pay, commissions and vacation pay.

## LIABILITIES

Breakdown of the individual liability positions according to their maturity:

	Total	Maturity		
		within 1 year	1 to 5 years	5 years and more
1. Bank borrowings	163,769	61,580	100,981	1,208
2. Payments received on account of orders	270	270	0	0
3. Trade payables	129,705	129,260	445	0
4. Liabilities on bills accepted and drawn	5,669	5,669	0	0
5. Payables to affiliated companies thereof to shareholders	208,626 10,200	208,204 10,200	422	0
6. Payables to enterprises in which participating interests are held	940	940	0	0
7. Other liabilities	95,576	88,801	1,189	5,586
thereof for taxes	5,226	5,226		
thereof for social security	8,061	8,061		
thereof to shareholders	987	987		
	604,555	494,724	103,037	6,794

The payables to affiliated companies comprise trade accounts payable of KDM 14,380 and payables from intercompany financing of KDM 194,246.

Of the bank borrowings, an amount of KDM 3,232 is secured by a mortgage on real estate. An amount of KDM 23,451 is secured through an assignment of assets.

OTHER FINANCIAL OBLIGATIONS

The other financial obligations from existing leasing and rent contracts amount to KDM 188,187.

DISCLOSURES TO THE COMBINED PROFIT AND LOSS STATEMENT

SALES

	(KDM)	%
-----		
CLASSIFICATION BY BUSINESS SEGMENT		
IC Division	617,948	40.4 %
Discrete Division	913,017	59.6 %
	-----	
	1,530,965	
	=====	

CLASSIFICATION BY GEOGRAPHICAL AREA

Domestic (Germany)	272,355	17.8 %
European Community (excluding Germany)	441,892	28.9 %
Rest of Europe	18,192	1.2 %
United States of America	320,433	20.9 %
Africa	2,894	0.2 %
Japan	84,115	5.5 %
South-East Asia	350,686	22.9 %
Rest of the world	40,398	2.6 %
	-----	
	1,530,965	
	=====	



COST OF MATERIALS

	(KDM)
	-----
a) Cost of raw materials and supplies and of purchased merchandise	349,023
b) Cost of purchased services	217,834
	=====
	566,857
	=====

PERSONNEL EXPENSES

	(KDM)
	-----
a) Wages and salaries	387,389
b) Social security and other pension cost	
thereof pension cost: KDM 17,124	107,188
	=====
	494,577
	=====

INTEREST EXPENSES

This position subdivides as follows:

	(KDM)
	-----
Interest expenses	(18,638)
thereof to affiliated companies: KDM 10,101	
Interest income	3,551
thereof from affiliated companies: KDM 1,137	
Income from other investments and long-term loans	257
	=====
	(14,830)
	=====

EXTRAORDINARY INCOME

Disclosed as extraordinary income is a contribution by TEMIC GmbH to compensate for the losses of the German semiconductor business from the period January 1, 1997 through September 30, 1997.

OTHER TAXES

Other taxes amount to KDM 11,288. Thereof KDM 8,896 are included in cost of sales, mainly net assets tax (KDM 4,742) and property tax (KDM 2,558).

OTHER NOTES

EMPLOYEES

AVERAGE NUMBER OF EMPLOYEES DURING 1997

Waged Employees	4,354
Salaried Employees	2,613
Trainees	97

=====  
7,064  
=====

NUMBER OF EMPLOYEES AT BALANCE SHEET DATE

Waged Employees	4,311
Salaried Employees	2,735
Trainees	122

=====  
7,168  
=====

NOTES TO THE ORGANIZATION AND PARENT COMPANY (TSG)

The Management of TSG includes the following:

Dr. Michael Muhlbayer  
Hans-Ulrich Staiger

The Supervisory Board of TSG includes the following:

Dr. Eckhard Cordes  
Peter Conze  
Cvetka Ivanovic  
Dr. Wolfgang Scholz  
Frank Dieter Maier  
Dieter Schulze

Management remuneration paid by TSG amounted to KDM 91 in 1997. In the period from January 1 to September 30, 1997, while TSG was a legal dependent part of TEMIC GmbH, there have been allocations for management remuneration amounting to KDM 273.

Remuneration of the Supervisory Board of TSG for the period from September 18 to December 31, 1997 amounted to KDM 40.

As at December 31, 1997 the pension accruals included KDM 2,105 for former members of the management board. Pensions paid to former management amount to KDM 166.

As at December 31, 1997 TSG was fully owned by TEMIC GmbH which in turn is directly or indirectly majority owned by Daimler-Benz AG, Stuttgart. Dialouge was majority owned by TEMIC GmbH, Siliconix was indirectly majority owned by Daimler-Benz AG. TSG, TEMIC GmbH, Siliconix and Dialogue Group are included in the consolidated financial statements of Daimler-Benz AG. These are published at the commercial register of the municipal court in Stuttgart (HRB 15350).

## 2. RECONCILIATION TO U.S. GAAP

The accompanying combined financial statements have been prepared in conformity with accounting principles generally accepted in Germany. Those principles differ from accounting principles generally accepted in the United States of America. Following are the significant differences relating to the Company's combined financial statements:

### a) Capital contribution

The amount disclosed as capital contribution equals the losses incurred by the German TEMIC semiconductor division in the period January 1, through September 30, 1997. The net loss was assumed by the parent company. In the German GAAP financial statements the loss assumed by the parent company is disclosed as extraordinary income while under U.S. GAAP the contribution is disclosed as a capital contribution.

### b) Deferred taxes

The deferred tax asset in accordance with FAS 109 has been recognized on temporary differences and on available tax loss carry forwards to the extent that a future realization appears more likely than not. In the German GAAP financial statements no material deferred tax asset was recognized.

### c) Investments in Affiliated Companies

Under German GAAP certain investments in affiliated companies are stated at cost. Under U.S. GAAP these investments are accounted for on the equity method.

### d) Accrued losses on uncompleted contracts

The reserve comprises (for German purposes) the difference between cost (including administration and selling overhead cost) and anticipated net sales prices for accepted customer orders. For U.S. purposes selling and administration as well as research and development overhead cost have been eliminated in calculating the accrual.

e) Unrealized Exchange Gains

Under German GAAP receivables denominated in foreign currency are recorded at the lower of the rate in effect at the date the receivable was recorded or the rate in effect at the balance sheet date. Liabilities are recorded at the higher of rate at the date the liability was recorded or the rate in effect at the balance sheet date. Under U.S. GAAP the year end rate has to be used.

f) Pensions

The Company has various pension plans including a major pension scheme of TSG.

U.S. GAAP requires that future salary increases and cost of living increases be included in the actuarial assumptions. This results in a higher accrual for U.S. GAAP than according to German GAAP.

The pension liability in accordance with FAS 87 "Employers' Accounting For Pensions" is as follows:

	German GAAP (KDM)	U.S. GAAP (KDM)
Accrued pension cost	84,557	98,847
Net periodic pension expense	17,124	16,251

g) Inventories

The recorded GAAP difference on inventory represents the difference between the reserve for lower of cost or market calculated in accordance with German GAAP ("verlustfreie Bewertung") and U.S. GAAP respectively. For the German reserve the difference between cost and market was calculated by comparing the net sales prices with the cost plus (direct and indirect) selling and administration cost. In accordance with U.S. GAAP indirect selling and administration cost were not considered in calculating the reserve.

h) Termination Pay Reserve

The difference relates to the termination pay reserve of the Austrian subsidiary of TSG. Employees are entitled under Austrian labor legislation to such termination payments either on their retirement or involuntary termination of their employment. The termination pay entitlement commences after three years of employment and increases in steps over the employee's period of service. The provision for employees' termination pay entitlements for U.S. GAAP reporting purposes includes the effect of future salary increases.

i) Net Income in Accordance with U.S. GAAP

	1997
	(KDM)
	-----
German GAAP net income	15,529
Other minority interests other than Daimler-Benz	
Group in net results of combined entities	(421)
	-----
German GAAP net income excluding other minority interests	
other than Daimler-Benz Group in net results of combined entities	15,108
	-----
Capital contribution	(16,817)
Deferred taxes	10,985
Investments in affiliated companies	3,677
Accrued losses on uncompleted contracts	1,459
Unrealized exchange gains	1,193
Pension expense	873
Inventories	373
Termination pay reserve	(131)
Other	109
	-----
Net decrease of reported net income	1,721
	-----
Other minority interests other than Daimler-Benz Group	
in net decrease of reported net income	(873)
	-----
Approximate net income in accordance with U.S. GAAP	15,956
	=====

j) Reconciliation of German GAAP Equity to U.S. GAAP Equity

	12-31-1997 (KDM)
	-----
Equity as reported in the German GAAP combined balance sheet	480,326
Other minority interests other than Daimler-Benz Group in equity of combined entities	(66,600)
	-----
German GAAP net equity excluding other minority interests other than Daimler-Benz Group in equity of combined entities	413,726
	-----
Deferred taxes	25,227
Investments in affiliated companies	342
Accrued losses on uncompleted contracts	4,878
Unrealized exchange gains	2,424
Pension reserve	(14,290)
Inventories	692
Termination pay reserve	(2,422)
Other	950
	-----
Net decrease of reported net equity	17,801
	-----
Other minority interests other than Daimler-Benz Group in net decrease of reported net equity	(1,998)
	-----
Approximate equity in accordance with U.S. GAAP	429,529
	=====

Heilbronn, May 14, 1998

The Management

(in DM 000)

	Acquisition and Production Costs					Balance on 12/31/97
	Balance on 1//1/97	Currency effect	Additions	Transfers	Disposals	
<b>Intangible assets</b>						
Concessions, industrial and similar rights and assets and licences and licences in such rights and assets	43,196	303	11,103	0	4,420	50,182
Software	55,081	1,202	3,887	728	9,476	51,422
Goodwill	0	0	390	0	0	390
	98,277	1,505	15,380	728	13,896	101,994
<b>Tangible assets</b>						
Land, leasehold rights and buildings including buildings on third party land	259,659	10,178	11,970	9,350	3,035	288,122
Technical equipment and machines	1,056,712	21,541	67,361	97,375	63,767	1,179,222
Other equipment, factory and office equipment	159,975	919	17,179	8,808	14,366	172,515
Payments on account and assets under construction	52,380	1,261	105,927	(116,261)	1,028	42,279
	1,528,726	33,899	202,437	(728)	82,196	1,682,138
<b>Financial assets</b>						
Shares in affiliated companies	14,817	34	563	0	12,280	3,134
Loans to affiliated companies	2,203	18	394	0	1,898	717
Shares in associated companies	11,422	1,743	6,347	0	0	19,512
Securities	3,304	(17)	61	0	127	3,221
Other loans	130	0	314	0	151	293
	31,876	1,778	7,679	0	14,456	26,877
	1,658,879	37,182	225,496	0	110,548	1,811,009

	Accumulated Depreciation	Net book value	Depreciation for the year
	Balance on 12/31/97	Balance on 12/31/97	
<b>Intangible assets</b>			
Concessions, industrial and similar rights and assets and licences and licences in such rights and assets	28,764	21,418	6,822
Software	38,378	13,044	7,320
Goodwill	78	312	78
	67,220	34,774	14,220
<b>Tangible assets</b>			
Land, leasehold rights and buildings including buildings on third party land	154,887	133,235	11,860



Technical equipment and machines	831,753	347,469	103,137
Other equipment, factory and office equipment	130,277	42,238	21,981
Payments on account and assets under construction	0	42,279	0
	-----	-----	-----
	1,116,917	565,221	136,978
	.....	.....	.....
Financial assets			
Shares in affiliated companies	2,189	945	692
Loans to affiliated companies	113	604	0
Shares in associated companies	0	19,512	0
Securities	0	3,221	0
Other loans	60	233	60
	-----	-----	-----
	2,362	24,515	752
	.....	.....	.....
	1,186,499	624,510	151,950
	=====	=====	=====

NON CONSOLIDATED GROUP COMPANIES /1/  
as of December 31, 1997

Exhibit 2

COMPANY	CITY	COUNTRY	SHAREHOLDER
MATRA MHS GmbH ("MHSG")	Eching	Germany	MHS, 100 %
TEMIC UK Limited ("TMUK")	Bracknell	Great Britain	MHS, 100 %
TEMIC Nordic AB ("TMS")	Sundyberg	Sweden	MHS, 100 %
MATRA MHS Inc. ("MHSUSA")	Santa Clara	USA	MHS, 100 %
TEMIC Hong Kong Limited ("TMHK")	Hong Kong	China	MHS, 100 %
TEMIC Korea Limited ("TMROK")	Seoul	Korea	TMHK, 12,320 shares (approx. 80 %) K.M. Park, 2,310 shares (approx. 15 %) Henry Lee, 770 shares (approx. 5 %)
MATRA MHS Italia S.r.l. ("MHSI")	Milano	Italy	MHS, 100 %
TEMIC Usha Limited ("TMIND")	Gurgaon	India	MHS, 465,187 shares (approx. 50 %) Usha Limited, 232,594 shares (approx. 25 %) Asharfi Chit Fund & Finance PVT Limited 232,593 (approx. 25 %)
TEMIC France SNC ("TMF")	Saint Quentin en Yvelines	France	MHS, capital contribution FF 90,000 (90 %) TMUK, capit. contrib. FF 10,000 (10 %)
T. SQUARE Inc. ("TSQW")	Santa Clara	USA	MHS, 2,223,000 shares of Series A preferred stock (approx. 20.62 %) 21 Investors
Siliconix S.r.I. ("SILI")	Milano	Italy	Siliconix Inc., 100 %

COMPANY		TOTAL EQUITY	PROFIT (LOSS)
MATRA MHS GmbH ("MHSG")	DM	234,489	4,191
TEMIC UK Limited ("TMUK")	GBP	119,194	(21,895)
TEMIC Nordic AB ("TMS")	SKR	1,421,788	262,023
MATRA MHS Inc. ("MHSUSA")	US\$	0	0
TEMIC Hong Kong Limited ("TMHK")	HK\$	1,625,300	125,298
TEMIC Korea Limited ("TMROK")	US\$	156,063	(22,537)
MATRA MHS Italia S.r.l. ("MHSI")	LIT /2/	80,837,311	(25,317,634)
TEMIC Usha Limited ("TMIND")	IR /2/	28,181,348	17,761,435
TEMIC France SNC ("TMF")	FF	(3,002,487)	(2,818,636)
T. SQUARE Inc. ("TSQW")	US\$	6,844,465	(3,938,535)
Siliconix S.r.I. ("SILI")	(currently without operations)		

/1/ Included in the financial statements under German GAAP at cost

/2/ Figures as of 12-31-1996

Exhibit 3

PARTICIPATIONS CONSOLIDATED AT EQUITY  
as of December 31, 1997

Company	City	Country	Shareholder		TOTAL EQUITY	PROFIT / (LOSS)
Shanghai SIMCONIX Electronic Ltd.	Shanghai	China	Siliconix Inc. Shanghai Institute of Metal	50% 50%	US\$ 21, 776,000	7,084,000

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
VISHAY INTERTECHNOLOGY, INC.  
AND  
TEMIC SEMICONDUCTOR BUSINESS  
(UNAUDITED)

The following pro forma condensed consolidated balance sheet (unaudited) as of December 31, 1997 and pro forma condensed consolidated statement of operations (unaudited) for the year ended December 31, 1997 give pro forma effect to the purchase by Vishay of 80.4% of the capital stock of Siliconix Incorporated and all of the capital stock of TEMIC Semiconductor GmbH from Daimler-Benz for total consideration of approximately \$500,000,000 in cash and the sale of the TEMIC Integrated Circuits Division to Atmel for approximately \$110,000,000. The pro forma condensed consolidated statement of operations for the year ended December 31, 1997 presents the results of operations of Vishay as if the above mentioned transactions (collectively, "the acquisition") were consummated as of January 1, 1997. The pro forma consolidated balance sheet (unaudited) as of December 31, 1997 presents the financial position of Vishay as if the acquisition had occurred as of December 31, 1997. The pro forma information is based on the historical financial statements of Vishay and the TEMIC Semiconductor Business, giving effect to the acquisition under the purchase method of accounting and the assumptions and adjustments set forth in the accompanying notes.

These pro forma condensed consolidated financial statements have been prepared by Vishay's management based upon the audited combined financial statements of the TEMIC Semiconductor Business as of and for the year ended December 31, 1997. These pro forma financial statements may not be indicative of the results that actually would have occurred had the acquisition occurred on the dates indicated or those that may be obtained in the future. The pro forma financial statements should be read in conjunction with the consolidated financial statements of Vishay included in Vishay's Annual Report on Form 10-K for the year ended December 31, 1997, and the consolidated financial statements of the TEMIC Semiconductor Business for the year ended December 31, 1997 included in this Form 8-K/A.

NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Certain financial information has been derived from the combined audited financial statements and notes thereto of TEMIC Semiconductor GmbH for the year ended December 31, 1997.

(A) Amounts for TEMIC have been translated from Deutsche Marks to U.S. Dollars as follows:

Balance Sheet Data - at the approximate exchange rate in effect as of December 31, 1997 (\$1 = DM 1.7885)

Income Statement Data - at the approximate average exchange rate in effect during the year ended December 31, 1997 (\$1 = DM 1.7331)

(B) Reflects increase in outstanding indebtedness as a result of the purchase by Vishay of 80.4% of the issued and outstanding shares of Siliconix Incorporated and all of the capital stock of TEMIC Semiconductor GmbH from Daimler Benz for total consideration of approximately \$500,000 and the sale of the TEMIC Integrated Circuits Division to Atmel for approximately \$110,000. The purchase price and related costs were financed through long-term debt.

Purchase price, net.....	389,936
Professional fees and other costs.....	664
	-----
Total purchase price	\$390,600
	=====

The Company also paid \$3,400 of bank costs associated with the credit facility used to finance the acquisition.

(C) Under purchase accounting, the total purchase price is allocated to assets acquired and liabilities assumed based on their estimated fair values. Purchase accounting adjustments have been preliminarily estimated by Vishay's management based upon currently available information. There can be no assurance, however, that the estimated adjustments represent the final purchase accounting adjustments that will ultimately be determined. Management is waiting for the results of appraisals and other information that will be required to determine the final purchase allocation. The following pro forma adjustments have been made to reflect the estimated fair values of the acquired assets and liabilities as of December 31, 1997.

	Net Assets Increase (Decrease)
Property and equipment .....	48,942
Estimated TEMIC restructuring costs .....	(38,551)
Deferred income taxes	
Other current assets .....	17,931
Other non-current liabilities .....	(14,553)
Elimination of TEMIC goodwill .....	(174)
Elimination of TEMIC Stockholders' Equity .....	(139,546)
Minority Interest .....	(1,713)
TEMIC debt to Daimler-Benz not assumed by Vishay .....	
Short-term .....	118,642
Long-term .....	13,012
Cost in excess of net assets acquired .....	107,518

(D) For purposes of determining the pro forma effect of the TEMIC acquisition on the Vishay consolidated statement of operations, the following estimated pro forma adjustments have been made:

	INCREASE (DECREASE) INCOME YEAR ENDED 12/31/97
1. Interest expense on additional variable rate long-term debt of \$390,000 at a 6.30% assumed interest rate.....	\$(24,570)
2. Interest expense reduction due to refinancing of TEMIC debt by Vishay.....	3,994
3. Increase in depreciation resulting from adjustments to fair value of property, plant and equipment and the establishment by Vishay of estimated remaining useful lives.....	(5,757)
4. Amortization of cost in excess of net assets acquired(goodwill) over a forty-year period.....	(2,688)
5. Amortization of deferred bank costs over a five-year period.....	(680)
6. Income tax benefit applicable to adjustments at a 38% assumed rate.....	11,286 ----- \$ (18,415)

(E) Pro forma earnings per share for the year ended December 31, 1997 was computed as follows:

Weighted average number of common shares outstanding	64,459
Pro forma net earnings.....	\$66,110 =====
Pro forma net earnings per share	\$ 1.03 =====

(F) Long-term bank borrowings relating to the acquisition are at variable rates. An increase or decrease of 1/2% in the interest rate on such borrowings would decrease or increase pro forma net earnings and earnings per share by approximately \$1,209 and \$0.02, respectively.

PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
(UNAUDITED)

	DECEMBER 31, 1997 AS REPORTED		DIALOGUE - NOT ACQUIRED	SALE TO ATMEL	PRO FORMA ADJUSTMENTS	DECEMBER 31, 1997 PRO FORMA
	VISHAY	TEMIC				
	(IN THOUSANDS)					
<b>ASSETS</b>						
Cash and cash equivalents	\$55,263	\$18,753	\$1,208	\$6,705	(\$3,400) (B)	\$62,703
Accounts receivable	186,687	161,324	9,221	73,484		265,307
Inventories	339,371	153,634	2,720	42,263		448,022
Other current assets	64,650	53,002	953	13,202	17,931 (C)	121,428
<b>Total Current Assets</b>	<b>645,971</b>	<b>386,713</b>	<b>14,102</b>	<b>135,653</b>	<b>14,531</b>	<b>897,460</b>
Property and equipment	709,142	316,031	2,594	98,612	48,942 (C)	972,908
Goodwill	286,923	174			107,518 (C) (174) (C)	394,441
Other assets	77,612	47,272	1,393	30,589	3,400 (B)	96,302
	<u>\$1,719,648</u>	<u>\$750,191</u>	<u>\$18,089</u>	<u>\$264,855</u>	<u>\$174,217</u>	<u>\$2,361,111</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
Accounts and notes payable	\$77,851	\$82,991	\$4,588	\$40,008	\$0	\$116,246
Other current liabilities	108,527	59,389	2,394	44,506	38,551 (C)	159,567
Short term borrowings	0	143,972	5,921	19,409	(118,642) (C)	(0)
Current portion of long-term debt	4,459	0	0	0		4,459
<b>Total Current Liabilities</b>	<b>190,837</b>	<b>286,352</b>	<b>12,902</b>	<b>103,923</b>	<b>(80,091)</b>	<b>280,272</b>
Long-term debt	347,463	57,373	0	44,361	(13,012) (C) 390,600 (B)	738,063
Deferred income	59,300	0	0	0		59,300
Other non-current liabilities	144,470	127,950	7	21,135	14,553 (C)	265,830
Minority Interest	17,930	38,355	0	0	1,713 (C)	57,998
Stockholders' equity						
Common stock	5,646	0	0	0		5,646
Other stockholders' equity	954,002	240,162	5,180	95,436	(139,546) (C)	954,002
	<u>\$1,719,648</u>	<u>\$750,191</u>	<u>\$18,089</u>	<u>\$264,855</u>	<u>\$174,217</u>	<u>\$2,361,111</u>

See notes to pro forma condensed consolidated financial statements.

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
(UNAUDITED)

	YEAR ENDED DECEMBER 31, 1997				PRO FORMA ADJUSTMENTS - NOTE D	YEAR ENDED DECEMBER 31, 1997 PRO FORMA
	AS REPORTED		DIALOGUE - NOT ACQUIRED	SALE TO ATMEL		
	VISHAY	TEMIC				
(IN THOUSANDS, EXCEPT PER SHARE DATA)						
Net sales	\$1,125,219	\$883,368	\$43,565	\$278,954		\$1,686,068
Costs of products sold	858,020	657,287	33,424	208,828	\$5,757	1,278,812
Gross profit	267,199	226,081	10,140	70,127	(5,757)	407,256
Selling, general, and administrative expenses	136,876	217,522	7,574	91,051	680	256,454
Amortization of goodwill	7,218				2,688	9,906
Unusual items	14,503					14,503
Operating income	108,602	8,559	2,566	(20,924)	(9,125)	126,393
Other income (expense):						
Interest expense	(18,819)	(8,557)	(247)	(4,316)	(20,576)	(43,389)
Other	(2,314)	9,456	55	88		6,999
	(21,133)	899	(192)	(4,228)	(20,576)	(36,390)
Earnings before income taxes	87,469	9,458	2,374	(25,151)	(29,701)	90,003
Income taxes	34,167	251	(1,357)	596	(11,286)	23,893
Net earnings	\$53,302	\$9,207	\$3,731	(\$25,748)	(\$18,415)	\$66,110
Basic and diluted earnings per share	\$0.83					\$1.03
Weighted average shares outstanding - assuming dilution	64,459					64,459

See notes to pro forma condensed consolidated financial statements.



EXHIBIT INDEX

Exhibit No.	Description	Page No.
23	Consent of Independent Accountants	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to Current Report on Form 8-K to be signed on its behalf by the undersigned thereunto duly authorized.

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Richard N. Grubb

-----  
Name: Richard N. Grubb  
Title: Executive Vice President,  
Treasurer and Chief Financial  
Officer

Date: May 15, 1998

Consent of Independent Accountants

To the shareholders of the  
TEMIC Semiconductor Business

We consent to the incorporation by reference in the following registration statements (No. 33-7850, 33-7851 and 33-59609) on Form S-8 of Vishay Intertechnology, Inc. of our report dated May 14, 1998, with respect to the combined balance sheet of the TEMIC Semiconductor Business as of December 31, 1997, and the related combined statements of revenues and expenses and cash flow, included in Vishay Intertechnology Inc.'s Form 8-K filed with the Securities Exchange Commission.

KPMG Deutsche Treuhand-Gesellschaft AG

Stuttgart, Germany  
May 14, 1998