SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

/x/ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 1999

/_/ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to ______________

Commission File Number 1-7416

VISHAY INTERTECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	38-1686453
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

63 Lincoln Highway, Malvern, Pennsylvania	19355
(Address of principal executive offices)	(Zip Code)

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

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

As of November 12, 1999 registrant had 74,281,911 shares of its Common Stock and 10,374,931 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q SEPTEMBER 30, 1999

CONTENTS

VISHAY INTERTECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(Unaudited - In thousands)

ASSETS	September 30 1999	December 31 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 102,055	$ 113,729
Accounts receivable	322,466	276,270
Inventories:		
Finished goods	153,565	196,551
Work in process	134,739	136,393
Raw materials	119,811	113,194
Deferred income taxes	52,051	53,389
Prepaid expenses and other current assets	75,665	67,045
TOTAL CURRENT ASSETS	960,352	956,571
PROPERTY AND EQUIPMENT - AT COST		
Land	55,436	59,146
Buildings and improvements	260,823	270,095
Machinery and equipment	1,060,914	1,039,050
Construction in progress	62,442	69,534
Allowance for depreciation	(499,354)	(440,758)
	940,261	997,067
GOODWILL	411,266	432,558
OTHER ASSETS	66,294	76,548
	$ 2,378,173	$ 2,462,744

See notes to consolidated condensed financial statements.

LIABILITIES AND STOCKHOLDERS' EQUITY	September 30 1999	December 31 1998
CURRENT LIABILITIES		
Notes payable to banks	$ 31,508	$ 20,253
Trade accounts payable	82,721	92,656
Payroll and related expenses	79,380	70,490
Other accrued expenses	103,838	111,420
Income taxes	26,747	17,425
Current portion of long-term debt	3,827	4,544
TOTAL CURRENT LIABILITIES	328,021	316,788
LONG-TERM DEBT	724,168	814,838
DEFERRED INCOME TAXES	63,358	68,933
DEFERRED INCOME	52,088	59,264
MINORITY INTEREST	60,728	51,858
OTHER LIABILITIES	24,952	25,174
ACCRUED PENSION COSTS	115,767	123,370
STOCKHOLDERS' EQUITY		
Common stock	7,430	5,935
Class B common stock	1,037	832
Capital in excess of par value	989,061	990,328
Retained earnings	61,089	14,354
Accumulated other comprehensive income	(48,372)	(7,799)
Unearned compensation	(1,154)	(1,131)
	1,009,091	1,002,519
	$ 2,378,173	$ 2,462,744

See notes to consolidated condensed financial statements.

VISHAY INTERTECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Unaudited - In thousands except earnings per share)

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998
Net sales	$ 443,711	$ 399,499
Costs of products sold	324,078	301,904
GROSS PROFIT	119,633	97,595
Selling, general, and administrative expenses	64,320	62,946
Amortization of goodwill	3,214	3,048
OPERATING INCOME	52,099	31,601
Other income (expense):		
Interest expense	(13,664)	(14,009)
Other	(3,180)	(1,204)
	(16,844)	(15,213)
EARNINGS BEFORE INCOME TAXES	35,255	16,388
Income taxes	9,519	4,267
NET EARNINGS	$ 25,736	$ 12,121
Basic and diluted earnings per share	$ 0.30	$ 0.14
Weighted average shares outstanding - assuming dilution	85,870	84,550

See notes to consolidated condensed financial statements.

VISHAY INTERTECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Unaudited - In thousands except earnings per share)

	Nine Months Ended September 30, 1999	1998
Net sales	$ 1,292,092	$ 1,161,087
Costs of products sold	963,888	875,896
GROSS PROFIT	328,204	285,191
Selling, general, and administrative expenses	188,592	173,234
Amortization of goodwill	9,727	8,587
OPERATING INCOME	129,885	103,370
Other income (expense):		
Interest expense	(39,659)	(35,093)
Loss on disposal of subsidiary	(10,073)	0
Other	(7,392)	(5,312)
	(57,124)	(40,405)
EARNINGS BEFORE INCOME TAXES	72,761	62,965
Income taxes	26,026	17,542
NET EARNINGS	$ 46,735	$ 45,423
Basic and diluted earnings per share	$ 0.55	$ 0.54
Weighted average shares outstanding - assuming dilution	85,538	84,544

See notes to consolidated condensed financial statements.

VISHAY INTERTECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(Unaudited - In thousands)

	Nine Months Ended September 30, 1999	1998
OPERATING ACTIVITIES		
Net earnings	$ 46,735	$ 45,423
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	107,428	97,610
Loss on sale of subsidiary	10,073	--
Other	6,232	575
Changes in operating assets and liabilities	(39,742)	(28,345)
NET CASH PROVIDED BY OPERATING ACTIVITIES	130,726	115,263
INVESTING ACTIVITIES		
Purchases of property and equipment	(83,207)	(111,738)
Proceeds from sale of property and equipment	5,147	7,864
Proceeds from sale of subsidiary	9,118	--
Sale of business	--	105,755
Purchase of businesses, net of cash acquired	--	(528,599)
NET CASH USED IN INVESTING ACTIVITIES	(68,942)	(526,718)
FINANCING ACTIVITIES		
Net proceeds(payments) on revolving credit lines	(78,870)	479,563
Proceeds from long-term borrowings	3,375	6,571
Payments on long-term borrowings	(6,545)	(6,771)
Net proceeds(payments) on short-term borrowings	11,441	(2,714)
NET CASH PROVIDED(USED) BY FINANCING ACTIVITIES	(70,599)	476,649
Effect of exchange rate changes on cash	(2,859)	1,458
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11,674)	66,652
Cash and cash equivalents at beginning of period	113,729	55,263
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 102,055	$ 121,915

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)
September 30, 1999

Note 1: Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for presentation of financial position, results of operations, and cash flows required by generally accepted accounting principles for complete financial statements. The information furnished reflects all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair summary of the financial position, results of operations and cash flows for the interim periods presented. The financial statements should be read in conjunction with the financial statements and notes thereto filed with Form 10-K for the year ended December 31, 1998.

Note 2: Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except earnings per share):

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Numerator:				
Net income	$25,736	$12,121	$46,735	$45,423
Denominator:				
Denominator for basic earnings per share - weighted average shares	84,481	84,441	84,482	84,447
Effect of dilutive securities:				
Stock appreciation rights	559	--	559	--
Employee stock options	757	--	424	--
Other	73	109	73	97
Dilutive potential common shares	1,389	109	1,056	97
Denominator for diluted earnings per share - adjusted weighted average shares	85,870	84,550	85,538	84,544
Basic earnings per share	$ 0.30	$ 0.14	$ 0.55	$ 0.54
Diluted earnings per share	$ 0.30	$ 0.14	$ 0.55	$ 0.54

For the quarter and nine months ended September 30, 1999, options to purchase 3,531,000 and 3,864,000 shares, respectively, at prices ranging from $18.31 to $32.91 per share were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares. Earnings per share amounts for all periods presented reflect the five-for-four stock split paid on June 22, 1999.

In connection with the acquisition of LPSC, the Company issued stock appreciation rights (SARs) to the former owners of LPSC. The SARs represent the right to receive, in stock, the increase in value on the equivalent of 2,133,000 shares of the Company's stock above $17.52 per share. For the quarter and nine months ended September 30, 1999, 559,000 shares were included in the calculation of diluted earnings per share because the closing market price of the common shares on September 30, 1999 ($23.75) was greater than the strike price of $17.52.

Note 3: Business Segment Information

The Company designs, manufactures, and markets electronic components that cover a wide range of products and technologies. The Company has two reportable segments: Passive Electronic Components (Passives) and Active Electronic Components (Actives). The Company evaluates performance and allocates resources based on several factors, of which the primary financial measure is business segment operating income excluding amortization of intangibles. The corporate component of operating income represents corporate selling, general, and administrative expenses.

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Business Segment Information	(In thousands)		(In thousands)	
Net Sales:				
Passives	$ 248,487	$ 244,173	$ 746,459	$ 780,451
Actives	195,224	155,326	545,633	380,636
	$ 443,711	$ 399,499	$ 1,292,092	$ 1,161,087
Operating Income:				
Passives	$ 25,946	$ 21,736	$ 65,767	$ 91,932
Actives	31,833	14,245	81,162	28,973
Corporate	(2,466)	(1,332)	(7,317)	(8,948)
Amortization of goodwill	(3,214)	(3,048)	(9,727)	(8,587)
	$ 52,099	$ 31,601	$ 129,885	$ 103,370

Note 4: Comprehensive Income

Total comprehensive income (loss) includes the following components (in thousands):

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Net Income	$ 25,736	$ 12,121	$ 46,735	$ 45,423
Other comprehensive income (loss):				
Foreign currency translation adjustment	11,317	21,093	(41,124)	13,787
Pension liability adjustment, net of tax	(1,416)	(350)	551	(295)
Total other comprehensive income (loss)	9,901	20,743	(40,573)	13,492
Comprehensive income	$ 35,637	$ 32,864	$ 6,162	$ 58,915

Note 5: Income Taxes

The effective tax rate for the nine months ended September 30, 1999 was 35.8% as compared to 27.9% for the nine months ended September 30, 1998. The unusual effective tax rate for the nine months ended September 30, 1999 was due to the following: (i) the non tax deductibility of the pretax loss on the sale of Nicolitch, S.A. ($10,073,000); (ii) the tax expense recorded on the sale of Nicolitch, S.A.($1,416,000); and (iii) the change in the tax rate in Germany ($1,939,000). Exclusive of these items, the effective tax rate for the nine months ended September 30, 1999 would have been 27%.

Note 6: Sale of Subsidiary

On March 26, 1999, the Company finalized the sale of Nicolitch, S.A., its French manufacturer of printed circuit boards to Leonische Drahtwerke AG. In connection with the sale, the Company received proceeds of $9,118,000 and recorded a non cash book loss of $11,489,000, including tax expense of $1,416,000.

Note 7: Other Income

For the nine months ended September 30, 1998, the Company recorded a pretax loss of $6,269,000 related to a forward exchange contract entered into to set the purchase price in connection with the TEMIC acquisition.

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

Results of Operations

Income statement captions as a percentage of sales and the effective tax rates were as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	1999	1998	1999	1998
Costs of products sold	73.0%	75.6%	74.6%	75.4%
Gross profit	27.0	24.4	25.4	24.6
Selling, general and administrative expenses	14.5	15.8	14.6	14.9
Operating income	11.7	7.9	10.1	8.9
Earnings before income taxes	7.9	4.1	5.6	5.4
Effective tax rate	27.0	26.0	35.8	27.9
Net earnings	5.8	3.0	3.6	3.9

Net Sales

Net sales for the quarter and nine months ended September 30, 1999 increased $44,212,000 or 11.1% and $131,005,000 or 11.3% from the comparable periods of the prior year. The increase in net sales for the quarter and nine months ended September 30, 1999, as compared to the prior year's periods, relates primarily to the acquisition of TEMIC, which became effective March 1, 1998. Net sales of TEMIC for the quarter and nine months ended September 30, 1999 were $172,976,000 and $488,961,000, respectively, as compared to $138,929,000 and $326,584,000, respectively, in the prior year's periods. The results of operations of TEMIC have been included in the Company's results from March 1, 1998. Exclusive of TEMIC for the nine months ended September 30, 1999 and 1998, respectively, net sales would have decreased by $31,372,000 or 3.8%. The strengthening of the U.S. dollar against foreign currencies for the quarter and nine months ended September 30, 1999, in comparison to the prior year's period, resulted in a decrease in reported sales of $6,049,000 and $5,106,000, respectively. The passive components business net sales were $248,487,000 and $746,459,000 for the quarter and nine months ended September 30, 1999, respectively, compared to $244,173,000 and $780,450,000, respectively, for the prior year's periods. Net sales of the passive components business were negatively affected primarily by capacity constraints for high volume, lower margin tantalum capacitor products.

Costs of Products Sold

Costs of products sold for the quarter and nine months ended September 30, 1999 were 73.0% and 74.6% of net sales, respectively, as compared to 75.6% and 75.4% of net sales, for the quarter and nine months ended September 30, 1998, respectively. Gross profit, as a percentage of net sales, increased to 27.0% for the quarter ended September 30, 1999 as compared to 25.6% for the quarter ended June 30, 1999.

The semiconductor components gross margins were 31.3% and 30.7%, respectively, for the quarter and nine months ended September 30, 1999 as compared to 28.9% and 26.4%, respectively, for the prior year's periods. The increase in the gross margins of the semiconductor components business is due to the TEMIC acquisition, which recorded gross margins of 33.0% and 32.4%, respectively, for the quarter and nine months ended September 30, 1999 as compared to gross margins of 31.0% and 28.7%, respectively, for the quarter and seven months ended September 30, 1998. The increase in gross margins is mainly due to our Siliconix operation, where their gross margins have increased substantially as a result of stronger capacity utilization, an improved product mix and increased fab efficiencies.

The passive components business gross profit margins were 23.5% and 21.5%, respectively, for the quarter and nine months ended September 30, 1999 as compared to 21.6% and 23.7%, respectively, for the prior year's periods. Profitability for the passive components business was negatively affected by significant price erosion, which began in the second quarter of 1998. However, beginning in the third quarter of 1999, most of our product lines have seen an increase in demand and the average selling prices have stopped declining, with prices actually increasing in some instances.

Israeli government grants, recorded as a reduction of costs of products sold, were $3,544,000 and $10,552,000 for the quarter and nine months ended September 30, 1999, respectively, as compared to $3,423,000 and $9,694,000 for the prior year's periods. Future grants and other incentive programs offered to the Company by the Israeli government will likely depend on the Company's continuing to increase capital investment and the number of the Company's employees in Israel. Deferred income at September 30, 1999 relating to Israeli government grants was $52,088,000 as compared to $59,264,000 at December 31, 1998.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the quarter and nine months ended September 30, 1999 were 14.5% and 14.6% of net sales, as compared to 15.8% and 14.9% of net sales for the quarter and nine months ended September 30, 1998, and 14.5% of net sales for the quarter ended June 30, 1999. The decrease in selling, general and administrative expenses for the quarter and nine months ended September 30, 1999 as compared to the prior year periods, was primarily due to the restructuring programs implemented at TEMIC. TEMIC's selling, general and administrative expenses were 15.8% and 16.5% of net sales, respectively, for the quarter and nine months ended September 30, 1999, as compared to 20.7% and 20.1% of net sales, respectively, for the quarter and seven months ended September 30, 1998.

Interest Expense

Interest costs increased by $4,566,000 for the nine months ended September 30, 1999, from the comparable prior year period, due to the increase in bank borrowings necessary to fund the TEMIC acquisition.

Other Income

Included in other income for the nine months ended September 30, 1998 is a loss of $6,269,000 related to a forward exchange contract (entered into to set the purchase price in connection with the TEMIC acquisition). Other income also includes a charge for minority interest of $4,253,000 and $9,424,000 for the quarter and nine months ended September 30, 1999, respectively, as compared to $1,118,000 and $1,988,000 for the quarter and nine months ended September 30, 1998, respectively. Foreign exchange gains (losses) for the quarter and nine months ended September 30, 1999, were $816,000 and $247,000, respectively, as compared to $200,000 and $1,045,000 for the comparable prior year's periods.

Loss on Sale of Subsidiary

The Company recognized a pre-tax loss of $10,073,000 relating to the previously announced sale of Nicolitch, S.A., a French manufacturer of printed circuit boards to Leonische Drahtwerke AG which was completed on March 26, 1999.

Income Taxes

The effective tax rate for the nine months ended September 30, 1999 was 35.8% as compared to 27.9% for the comparable prior year period. The higher tax rate for the nine months ended September 30,1999 was primarily due to the non tax deductibility of the loss on the sale of Nicolitch, S.A. Tax expense on the sale of Nicolitch, S.A. was $1,416,000. Also, a tax rate change in Germany resulted in a decrease in German deferred tax assets, which increased tax expense by $1,939,000. Exclusive of the effect of the sale of Nicolitch, S.A. and the tax rate change in Germany, the effective tax rate for the nine months ended September 30, 1999 would have been 27.0%. The continuing effect of low tax rates in Israel, as compared to the statutory rate in the United States, resulted in increases in net earnings of $4,194,000 and $3,097,000 for the quarters ended September 30, 1999 and 1998, respectively and $11,419,000 and $10,654,000 for the nine months ended September 30, 1999 and 1998, respectively. The more favorable Israeli tax rates are applied to specific approved projects and normally continue to be available for a period of ten years or fifteen years.

Financial Condition and Liquidity

Cash flows from operations were $130,726,000 for the nine months ended September 30, 1999 compared to $115,263,000 for the comparable prior year period. Net purchases of property and equipment for the nine months ended September 30, 1999 were $83,207,000 compared to $111,738,000 in the prior year's period. Net cash provided by financing activities of $476,649,000 for the nine months ended September 30, 1998 included approximately $550,000,000 used to finance the acquisition of TEMIC.

The Company incurred restructuring expense of $12,605,000 for the year ended December 31, 1997. Approximately $10,357,000 of this expense related to employee termination costs covering approximately 324 employees located in Germany and France. As of September 30, 1999, approximately 316 of such employees have been terminated and $9,568,000 of the termination costs has been paid. The restructuring plan is expected to be completed by December 31, 1999. The Company incurred restructuring expense of $5,694,000 for the year ended December 31, 1998. The expense consisted of employee termination costs covering approximately 182 technical, production, administrative and support employees located in Germany and the United Kingdom. As of September 30, 1999, approximately 167 employees have been terminated and $3,668,000 of this severance has been paid. The restructuring plan is expected to be completed by December 31, 1999. In connection with the acquisition of TEMIC, Vishay recorded restructuring liabilities of $30,471,000. Approximately $25,197,000 of this liability relates to employee termination costs covering approximately 498 technical, production, administrative and support employees located in the United States, Europe, and the Far East. The remaining $5,274,000 relates to provisions for certain assets, contract cancellations and other costs. As of September 30, 1999, approximately 151 of such employees have been terminated and $16,833,000 of the termination costs has been paid. The balance of $8,136,000 is reflected in the consolidated financial statements in other accrued expenses and is expected to be paid out by December 31, 1999.

The Company's financial condition at September 30, 1999 is strong, with a current ratio of 2.9 to 1. The Company's ratio of long-term debt (less current portion) to stockholders' equity was .72 at September 30, 1999 and .81 at December 31, 1998.

Year 2000

Many existing computer systems and software products, including hardware platforms and software applications used by the Company in its various divisions world-wide (a portion of which are provided by outside suppliers), accept only two digit entries in the date code field. As a result, computer programs or hardware that have date-sensitive software or embedded chips may not properly distinguish 21st century dates from 20th century dates. This could result in system failure or miscalculations causing disruption of operations.

The Company has accorded to each of its divisions, including those in its U.S., Asian, Israeli and European facilities, responsibility for (i) assessment of each division's business information systems and related business processes used in its operations for year 2000 readiness and (ii) implementation of remediation in those areas where year 2000 issues exist. Since each of the Company's divisions has its own unique hardware and software applications, different approaches to the year 2000 issue have been required based upon the circumstances and requirements of each specific division. In some instances, for example, specific divisions have hired external contractors to assist in addressing the year 2000 issues while in other instances, internal staff have focused on remediation of the systems. Where necessary, upgrades to year 2000 compliant versions of third party software have been purchased. In addition, the Company has begun to use the business application software of SAP for its Roederstein (U.S.) operations and for TELEFUNKEN's operations to address some of the issues of year 2000 compliance. The Company has fully tested all its systems, and as of September 30, 1999, all are year 2000 compliant.

The Company is also assessing the possible affect on its operations of the year 2000 readiness of critical suppliers of products and services. The Company's reliance on its key suppliers, and therefore on the proper functioning of their information systems and software, is increasing, and there can be no assurance that another company's failure to address year 2000 issues could not have an adverse effect on the Company.

The Company currently estimates the total cost of its Year 2000 project to be $1,400,000. At September 30, 1999, the Company has incurred approximately $1,200,000 of costs in connection with its Year 2000 project.

As noted above, the Company has completed all necessary phases of the year 2000 program. However, disruptions in the economy generally resulting from year 2000 issues could also materially affect the Company. The Company could be subject to litigation for computer systems product failure, for example, equipment shutdown or failure to properly date business records. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

The Company has contingency plans for certain critical applications and is working on such plans for others. These contingency plans involve, among other actions, manual workarounds and adjusting staffing strategies.

Inflation

Normally, inflation does not have a significant impact on the Company's operations. The Company's products are not generally sold on long-term contracts. Consequently, selling prices, to the extent permitted by competition, can be adjusted to reflect cost increases caused by inflation.

Safe Harbor Statement

From time to time, information provided by the Company, including but not limited to statements in this report, or other statements made by or on behalf of the Company, may contain "forward-looking" information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements involve a number of risks and uncertainties. The Company's actual results could differ materially from those discussed in the forward-looking statements. The cautionary statements set forth below identify important factors that could cause actual results to differ materially from those in any forward-looking statements made by or on behalf of the Company.

> The Company offers a broad variety of products and services to its customers. Changes in demand for, or in the mix of, products and services comprising revenues could cause actual operating results to vary from those expected.
>
> The Company's future operating results are dependent, in part, on its ability to develop, produce and market new and innovative products, to convert existing products to surface mount devices and to customize certain products to meet customer requirements. There are numerous risks inherent in this complex process,

including the need for the Company to timely bring to market new products and applications to meet customer's changing needs.

The Company operates in a highly competitive environment, which includes significant competitive pricing pressures and intense competition for entry into new markets. The Company has experienced significant price erosion, particularly in its passive electronic components, in large part because of the competitive environment. Some trends may continue.

A slowdown in demand for passive electronic components or recessionary trends in the global economy in general or in specific countries or regions where the Company sells the bulk of its products, such as the U.S., Germany, France or the Pacific Rim, could adversely impact the Company's results of operations. This factor was particularly evident in 1998 and continued into early 1999.

Many of the orders in the Company's backlog may be canceled by its customers without penalty. Customers may on occasion double and triple order components from multiple sources to ensure timely delivery when backlog is particularly long. The Company's results of operations may be adversely impacted if customers were to cancel a material portion of such orders.

Approximately 63% of the Company's revenues are derived from operations and sales outside the United States. As a result, currency exchange rate fluctuations, inflation, changes in monetary policy and tariffs, potential changes in laws and regulations affecting the Company's business in foreign jurisdictions, trade restrictions or prohibitions, intergovernmental disputes, increased labor costs and reduction or cancellation of government grants, tax benefits or other incentives could impact the Company's results of operations.

Specifically, as a result of the increased production by the Company's operations in Israel over the past several years, the low tax rates in Israel, as compared to the statutory rates in the U.S., have had the effect of increasing the Company's net earnings. In addition, the Company takes advantage of certain incentive programs in Israel in the form of grants designed to increase employment in Israel. Any significant increase in the Israeli tax rates or reduction or elimination of any of the Israeli grant programs could have an adverse impact on the Company's results of operations.

The Company may experience underutilization of certain plants and factories in high labor cost regions and capacity constraints in plants and factories located in low labor cost regions, resulting initially in production inefficiencies and higher costs. Such costs include those associated with work force reductions and plant closings in the higher labor cost regions, and start-up expenses, manufacturing and construction delays, and increased depreciation costs in connection with the start of production in new plants and expansions in lower labor cost regions. Moreover, capacity constraints may limit the Company's ability to continue to meet demand for any of the Company's products. During 1998, restructuring costs were particularly high as a result of the Company's accelerated effort to streamline operations in response to the continued weakness in the internal electronic components market.

When the Company restructures its operations in response to changing economic conditions, particularly in Europe, labor unrest may occur, which could have an adverse effect on the Company.

The Company's results of operations may be adversely impacted by:

1. difficulties in obtaining raw materials, supplies, power, natural resources and any other items needed for the production of the Company's products;

2. the effects of quality deviations in raw materials, particularly tantalum powder, palladium and ceramic dielectric materials; and

3. the effects of significant price increases for tantalum or palladium, or an inability to obtain adequate supplies of tantalum or palladium from the limited number of suppliers.

The Company's historic growth in revenues and net earnings has resulted in large part from its strategy to expand through acquisitions. However, there is no assurance that the Company will find or consummate transactions with suitable acquisition candidates in the future. From time to time, when the Company is in the process of pursuing a strategic acquisition, the Company or the acquisition target may feel compelled for securities and other legal reasons to announce the potential acquisition or the Company's desire to enter a certain market prior to entering into formal agreements. As a result, there can be no assurance that the Company will consummate any such acquisition.

The Company's strategy also focuses on the reduction of selling, general and administrative expenses through the integration or elimination of redundant sales offices and administrative functions at acquired companies and achievement of significant production cost savings through the transfer and expansion of manufacturing operations to lower cost regions such as Israel, Mexico, Portugal, the Czech Republic, Taiwan and the People's Republic of China. The Company's inability to achieve any of these goals could have an adverse effect on the Company's results of operations.

The inherent risk of environmental liability and remediation costs associated with the Company's manufacturing operations may result in large and unforeseen liabilities.

The Company may be adversely affected by the costs and other effects associated with:

1. legal and administrative cases and proceedings, whether civil, such as environmental and product-related, or criminal;

2. settlements, investigations, claims, and changes in those items;

3. developments or assertions by or against the Company relating to intellectual property rights and intellectual property licenses; and

4. adoption of new, or changes in, accounting policies and practices and the application of such policies and practices.

The Company's results of operations may also be affected by:

1. changes within the Company's organization, particularly at the executive officer level, or in compensation and benefit plans;

2. the amount, type and cost of the financing which the Company maintains, and any changes to the financing;

3. the effects of war or severe weather or other acts of God on the Company's operations, including disruptions at manufacturing facilities;

4. the effects of a disruption in the Company's computerized ordering systems; and

5. the effects of a disruption in the Company's communications systems.

Management of the Company believes it has an effective program in place to resolve the year 2000 issues. However, disruptions in the economy generally resulting from year 2000 issues could also materially affect the company. The Company could be subject to litigation for computer systems product failure, for example, equipment shutdown or failure to properly date business records. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

Market Risk Disclosure

There has been no material change in the Company's exposure to market risk since December 31, 1998. The Company's cash flows and earnings are subject to fluctuations resulting from changes in foreign currency exchange rates and interest rates. The Company manages its exposure to these market risks through internally established policies and procedures and, when deemed appropriate, through the use of derivative financial instruments. The Company's policy does not allow speculation in derivative instruments for profit or execution of derivative instrument contracts for which there are no underlying exposures. The Company does not use financial instruments for trading purposes and is not a party to any leveraged derivatives. The Company monitors its underlying market risk exposures on an ongoing basis and believes that it can modify or adapt its hedging strategies as needed.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable

Item 2. Changes in Securities

Not applicable

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 - Financial Data Schedule

(b) Not applicable

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VISHAY INTERTECHNOLOGY, INC.

/s/ Richard N. Grubb

Richard N. Grubb
Executive Vice President, Treasurer
(Duly Authorized and Chief Financial Officer)

Date: November 12, 1999

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1,000

6-MOS
DEC-31-1999
JAN-01-1999
SEP-30-1999
102,055
0
337,334
(14,868)
408,115
960,352
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(499,354)
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328,021
724,168
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0
7,430
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2,378,173
1,292,092
1,292,092
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963,888
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39,659
72,761
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0
0
46,735
0.55
0.55