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 June 30, 1998

| | 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 August 13, 1998 registrant had 59,318,728 shares of its Common Stock and 8,321,654 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q JUNE 30, 1998

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LIABILITIES AND STOCKHOLDERS' EQUITY	June 30, 1998	December 31, 1997
CURRENT LIABILITIES		
Notes payable to banks	$32,031	$29,926
Trade accounts payable	89,438	47,925
Payroll and related expenses	77,070	44,039
Other accrued expenses	119,376	52,485
Income taxes	16,453	12,003
Current portion of long-term debt	723	4,459
TOTAL CURRENT LIABILITIES	335,091	190,837
LONG-TERM DEBT	844,466	347,463
DEFERRED INCOME TAXES	42,521	41,701
DEFERRED INCOME	60,606	59,300
OTHER LIABILITIES	84,699	56,217
ACCRUED PENSION COSTS	106,597	64,482
STOCKHOLDERS' EQUITY		
Common stock	5,932	5,646
Class B common stock	832	793
Capital in excess of par value	989,981	920,165
Retained earnings	39,445	75,587
Accumulated other comprehensive income	(49,150)	(41,899)
Unearned compensation	(1,074)	(644)
	985,966	959,648
	$2,459,946	$1,719,648

See notes to consolidated condensed financial statements.

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

	Six Months Ended June 30,	
	1998	1997
OPERATING ACTIVITIES		
Net earnings	$33,302	$39,606
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	61,971	39,566
Other	(12,086)	2,555
Changes in operating assets and liabilities	(35,735)	10,457
NET CASH PROVIDED BY OPERATING ACTIVITIES	47,452	92,184
INVESTING ACTIVITIES		
Purchases of property and equipment-net	(57,182)	(34,812)
Purchase of businesses, net of cash acquired	(520,543)	--
Sale of business	100,000	--
NET CASH USED IN INVESTING ACTIVITIES	(477,725)	(34,812)
FINANCING ACTIVITIES		
Net proceeds(payments) on revolving credit lines	489,190	(38,179)
Proceeds from long-term borrowings	1,590	241
Payments on long-term borrowings	(1,611)	(8,043)
Net proceeds on short-term borrowings	2,550	8,072
NET CASH PROVIDED(USED) BY FINANCING ACTIVITIES	491,719	(37,909)
Effect of exchange rate changes on cash	(424)	(3,216)
INCREASE IN CASH AND CASH EQUIVALENTS	61,022	16,247
Cash and cash equivalents at beginning of period	55,263	20,945
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$116,285	$37,192

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 June 30, 1998	Three Months Ended June 30, 1997
Net sales	$412,844	$272,661
Costs of products sold	310,452	207,031
GROSS PROFIT	102,392	65,630
Selling, general, and administrative expenses	64,354	33,698
Amortization of goodwill	3,266	1,499
OPERATING INCOME	34,772	30,433
Other income (expense):		
Interest expense	(12,856)	(3,564)
Other	1,371	837
	(11,485)	(2,727)
EARNINGS BEFORE INCOME TAXES	23,287	27,706
Income taxes	6,521	7,758
NET EARNINGS	$16,766	$19,948
Basic and diluted earnings per share	$0.25	$0.30
Weighted average shares outstanding - assuming dilution	67,633	67,587

See notes to consolidated condensed financial statements.

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

	Six Months Ended June 30, 1998	Six Months Ended June 30, 1997
Net sales	$761,588	$545,923
Costs of products sold	573,992	414,689
GROSS PROFIT	187,596	131,234
Selling, general, and administrative expenses	110,288	67,617
Amortization of goodwill	5,539	3,016
OPERATING INCOME	71,769	60,601
Other income (expense):		
Interest expense	(21,084)	(7,265)
Other	(4,108)	1,384
	(25,192)	(5,881)
EARNINGS BEFORE INCOME TAXES	46,577	54,720
Income taxes	13,275	15,114
NET EARNINGS	$33,302	$39,606
Basic and diluted earnings per share	$0.49	$0.59
Weighted average shares outstanding - assuming dilution	67,628	67,581

See notes to consolidated condensed financial statements.

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

ASSETS	June 30, 1998	December 31, 1997
CURRENT ASSETS		
Cash and cash equivalents	$116,285	$55,263
Accounts receivable	264,493	186,687
Inventories:		
Finished goods	193,692	158,933
Work in process	140,694	84,245
Raw materials	128,491	96,193
Prepaid expenses and other current assets	116,796	64,650
TOTAL CURRENT ASSETS	960,451	645,971
PROPERTY AND EQUIPMENT - AT COST		
Land	57,387	41,378
Buildings and improvements	257,255	230,772
Machinery and equipment	985,541	744,983
Construction in progress	66,452	50,400
Allowance for depreciation	(400,523)	(358,391)
	966,112	709,142
GOODWILL	435,366	286,923
OTHER ASSETS	98,017	77,612
	$2,459,946	$1,719,648

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
JUNE 30, 1998

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 adjustments) 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, 1997.

Note 2: Earnings Per Share

The number of shares used in the calculation of basic earnings per common share were 67,555,000 and 67,550,000 for the quarter and six months ended June 30, 1998 and 67,529,000 and 67,523,000 for the comparable prior year periods. The number of shares used in the calculation of diluted earnings per common share were 67,633,000 and 67,628,000 for the quarter and six months ended June 30, 1998 and 67,587,000 and 67,581,000 for the comparable prior year's periods. Options to purchase 1,218,000 shares of common stock at prices ranging from $22.88 to $41.14 per share were outstanding during 1998 and 1997, respectively, but were not included in the computation of diluted earnings per share because the options' exercise price was greater than the average market price of the common shares. Earnings per share amounts for all periods presented reflect the 5% stock dividend paid on June 11, 1998.

Note 3: Acquisitions

In June 1998, the Company finalized its purchase of 80.4% of the capital stock of Siliconix Incorporated (NASDAQ:SILI) and 100% of the capital stock of TEMIC Semiconductor GmbH. On March 2, 1998 the Company paid an initial purchase price of $497,186,000 based on net asset values at December 31, 1996. Since March, the Company paid an additional $52,703,000 for the increase in net assets at March 2, 1998. On March 4, 1998 the Company sold the Integrated Circuits division of TEMIC to Atmel Incorporated for $107,250,000.

The purchase of TEMIC and Siliconix("TEMIC") was funded from the Company's $1.1 billion revolving credit facilities made available to Vishay on March 2, 1998 by a group of banks led by Comerica Bank, as administrative agent, Nationsbanc Montgomery Securities LLC, as syndication agent, and Credit Lyonnais New York Branch, as documentation agent.

The acquisition was accounted for under the purchase method of accounting. Under purchase accounting, the assets and liabilities of Temic and Siliconix are required to be adjusted from historical amounts to their estimated fair values. Purchase accounting adjustments have been preliminarily estimated by management based upon currently available information. There can be no assurance, however, that estimated adjustments represent the final purchase accounting adjustments that will be ultimately determined. Management is waiting for the results of appraisals and other information that will be required to determine the final purchase allocation. To the extent that a portion of the purchase price is allocated to in-process research and development, a charge, which may be material, would be recognized in this year.

The results of operations of TEMIC and Siliconix have been included in the Company's results from March 1, 1998. Excess of cost over the fair value of assets acquired is approximately $153,407,000 and is being amortized on a straight-line method over an estimated useful life of forty years.

In July 1997, the Company purchased 65% of the common stock of Lite-On Power Semiconductor Corporation (LPSC), a Republic of China (Taiwan) company, for $130,000,000 in cash and stock appreciation rights with a fair value(at the time of issuance) of $8,200,000. LPSC is a producer of discrete active electronic components with manufacturing facilities in Taiwan, China and the United States. LPSC owns 40.2% of Diodes, Inc.(AMEX:DIO), a public company traded on the American Stock Exchange. The Company utilized existing credit facilities to finance the cash portion ($130,000,000) of the purchase price. The acquisition was accounted for under the purchase method of accounting.

The results of operations of LPSC have been included in the Company's results from July 1, 1997. Excess of cost over the fair value of net assets acquired ($110,978,000) is being amortized on a straight-line method over an estimated useful life of forty years.

Had the TEMIC, Siliconix and LPSC acquisitions been made at the beginning of 1997, the Company's pro forma unaudited results for the three months ended June 30, 1997 and the six months ended June 30, 1998 and 1997 would have been (in thousands, except per share amounts):

	Three Months Ended June 30	Six Months Ended June 30	
	1997	1998	1997
Net sales	$432,401	$844,040	$844,776
Net earnings	$19,716	$30,385	$38,286
Basic and diluted earnings per share	$0.29	$0.45	$0.57

The unaudited pro forma results are not necessarily indicative of the results that would have been attained had the acquisitions occurred at the beginning of 1997 or of future results.

Note 4: Recently Issued Accounting Pronouncements

As of January 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" (SFAS 130). SFAS 130 establishes rules for the reporting and presentation of comprehensive income and its components. SFAS 130 requires foreign currency translation adjustments and the additional minimum pension liability, which prior to adoption were reported separately in stockholders' equity, to be included in other comprehensive income. The accumulated foreign currency translation adjustment and the additional minimum pension liability as of December 31, 1997 have been reclassified to conform to the requirements of SFAS 130. The adoption of SFAS 130 did not impact the Company's net income or total stockholders' equity. Total comprehensive income for the three and six months ended June 30, 1998 were $20,771,000 and $26,051,000, respectively, as compared to $10,581,000 and $2,982,000 for the prior year's periods.

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 June 30		Six Months Ended June 30	
	1998	1997	1998	1997
Costs of products sold	75.2%	75.9%	75.4%	76.0%
Gross profit	24.8	24.1	24.6	24.0
Selling, general and administrative expenses	15.6	12.4	14.5	12.4
Operating income	8.4	11.2	9.4	11.1
Earnings before income taxes	5.6	10.2	6.1	10.0
Effective tax rate	28.0	28.0	28.5	27.6
Net earnings	4.1	7.3	4.4	7.3

Net sales for the quarter and six months ended June 30, 1998 increased $140,183,000 or 51.4% and $215,665,000 or 39.5% from the comparable periods of the prior year. The increase in net sales relates primarily to the acquisitions of TEMIC and LPSC. Net sales of TEMIC and LPSC included in the Company's reported sales for the quarter ended June 30, 1998 were $137,708,000 and $18,873,000, respectively, and $187,655,000 and $37,656,000 for the six months ended June 30, 1998, respectively. Exclusive of TEMIC and LPSC, net sales would have decreased by $16,398,000 or 6.0% and $9,646,000 or 1.8% from the comparable prior year periods. The strengthening of the U.S. dollar against foreign currencies for the quarter and six months ended June 30, 1998 in comparison to the prior year's periods, resulted in a decrease in reported sales of $6,766,000,and $17,996,000, respectively. The Company's net sales of passive components and semiconductor components were negatively affected by the economic problems in Asia and substantial price erosion.

Costs of products sold for the quarter and six months ended June 30, 1998 were 75.2% and 75.4% of net sales, respectively, as compared to 75.9% and 76.0%, respectively, for the comparable prior year periods. Gross profit, as a percentage of net sales, for the quarter and six months ended June 30, 1998 increased from the comparable prior year periods mainly due to the acquisition of TEMIC and the results of the Vishay passive components business. TEMIC recorded gross profit margins of 26.5% and 27.0%, respectively, for the quarter and four months ended June 30, 1998. The results for semiconductor components were negatively affected by the economic slowdown in the semiconductor industry, adjustments of high inventory levels at distributors, the depressed Asian market, and a more than usual price erosion. Exclusive of TEMIC and LPSC, gross profits, as a percentage of net sales, for the Vishay passive components were 24.7% and 24.6%, respectively, for the quarter and six months ended June 30, 1998 as compared to 24.1% and 24.0% in the comparable prior year periods. The passive components were also affected negatively by substantial price erosion.

Israeli government grants, recorded as a reduction of costs of products sold, were $3,228,000 and $6,271,000 for the quarter and six months ended June 30, 1998, respectively, as compared to $2,801,000 and $5,425,000 for the comparable prior year 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 June 30, 1998 relating to Israeli government grants was $60,606,000 as compared to $59,300,000 at December 31, 1997.

Selling, general, and administrative expenses for the quarter and six months ended June 30, 1998 were 15.6% and 14.5% of net sales, respectively, as compared to 12.4% for the comparable prior year periods. The increased selling, general and administrative expenses were primarily due to the acquisition of TEMIC, for which selling, general and administrative expenses were 20.1% and 19.7% of net sales, respectively, for the quarter and four months ended June 30, 1998.

Interest costs increased by $9,292,000 and $13,819,000 for the quarter and six months ended June 30, 1998, from the comparable prior year periods, primarily due to the increase in bank borrowings necessary to fund the TEMIC and LPSC acquisitions. The Company had net borrowings of $443,000,000 and $130,000,000, respectively, from a group of banks to finance the acquisitions of TEMIC and LPSC.

Other income decreased by $5,492,000 for the six months ended June 30, 1998 as compared to the prior year period primarily due to a noncash loss of $6,269,000 relating to a forward exchange contract (entered into to set the purchase price in connection with the TEMIC acquisition, since the purchase price was denominated in German Marks and payable in U.S. Dollars).

The effective tax rate for the six months ended June 30, 1998 was 28.5% as compared to 27.6% for the comparable prior year period. 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 $4,187,000 and $2,931,000 for the quarters ended June 30, 1998 and 1997, respectively, and $7,557,000 and $4,451,000 for the six months ended June 30, 1998 and 1997, 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.

Financial Condition

Cash flows from operations were $47,452,000 for the six months ended June 30, 1998 compared to $92,184,000 for the prior year's period. The decrease in cash flows from operations is attributable to: i) a decrease in net earnings for the six months ended June 30, 1998 as compared to the six months ended June 30, 1997; ii) a decrease in accrued expenses due to payments on restructuring programs instituted at Vishay over the last eighteen months and iii) an increase in inventories. Net purchases of property and equipment for the six months ended June 30, 1998 were $57,182,000 compared to $34,812,000 in the prior year's period. Net cash provided by financing activities of $491,719,000 for the six months ended June 30, 1998 includes approximately $550,000,000 used to finance the acquisition of TEMIC. On April 8, 1998, the Company received $100,000,000 in connection with the sale of the IC Division of TEMIC and used the proceeds to pay down debt. The remaining $7,250,000 is being held in an interest bearing escrow account.

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 June 30, 1998, approximately 125 of such employees have been terminated and $7,548,000 of the termination costs have been paid. The restructuring plan is expected to be completed by the end of 1998. In connection with the acquisition by Vishay, TEMIC recorded restructuring liabilities of $39,051,000. Approximately $27,251,000 of this liability relates to employee termination costs covering approximately 412 technical, production, administrative and support employees located in the United States, Europe, and the Far East. The remaining $11,800,000 relates to provisions for certain assets, contract cancellations and other costs. As of June 30, 1998, 42 employees have been terminated and $6,100,000 of the termination costs were paid. Additionally, $3,500,000 has been charged against the liability for the write-down of certain assets and other costs. The balance of $29,451,000 is reflected in the consolidated financial statements in other accrued expenses and is expected to be paid out in the next year. At June 30, 1998, $38,377,000 of restructuring costs are included in other accrued expenses.

The Company's financial condition at June 30, 1998 is strong, with a current ratio of 2.87 to 1. The Company's ratio of long-term debt (less current portion) to stockholders' equity was .86 to 1 at June 30, 1998 and .36 to 1 at December 31, 1997.

Management believes that available sources of credit, together with cash expected to be generated from operations, will be sufficient to satisfy the Company's anticipated financing needs for working capital and capital expenditures during the next twelve months.

Year 2000

Many existing computer systems and software products, including many used by the Company, accept only two digit entries in the date code field. Beginning in the year 2000, and in certain instances prior to the year 2000, these date code fields will need to accept four digit entries to distinguish 21st century dates from 20th century dates. As a result, the Company's date critical functions may be materially adversely affected unless these computer systems and software products are or become able to accept four digit entries ("year 2000 compliant").

To address the need for its computer systems to be year 2000 compliant, the Company has taken an inventory of its computer systems and is creating and implementing plans to make them year 2000 compliant. Currently, the Company is in the process of making its European facilities year 2000 compliant by the end of 1998. The Company is also focusing on bringing its U.S., Asian and Israeli computer systems into year 2000 compliance. Management does not believe the Company will suffer any material loss of customers or other material adverse effects as a result of these modifications. There can be no assurance, however, that the Company's systems will be rendered year 2000 compliant in a timely manner, or that the Company will not incur significant unforeseen additional expenses to assure such compliance. Failure to successfully complete and implement these modification projects on a timely basis could have a material adverse effect on the Company's operations.

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 customers' changing needs.

- The Company operates in a highly competitive environment, which includes significant competitive pricing pressures and intense competition for entry into new markets.

- A slowdown in demand for discrete active and or 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. The Company is currently being affected by the weakness in the industry, the economic problems in Asia, a strong U.S. Dollar, and substantial price erosion.

- 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 insure 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 71% 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. During the past several years, the increase in the value of the U.S. dollar against most foreign currencies has had a negative impact on U.S. dollar denominated revenues.

- 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.

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

- The Company's results of operations may be adversely impacted by (i) difficulties in obtaining raw materials, supplies, power, natural resources and any other items needed for the production of the Company's products; (ii) the effects of quality deviations in raw materials, particularly tantalum powder, palladium and ceramic dielectric materials; and (iii) 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 have 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 into 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 Company may be adversely affected by the costs and other effects associated with (i) legal and administrative cases and proceedings (whether civil, such as environmental and product-related, or criminal); (ii) settlements, investigations, claims, and changes in those items; (iii) developments or assertions by or against the Company relating to intellectual property rights and intellectual property licenses; and (iv) 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 (i) changes within the Company's organization, particularly at the executive officer level, or in compensation and benefit plans; and (ii) the amount, type and cost of the financing which the Company maintains, and any changes to the financing.

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

- The Company's operations may be adversely impacted by (i) the effects of war or severe weather or other acts of God on the Company's operations, including disruptions at manufacturing facilities; (ii) the effects of a disruption in the Company's computerized ordering systems; and (iii) the effects of a disruption in the Company's communications systems.

VISHAY INTERTECHNOLOGY, INC.
PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company has received notice from counsel representing the Estate of Jerome H. Lemelson of possible infringement by the Company of various patents owned by the estate. The estate has recently settled ligation with several large O.E.M. customers of the Company and has approached many of the Company's competitors with claims of possible patent infringements. The patents, in general, relate to bar-code readers and other automated inspection gear. The Company is currently attempting to assess its potential liability if the validity of the patents were to be upheld and the extent to which such patents apply to the Company's manufacturing methods. At this time the Company is unable to determine the extent, or materiality of any liability under these claims.

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

(a) The Company held its Annual Meeting of Stockholders on May 21, 1998.

(b) Proxies for the meeting were solicited pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended. There was no solicitation in opposition to management's nominees for the directors as listed in the definitive proxy statement of the Company dated April 17, 1998, and all such nominees were elected.

(c) Briefly described below is each matter voted upon at the Annual Meeting of Stockholders.

(i) Election of the following individuals to hold office as Directors of the Company until the next Annual Meeting of Stockholders:

Total Class A Common Stock voted was 48,218,401.

	For	Against	Abstain	Non-Votes
Felix Zandman	46,044,431	2,173,970	0	0
Donald G. Alfson	46,048,107	2,170,294	0	0
Avi D. Eden	46,048,107	2,170,294	0	0
Robert A. Freece	46,048,107	2,170,294	0	0
Richard N. Grubb	46,047,966	2,170,435	0	0
Eli Hurvitz	46,045,954	2,172,447	0	0
Gerald Paul	46,047,651	2,170,750	0	0
Edward Shils	46,047,997	2,170,404	0	0
Luella B. Slaner	46,045,977	2,172,424	0	0
Mark I. Solomon	46,044,956	2,173,445	0	0
Jean-Claude Tine	46,048,086	2,170,315	0	0
Abraham Inbar	46,045,775	2,172,626	0	0

Total Class B Common Stock voted was 7,878,437 in favor, 0 against, 0 abstained, and 0 broker non-votes.

(ii) Approval of the Company's 1997 Stock Option Program. Total Class A Common Stock voted was 26,000,026 in favor, 11,961,075 against, 318,412 abstained, and 9,938,888 broker non- votes. Total Class B Common Stock voted was 7,878,437 in favor, 0 against, 0 abstained, and 0 broker non-votes.

(iii) Approval of the Company's 1998 Employee Stock Option Program. Total Class A Common Stock voted was 26,150,133 in favor, 11,831,655 against, 297,727 abstained, and 9,938,886 broker non- votes. Total Class B Common Stock voted was 7,878,437 in favor, 0 against, 0 abstained, and 0 broker non-votes.

(iv) Ratification of the appointment of Ernst & Young LLP, independent certified public accountants, to audit the books and accounts of the Company for the calendar year ending December 31, 1998. Total Class A Common Stock voted was 47,923,295 in favor, 115,348 against, 179,758 abstained, and 0 broker non- votes. Total Class B Common Stock voted was 7,878,437 in favor, 0 against, 0 abstained, and 0 broker non-votes.

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: August 13, 1998

5

1,000

6-MOS
DEC-31-1998
JUN-30-1998
116,285
0
282,417
(17,924)
462,877
960,451
1,366,635
(400,523)
2,459,946
335,091
844,466
0
0
5,932
980,034
2,459,946
761,588
761,588
573,992
573,992
119,935
0
21,084
46,577
13,275
33,302
0
0
0
33,302
.49
.49