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, 2000

[ ] 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) | (IRS employer identification no.) |

63 Lincoln Highway
Malvern, Pennsylvania 19355-2120
(Address of principal executive offices)

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

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 14, 2000 registrant had 122,397,598 shares of its Common Stock and 15,518,546 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q

SEPTEMBER 30, 2000

CONTENTS

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

| ASSETS | September 30 2000 | December 31 1999 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $254,483 | $105,193 |
| Accounts receivable | 423,745 | 320,978 |
| Inventories: | | |
| Finished goods | 158,403 | 144,645 |
| Work in process | 127,335 | 131,951 |
| Raw materials | 166,388 | 121,704 |
| Deferred income taxes | 38,698 | 35,119 |
| Prepaid expenses and other current assets | 96,689 | 67,159 |
| TOTAL CURRENT ASSETS | 1,265,741 | 926,749 |
| PROPERTY AND EQUIPMENT - AT COST | | |
| Land | 46,590 | 51,453 |
| Buildings and improvements | 247,733 | 261,528 |
| Machinery and equipment | 1,068,863 | 1,073,556 |
| Construction in progress | 91,919 | 61,881 |
| Allowance for depreciation | (556,997) | (517,873) |
| | 898,108 | 930,545 |
| GOODWILL | 299,207 | 399,970 |
| OTHER ASSETS | 44,632 | 66,517 |
| | $2,507,688 | $2,323,781 |

| LIABILITIES AND STOCKHOLDERS' EQUITY | September 30 2000 | December 31 1999 |
|---|---|---|
| CURRENT LIABILITIES | | |
| Notes payable to banks | $3,702 | $26,790 |
| Trade accounts payable | 100,173 | 101,613 |
| Payroll and related expenses | 97,940 | 77,209 |
| Other accrued expenses | 121,227 | 107,724 |
| Income taxes | 124,480 | 27,418 |
| Current portion of long-term debt | 97 | 4,445 |
| TOTAL CURRENT LIABILITIES | 447,619 | 345,199 |
| LONG-TERM DEBT | 100,544 | 656,943 |
| DEFERRED INCOME TAXES | 65,868 | 62,712 |
| DEFERRED INCOME | 47,714 | 50,462 |
| MINORITY INTEREST | 58,814 | 61,637 |
| OTHER LIABILITIES | 21,481 | 24,715 |
| ACCRUED PENSION COSTS | 94,685 | 108,521 |
| STOCKHOLDERS' EQUITY | | |
| Common Stock | 12,254 | 11,146 |
| Class B Common Stock | 1,552 | 1,557 |
| Capital in excess of par value | 1,311,741 | 985,393 |
| Retained earnings | 474,826 | 97,591 |
| Accumulated other comprehensive loss | (128,066) | (81,009) |
| Unearned compensation | (1,344) | (1,086) |
| | 1,670,963 | 1,013,592 |
| | $2,507,688 | $2,323,781 |

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, 2000 | 1999 |
|---|---|---|
| Net sales | $669,784 | $443,711 |
| Costs of products sold | 370,408 | 324,078 |
| GROSS PROFIT | 299,376 | 119,633 |
| Selling, general, and administrative expenses | 76,010 | 64,320 |
| Amortization of goodwill | 2,553 | 3,214 |
| OPERATING INCOME | 220,813 | 52,099 |
| Other income (expense): | | |
| Interest expense | (2,602) | (13,664) |
| Gain on termination of interest rate swap agreements | 2,544 | - |
| Gain on sale of LPSC | 8,401 | - |
| Other | 618 | 1,073 |
| | 8,961 | (12,591) |
| EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST | 229,774 | 39,508 |
| Income taxes | 52,400 | 9,519 |
| Minority interest | 6,263 | 4,253 |
| NET EARNINGS | $171,111 | $25,736 |
| Basic earnings per share | $1.24 | $0.20 |
| Diluted earnings per share | $1.22 | $0.20 |
| Weighted average shares outstanding - basic | 137,830 | 126,722 |
| Weighted average shares outstanding - diluted | 139,840 | 128,805 |

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, 2000 | Nine Months Ended September 30, 1999 |
|---|---|---|
| Net sales | $1,821,449 | $1,292,092 |
| Costs of products sold | 1,080,261 | 963,888 |
| GROSS PROFIT | 741,188 | 328,204 |
| Selling, general, and administrative expenses | 218,354 | 188,592 |
| Amortization of goodwill | 8,600 | 9,727 |
| OPERATING INCOME | 514,234 | 129,885 |
| Other income (expense): | | |
| Interest expense | (23,022) | (39,659) |
| Loss on disposal of subsidiary | - | (10,073) |
| Gain on termination of interest rate swap agreements | 8,919 | - |
| Gain on sale of LPSC | 8,401 | - |
| Other | 3,158 | 2,032 |
| | (2,544) | (47,700) |
| EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST | 511,690 | 82,185 |
| Income taxes | 115,239 | 26,026 |
| Minority interest | 19,216 | 9,424 |
| NET EARNINGS | $377,235 | $46,735 |
| Basic earnings per share | $2.81 | $0.37 |
| Diluted earnings per share | $2.74 | $0.36 |
| Weighted average shares outstanding - basic | 134,486 | 126,723 |
| Weighted average shares outstanding - diluted | 137,485 | 128,307 |

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 2000 | 1999 |
|---|---|---|
| OPERATING ACTIVITIES | | |
| Net earnings | $377,235 | $46,735 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 108,376 | 107,428 |
| Gain on sale of investment | (8,401) | - |
| Loss on sale of subsidiary | - | 10,073 |
| Loss on disposal of property and equipment | 1,928 | - |
| Minority interest in net earnings of consolidated subsidiaries | 19,216 | 9,124 |
| Other | 11,893 | (2,892) |
| Changes in operating assets and liabilities | (90,385) | (39,742) |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 419,862 | 130,726 |
| INVESTING ACTIVITIES | | |
| Purchases of property and equipment | (148,133) | (83,207) |
| Net cash proceeds from sale of subsidiaries | 33,162 | 9,118 |
| Proceeds from sale of property and equipment | 8,090 | 5,147 |
| Purchase of businesses | (42,384) | - |
| NET CASH USED IN INVESTING ACTIVITIES | (149,265) | (68,942) |
| FINANCING ACTIVITIES | | |
| Proceeds from long-term borrowings | - | 3,375 |
| Principal payments on long-term debt | (345) | (6,545) |
| Net payments on revolving credit lines | (546,262) | (78,870) |
| Net changes in short-term borrowings | (4,309) | 11,441 |
| Proceeds from sale of common stock | 395,449 | - |
| Proceeds from stock options exercised | 39,635 | - |
| NET CASH USED IN FINANCING ACTIVITIES | (115,832) | (70,599) |
| Effect of exchange rate changes on cash | (5,475) | (2,859) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 149,290 | (11,674) |
| Cash and cash equivalents at beginning of period | 105,193 | 113,729 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $254,483 | $102,055 |

See notes to consolidated condensed financial statements.

## 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 period 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, 1999.

## 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, | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Numerator: | | | | |
| Net income | $171,111 | $25,736 | $377,235 | $46,735 |
| Denominator: | | | | |
| Denominator for basic earnings per share - weighted average shares | 137,830 | 126,722 | 134,486 | 126,723 |
| Effect of dilutive securities: | | | | |
| Stock appreciation rights | -- | 839 | 835 | 839 |
| Employee stock options | 1,811 | 1,135 | 1,965 | 636 |
| Other | 199 | 109 | 199 | 109 |
| Dilutive potential common shares | 2,010 | 2,083 | 2,999 | 1,584 |
| Denominator for diluted earnings per share - adjusted weighted average shares | 139,840 | 128,805 | 137,485 | 128,307 |
| Basic earnings per share | $1.24 | $0.20 | $2.81 | $0.37 |
| Diluted earnings per share | $1.22 | $0.20 | $2.74 | $0.36 |

All share and per share amounts for all periods presented reflect a three-for-two stock split paid on June 9, 2000.

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. The primary financial measure is the computation of 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, 2000 | Three Months Ended September 30, 1999 | Nine Months Ended September 30, 2000 | Nine Months Ended September 30, 1999 |
|---|---|---|---|---|
| Business Segment Information (in thousands) | | | | |
| Net Sales: | | | | |
| Passives | $ 457,183 | $ 248,487 | $ 1,176,990 | $ 746,459 |
| Actives | 212,601 | 195,224 | 644,459 | 545,633 |
| | $ 669,784 | $ 443,711 | $ 1,821,449 | $ 1,292,092 |
| Operating Income: | | | | |
| Passives | $ 174,652 | $ 25,946 | $ 387,729 | $ 65,767 |
| Actives | 59,761 | 31,833 | 164,371 | 81,162 |
| Corporate | (11,047) | (2,466) | (29,266) | (7,317) |
| Amortization of Goodwill | (2,553) | (3,214) | (8,600) | (9,727) |
| | $ 220,813 | $ 52,099 | $ 514,234 | $ 129,885 |

Note 4: Comprehensive Income

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

| | Three Months Ended September 30, 2000 | Three Months Ended September 30, 1999 | Nine Months Ended September 30, 2000 | Nine Months Ended September 30, 1999 |
|---|---|---|---|---|
| Net Income | $ 171,111 | $ 25,736 | $ 377,235 | $ 46,735 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustment | (29,464) | 11,317 | (47,696) | (41,124) |
| Pension liability adjustment, net of tax | 362 | (1,416) | 639 | 551 |
| Total other comprehensive income (loss) | (29,102) | 9,901 | (47,057) | (40,573) |
| Comprehensive income | $ 142,009 | $ 35,637 | $ 330,178 | $ 6,162 |

## Note 5: Income Taxes

The effective tax rate for the nine months ended September 30, 2000 was 22.5% as compared to 31.7% for the nine months ended September 30, 1999. The unusually high 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 24.6%.

## Note 6: Lite-On Power Semiconductor Corporation

On May 31, 2000, the Company entered into a definitive agreement for the sale of its 65% interest in LPSC to the Lite-On Group for $40,736,000 in cash ( $33,162,000 net of cash sold), and the transfer to the Company of the rights under the SARs issued to the Lite-On Group in July 1997 when the Company acquired its interest in LPSC. Under this agreement, the Company surrendered control of LPSC. LPSC was deconsolidated and accounted for by the Company under the equity method beginning May 31, 2000.

The sale of the Company's interest in LPSC was completed on July 12, 2000 and resulted in a pretax gain of $8,401,000. The Company used the cash proceeds to repay a portion of the debt outstanding under its long-term revolving credit facility during the third quarter of 2000.

## Note 7: 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 8: Common Stock Offering and Termination of Interest Rate Swap Agreements

The Company completed a public offering of its Common Stock on May 15, 2000, selling 5,595,000 shares at a price of $73.50 per share ($49.00 adjusted for the June 9, 2000 three - for - two stock split). The total net proceeds to the Company from the offering, after deducting the underwriting discount and estimated expenses, were approximately $395,449,000. These proceeds were used to repay a portion of the debt outstanding under its long-term revolving credit facility. In connection with this repayment of debt, the Company terminated $125,000,000 notional amount of interest rate swap agreements and recognized a pretax gain of $6,375,000, which is reflected in other income (expense). In the third quarter of 2000, the Company terminated an additional $75,000,000 notional amount of interest rate swap agreements and recognized a pretax gain of $2,544,000.

Note 9: Stock Repurchase Plan

On August 9, 2000, the Board of Directors of the Company authorized the officers of the Company to take the appropriate actions to enable the repurchase of up to 5,000,000 shares of the Company's Common Stock from time to time in the open market, subject to bank approval. In October 2000, 200,000 shares of the Company's Common Stock were repurchased for $5,775,000.

Note 10: Accounting Pronouncements Pending Adoption

In June 1999, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133." This statement defers the effective date of the implementation of SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," dealing with the accounting and reporting standards for derivative instruments and hedging activities, to January 1, 2001 for Vishay. The Company does not expect SFAS No. 133 to have a significant effect on its financial statements.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), Revenue Recognition, which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provides guidance for disclosures related to revenue recognition policies. Any changes to the Company's revenue recognition policy resulting from the implementation of SAB 101 would be reported as a change in accounting principles in the quarter ending December 31, 2000. To the extent that SAB 101 is relevant to the recognition of revenue on the Company's future shipments, the Company would adopt the new accounting principle effective January 1, 2001. Accordingly, any shipments previously reported as revenue that do not meet SAB 101 revenue recognition guidance would be recorded as revenue in future periods. The Company is still in the process of assessing the impact of SAB 101 on its financial statements. Management believes that SAB 101 will not affect the underlying strength of its business operations as measured by the dollar value of its products shipped and cash flows from operations.

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, | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Costs of products sold | 55.3 % | 73.0 % | 59.3 % | 74.6 % |
| Gross profit | 44.7 | 27.0 | 40.7 | 25.4 |
| Selling, general and administrative expenses | 11.3 | 14.5 | 12.0 | 14.6 |
| Operating income | 33.0 | 11.7 | 28.2 | 10.1 |
| Earnings before income taxes and minority interest | 34.3 | 8.9 | 28.1 | 6.4 |
| Net earnings | 25.5 | 5.8 | 20.7 | 3.6 |
| Effective tax rate | 22.8 | 24.1 | 22.5 | 31.7 |

Net Sales

Net sales for the quarter and nine months ended September 30, 2000 increased $226,073,000, or 51.0%, and $529,357,000, or 41.0%, from the comparable periods in 1999. Both the passive and active components businesses contributed to these increases. The passive components business net sales were $457,183,000 for the third quarter of 2000 as compared to $248,487,000 for the third quarter of 1999, an 84.0% increase. For the nine months ended September 30, 2000, the passive components business net sales were $1,176,990,000 as compared to $746,459,000 for the comparable period in 1999, a 57.7% increase. The active components business net sales for the third quarter of 2000 were $212,601,000 as compared to $195,224,000 for the third quarter of 1999, an 8.9% increase. For the nine months ended September 30, 2000, the active components business net sales were $644,459,000 as compared to $545,633,000 for the comparable period in 1999, an 18.1% increase. Strong demand for the Company's products and increased average selling prices contributed to the sales growth. The strengthening of the U.S. dollar against foreign currencies had the effect of decreasing reported net sales by $29,457,000 and $74,935,000 for the quarter and the nine months ended September 30, 2000, respectively.

Costs of Products Sold

Costs of products sold for the quarter and the nine months ended September 30, 2000 were 55.3% and 59.3% of net sales, respectively, as compared to 73.0% and 74.6% for the comparable prior year periods. Gross profit as a percentage of net sales for the quarter and nine months ended September 30, 2000 was 44.7% and 40.7% as compared to 27.0% and 25.4% for the comparable prior year periods. Both the passive and active components businesses contributed to the improved gross margins.

The passive components business gross margins for the quarter and nine months ended September 30, 2000 were 46.2% and 41.4%, respectively, as compared to 23.5% and 21.5% for the comparable prior year periods. Price and volume increases in the resistor, tantalum capacitor, and multi-layer ceramic chip capacitor product lines were primarily responsible for this improvement in gross margins.

The active components business gross margins for the quarter and nine months ended September 30, 2000 were 41.4% and 39.4%, respectively, as compared to 31.3% and 30.7% for the comparable prior year periods. Continued cost reductions, increased manufacturing efficiencies and an improved product mix contributed to the improved gross margins.

Israeli government grants, recorded as a reduction of costs of products sold, for the quarter and nine months ended September 30, 2000 were $3,987,000 and $11,404,000, respectively, as compared to $3,576,000 and $10,585,000 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 Company employees in Israel. Deferred income at September 30, 2000 relating to Israeli government grants was $47,714,000, as compared to $50,462,000 at December 31, 1999.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses for the quarter and nine months ended September 30, 2000 were 11.3% and 12.0% of net sales, respectively, as compared to 14.5% and 14.6% of net sales for the comparable prior year periods. This reduction was a result of higher net sales in 2000 as compared to 1999 and company-wide cost reduction initiatives, particularly the reduction of headcount in high labor cost countries.

Interest Expense

Interest costs for the quarter and nine months ended September 30, 2000 decreased by $11,062,000 and $16,637,000, respectively, from the comparable prior year periods. This decrease was a result of lower outstanding bank borrowings during both periods of 2000 as compared to the prior year periods. The Company received net proceeds of approximately $395,449,000 from a Common Stock offering consummated in May 2000, which were used to pay down long-term debt (see Note 8).

Other Income

Other income for the third quarter of 2000 decreased by $455,000 as compared to the third quarter of 1999. An increase in interest income and income recognized under the equity method was offset by higher foreign exchange losses, resulting in this decrease. Other income for the nine months ended September 30, 2000 increased by $1,126,000 as compared to the comparable prior year period. Increases in interest income and income recognized under the equity method, partially offset by losses on the sale of fixed assets and foreign exchange losses contributed to this increase.

Gain on Termination of Interest Rate Swap Agreements

Proceeds received from the May 2000 Common Stock offering (see Note 8) were used to pay down a portion of the debt outstanding under the Company's long-term revolving credit agreement. In connection with this repayment of debt, the Company terminated $125,000,000 notional amount of interest rate swap agreements and recognized a pretax gain of $6,375,000. In the third quarter of 2000, the Company terminated an additional $75,000,000 notional amount of interest rate swap agreements and recognized a pretax gain of $2,544,000.

Minority Interest

Minority interest for the quarter and nine months ended September 30, 2000 increased by $2,010,000 and $9,792,000 respectively, as compared to the comparable prior year periods. This increase was primarily due to the increase in net earnings of Siliconix, of which Vishay owns 80.4%.

Income Taxes

The effective tax rate for the nine months ended September 30, 2000 was 22.5% as compared to 31.7% for the comparable prior year period. The higher tax rate for the nine months ended September 30, 1999 primarily reflected 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 1999 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 on earnings before minority interest for the nine months ended September 30, 1999 would have been 24.6%. The continuing effect of low tax rates in Israel applicable to the Company, as compared to the statutory rate in the United States, resulted in increases in net earnings of $25,911,000 and $4,194,000 for the quarters ended September 30, 2000 and 1999, respectively, and $62,490,000 and $11,419,000 for the nine months ended September 30, 2000 and 1999, respectively. The favorable Israeli tax rates are applied to specific government approved projects and are normally available for a period of ten or fifteen years.

Financial Condition and Liquidity

Cash flows from operations for the nine months ended September 30, 2000 were $419,862,000 compared to $130,726,000 for the nine months ended September 30, 1999. The increase in cash generated from operations was primarily attributable to increased earnings. Net purchases of property and equipment were $148,133,000 for the nine months ended September 30, 2000 compared to $83,207,000 in the comparable prior year period, reflecting the Company's efforts toward increasing capacity. The Company paid down $546,262,000 on its revolving credit lines during the first nine months of 2000. These payments were partially funded by $395,449,000 of proceeds from the May 2000 Common Stock offering and $39,635,000 of proceeds from the exercise of stock options. On July 12, 2000, the Company completed the sale of its 65% interest in LPSC to the Lite-On Group. The $40,736,000 cash proceeds ($33,162,000, net of cash sold) were used to further pay down the Company's long-term debt. The Company's financial condition at September 30, 2000 was strong, with a current ratio of 2.83 to 1. The Company's ratio of long-term debt, less current portion, to stockholders' equity was .06 to 1 at September 30, 2000 as compared to .72 to 1 at September 30, 1999 and .65 to 1 at December 31, 1999.

On August 9, 2000, the Board of Directors of the Company authorized the officers of the Company to take the appropriate actions to enable the repurchase of up to 5,000,000 shares of the Company's Common Stock from time to time in the open market, subject to bank approval. In October 2000, 200,000 shares of the Company's Common Stock were repurchased for $5,775,000.

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 Company's 1999 Annual Report on Form 10-K contains cautionary statements that 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.

Market Risk Disclosure

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 does not speculate in derivative instruments for profit or execute 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.

The Company is exposed to changes in U.S. dollar LIBOR interest rates on its floating rate revolving credit facility. At September 30, 2000, the outstanding balance under this facility was $100,000,000. On a selective basis, the Company from time to time enters into interest rate swap or cap agreements to reduce the potential negative impact that increases in interest rates could have on its outstanding variable rate debt. At September 30, 2000, a fixed rate swap was in place on the entire balance of the Company's revolving credit facility. The impact of interest rate instruments on the Company's results of operations was not significant.

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

Date: November 14, 2000

5
0000103730
Vishay Intertechnology, Inc.
1,000
U.S. Dollars

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
1.00
254,483
0
431,882
(8,137)
452,126
1,265,741
1,455,105
(556,997)
2,507,688
447,619
100,544
0
0
12,254
1,658,709
2,507,688
1,821,449
1,821,449
1,080,261
1,080,261
206,476
0
23,022
511,690
115,239
377,235
0
0
0
377,235
2.81
2.74