SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2003

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 19355-2143
(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 May 15, 2003 registrant had 144,312,301 shares of its Common Stock and 15,383,296 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q

MARCH 31, 2003

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

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

ASSETS	March 31, 2003	December 31, 2002
CURRENT ASSETS		
Cash and cash equivalents	$ 323,535	$ 339,938
Accounts receivable, net	381,262	343,511
Inventories:		
Finished goods	204,657	219,769
Work in process	144,657	142,846
Raw materials	196,226	191,451
Deferred income taxes	43,638	47,297
Prepaid expenses and other current assets	190,043	188,881
TOTAL CURRENT ASSETS	1,484,018	1,473,693
PROPERTY AND EQUIPMENT - AT COST		
Land	116,687	118,000
Buildings and improvements	330,686	339,869
Machinery and equipment	1,627,437	1,609,931
Construction in progress	64,107	61,830
Allowance for depreciation	(888,110)	(854,780)
	1,250,807	1,274,850
GOODWILL	1,372,359	1,356,293
OTHER INTANGIBLE ASSETS, NET	119,574	122,417
OTHER ASSETS	83,680	87,906
	$ 4,310,438	$ 4,315,159

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 2003	December 31, 2002
CURRENT LIABILITIES		
Notes payable to banks	$ 16,726	$ 18,161
Trade accounts payable	125,171	123,999
Payroll and related expenses	100,496	103,184
Other accrued expenses	291,479	303,609
Income taxes	9,570	8,734
Current portion of long-term debt	18,489	18,550
TOTAL CURRENT LIABILITIES	561,931	576,237
LONG-TERM DEBT	688,875	706,316
DEFERRED INCOME TAXES	49,241	52,935
DEFERRED INCOME	38,698	42,345
MINORITY INTEREST	77,708	75,985
OTHER LIABILITIES	277,696	279,462
ACCRUED PENSION COSTS	226,222	223,092
STOCKHOLDERS' EQUITY		
Common Stock	14,430	14,429
Class B Common Stock	1,539	1,538
Capital in excess of par value	1,911,009	1,910,994
Retained earnings	530,202	523,354
Accumulated other comprehensive loss	(66,785)	(91,115)
Unearned compensation	(328)	(413)
	2,390,067	2,358,787
	$ 4,310,438	$ 4,315,159

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 March 31, 2003	2002
Net sales	$ 532,127	$ 434,140
Costs of products sold	413,617	347,203
GROSS PROFIT	118,510	86,937
Selling, general, and administrative expenses	96,662	74,659
Restructuring expense	687	3,024
OPERATING INCOME	21,161	9,254
Other income (expense):		
Interest expense	(10,001)	(6,909)
Other	643	2,549
	(9,358)	(4,360)
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	11,803	4,894
Income taxes	2,935	807
Minority interest	2,020	1,667
NET EARNINGS	$ 6,848	$ 2,420
Basic earnings per share	$ 0.04	$ 0.02
Diluted earnings per share	$ 0.04	$ 0.02
Weighted average shares outstanding - basic	159,549	159,177
Weighted average shares outstanding - diluted	159,996	160,605

See Notes to Consolidated Condensed Financial Statements.

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

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
OPERATING ACTIVITIES		
Net earnings	$ 6,848	$ 2,420
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	50,495	45,889
Loss on disposal of property and equipment	(72)	(9)
Amortization of imputed interest	2,375	2,305
Writedown of inventory	1,565	--
Minority interest in net earnings of consolidated subsidiaries	1,960	1,667
Other	(7,753)	(9,537)
Changes in operating assets and liabilities	(27,475)	68,499
NET CASH PROVIDED BY OPERATING ACTIVITIES	27,943	111,234
INVESTING ACTIVITIES		
Purchase of property and equipment	(24,173)	(14,073)
Proceeds from sale of property and equipment	10,667	4,677
Purchase of businesses, net of cash acquired	(10,760)	(26,938)
NET CASH USED IN INVESTING ACTIVITIES	(24,266)	(36,334)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	227	153
Principal payments on long-term debt	(209)	(380)
Net payments on revolving credit lines	(20,000)	(50,311)
Net changes in short-term borrowings	(1,226)	(10,119)
Proceeds from stock options exercised	16	338
NET CASH USED IN FINANCING ACTIVITIES	(21,192)	(60,319)
Effect of exchange rate changes on cash	1,112	(1,371)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(16,403)	13,210
Cash and cash equivalents at beginning of period	339,938	367,115
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 323,535	$ 380,325

See Notes to Consolidated Condensed Financial Statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)
March 31, 2003

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 accounting principles generally accepted in the United States 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 the Company's Form 10-K for the year ended December 31, 2002. The results of operations for the three months ended March 31, 2003 are not necessarily indicative of the results to be expected for the full year.

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 March 31, 2003	Three Months Ended March 31, 2002
Numerator:		
Net earnings	$ 6,848	$ 2,420
Denominator:		
Denominator for basic earnings per share - weighted average shares	159,549	159,177
Effect of dilutive securities:		
Employee stock options	380	1,288
Other	67	140
Dilutive potential common shares	447	1,428
Denominator for diluted earnings per share - adjusted weighted average shares	159,996	160,605
Basic earnings per share	$ 0.04	$ 0.02
Diluted earnings per share	$ 0.04	$ 0.02

Diluted earnings per share do not reflect the following, as the effect would be antidilutive for the periods presented:

- assumed conversion of the Company's zero coupon subordinated convertible notes;
- assumed conversion of the convertible notes of General Semiconductor, acquired November 2, 2001;
- assumed conversion of the convertible notes of BCcomponents, acquired December 13, 2002, for the three month period ended March 31, 2003; and
- outstanding stock options (7,539,000) and warrants (8,824,000), for the three month period ended March 31, 2003.

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 March 31,	
	2003	2002
Business Segment Information (in thousands)		
Net Sales:		
Passives	$ 274,874	$ 184,572
Actives	257,253	249,568
	$ 532,127	$ 434,140
Operating Income (Loss):		
Passives	$ 819	$ (15,774)
Actives	25,612	29,269
Corporate	(5,270)	(4,241)
	$ 21,161	$ 9,254

BCcomponents, acquired December 13, 2002, contributed $69,000,000 of net sales and $1,400,000 of operating income to the passives segment for the quarter ended March 31, 2003.

Note 4: Comprehensive Income

Comprehensive income includes the following components (in thousands):

	Three Months Ended March 31, 2003	2002
Net earnings	$6,848	$2,420
Other comprehensive income:		
Foreign currency translation adjustment	27,525	8,148
Unrealized gain (loss) on interest rate swap	660	(1,580)
Pension liability adjustment, net of tax	(103)	(6,266)
Total other comprehensive income	28,082	302
Comprehensive income	$ 34,930	$ 2,722

Note 5: Restructuring Expense

Restructuring expense reflects the cost reduction programs currently being implemented by the Company. These include the closing of facilities and the termination of employees. Effective January 1, 2003, restructuring costs are accounted for under Statement of Financial Accounting Standards No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Because these costs are recorded based upon estimates, our actual expenditures for the restructuring activities may differ from the initially recorded costs. We could be required either to record additional expenses in future periods, if the initial estimates were too low, or to reverse part of the charges that we recorded initially.

Quarter Ended March 31, 2003

The Company recorded restructuring expense of $687,000 for the quarter ended March 31, 2003. Restructuring of European operations included $557,000 of employee termination costs covering 45 technical, production, administrative and support employees located in France, Hungary, Portugal and Austria. The remaining $130,000 of restructuring expense related to termination costs for 15 technical, production, administrative and support employees located in the United States. The restructuring expense was incurred as part of the cost reduction programs currently being implemented by the Company. Activity related to these costs is as follows (in thousands, except number of employees):

	Workforce Reduction	Number of Employees Terminated	Total
Restructuring expense	$ 687	60	$ 687
Utilized	(286)	(43)	(286)
Balance at March 31, 2003	$ 401	17	$ 401

Quarter Ended March 31, 2002

The Company recorded restructuring expense of $3,024,000 for the quarter ended March 31, 2002. Restructuring of European and Israeli operations included $1,292,000 of employee termination costs covering approximately 234 technical, production, administrative and support employees located in the Czech Republic, France, Hungary, Israel, Portugal and Austria. The remaining $1,732,000 of restructuring expense related to termination costs for approximately 194 technical, production, administrative and support employees located in the United States.

Year Ended December 31, 2002

Restructuring expense was $30,970,000 for the year ended December 31, 2002. Restructuring of European and Israeli operations included $10,698,000 of employee termination costs covering approximately 778 technical, production, administrative and support employees located in the Czech Republic, France, Hungary, Israel, Portugal and Austria. An additional $7,909,000 of restructuring expense related to termination costs for approximately 660 technical, production, administrative and support employees in the United States. The remaining $12,363,000 of restructuring expense related to the noncash write-down of buildings and equipment that are no longer in use. The restructuring expense was incurred as part of the cost reduction programs being implemented by the Company. The restructuring activities related to existing business were designed to reduce both fixed and variable costs, particularly in response to the reduced demand for our products occasioned by the electronics industry downturn which began in 2001. Activity related to these costs is as follows (in thousands, except number of employees):

	Workforce Reduction	Asset Impairment	Number of Employees Terminated	Total
Restructuring expense	$ 18,607	$ 12,363	1,438	$ 30,970
Utilized	(6,420)	(12,363)	(783)	(18,783)
Balance at December 31, 2002	12,187	--	655	12,187
Utilized	(3,100)	--	(171)	(3,100)
Change in estimate	(15)	--	--	(15)
Balance at March 31, 2003	$ 9,072	$ --	484	$ 9,072

The remaining $9,072,000 of severance costs, currently shown in other accrued expenses, is expected to be paid by December 31, 2003.

Year Ended December 31, 2001

Restructuring expense was $61,908,000 for the year ended December 31, 2001. Restructuring of European, Asia Pacific, and Israeli operations included $27,064,000 of employee termination costs covering approximately 3,778 technical, production, administrative and support employees located in France, Hungary, Portugal, Austria, the Philippines, Germany and Israel. The European operations also recorded $2,191,000 of non-cash costs associated with the write-down of buildings and equipment that are no longer in use. An additional $13,870,000 of restructuring expense related to termination costs for approximately 1,885 technical, production, administrative and support employees in the United States. The remaining $18,783,000 of restructuring expense related to the non-cash write-down of buildings and equipment in the United States that are no longer in use.

Activity related to these costs is as follows (in thousands, except number of employees):

	Workforce Reduction	Asset Impairment	Number of Employees Terminated	Total
Restructuring expense	$ 40,934	$ 20,974	5,663	$ 61,908
Utilized	(18,114)	(20,974)	(4,913)	(39,088)
Balance at December 31, 2001	22,820	--	750	22,820
Utilized	(19,865)	--	(612)	(19,865)
Changes in estimate	(1,391)	--	--	(1,391)
Balance at December 31, 2002	1,564	--	138	1,564
Utilized	(1,026)	--	(43)	(1,026)
Changes in estimate	--	22	--	22
Balance at March 31, 2003	$ 538	$ 22	95	$ 560

The remaining $560,000 of severance costs, currently shown in other accrued expenses, is expected to be paid by December 31, 2003.

Note 6: Acquisitions

As part of the Company's growth strategy, the Company seeks to expand through the acquisition of other manufacturers of electronic components that have established positions in major markets, reputations for product quality and reliability, and product lines with which the Company has substantial marketing and technical expertise. In the past two years, the Company has taken advantage of the downturn in the electronics industry and the strength of its own balance sheet to acquire businesses for consideration that the Company believes was lower than what it would have been required to pay in other economic environments. In pricing an acquisition, the Company focuses primarily on the target's revenues and customer base, the strategic fit of its product line with the Company's existing product offerings, opportunities for cost cutting and integration with the Company's existing operations and production and other post-acquisition synergies rather than on the target's assets, such as its property, equipment and inventory. As a result, the fair value of the acquired assets may correspond to a relatively smaller portion of the acquisition price, with the Company recording a substantial amount of goodwill related to the acquisition.

On November 2, 2001, the Company acquired General Semiconductor, Inc., a leading manufacturer of rectifiers and power management devices, following approval of the transaction and related matters by stockholders of the two companies, for $554.8 million, including acquisition expenses of $7.0 million. In connection with the General Semiconductor acquisition, the Company recorded restructuring liabilities of $94,643,000 in connection with an exit plan that management began to formulate prior to the acquisition date. The exit plan includes downsizing certain European and Taiwan facilities and moving production to low labor cost areas such as Israel, the Czech Republic, and China. The exit plan should be completed by the third quarter of 2003. The plan also includes reducing selling, general and administrative expenses through the integration or elimination of redundant sales offices and administrative functions at General Semiconductor. The goal of the Company is to achieve significant production cost savings through the transfer and expansion of manufacturing operations to regions such as Israel, the Czech Republic, and the People's Republic of China, where the Company can take advantage of lower labor costs and available tax and other government-sponsored incentives. Approximately $88,242,000 of the restructuring liabilities recorded in connection with the acquisition related to employee termination costs covering approximately 1,460 technical, production, administrative and support employees located in the United States, Europe and the Pacific Rim. The remaining $6,401,000 of restructuring liabilities related to provisions for lease cancellations and other costs. The restructuring liability is included in other accrued expenses on the consolidated balance sheet and the workforce reduction costs are expected to be paid out by December 31, 2003. The other costs are expected to be paid out by 2005. Any changes in estimates to the restructuring liability have changed the purchase allocation. A rollforward of the activity related to these restructuring liabilities is as follows (in thousands, except number of employees):

	Workforce Reduction	Other	Number of Employees Terminated	Total
Balance at January 1, 2002	$ 88,242	$ 6,401	1,460	$ 94,643
Utilized	(52,118)	(1,249)	(426)	(53,367)
Changes in estimate	(7,900)	--	(147)	(7,900)
Balance at December 31, 2002	28,224	5,152	887	33,376
Utilized	(3,351)	(2,306)	(70)	(5,657)
Balance at March 31, 2003	$ 24,873	$ 2,846	817	$ 27,719

In January 2002, the Company acquired the transducer and strain gage businesses of Sensortronics, Inc. Sensortronics is a leading manufacturer of load cells and torque transducers for domestic and international customers in a wide range of industries with manufacturing facilities in Covina, California, Costa Rica, and, pursuant to a joint venture arrangement, India. The acquisition included the wholly-owned subsidiary of Sensortronics, JP Technologies, a manufacturer of strain gages, located in San Bernardino, California. The purchase price was $10 million in cash. The purchase price has been allocated, with resulting goodwill of $3,027,000. The results of operations of Sensortronics are included in the results of the passives segment from January 31, 2002.

In June 2002, the Company acquired Tedea-Huntleigh BV, a subsidiary of Tedea Technological Development and Automation Ltd. Tedea-Huntleigh BV is engaged in the production and sale of load cells used in digital scales by the weighing industry. The purchase price was approximately $21 million in cash. Additionally, Vishay will pay Tedea a $1 million consulting fee over a three-year period and repaid a $9 million loan of Tedea to Tedea-Huntleigh. Tedea-Huntleigh operates two plants in Israel, in Netanya and Carmiel, where it employs approximately 350 people, as well as a number of facilities outside Israel. Tedea-Huntleigh also has load cell operations in the

People's Republic of China. The purchase price has been allocated, with resulting goodwill of $13,841,000. Results of operations are included in the results of the passives segment beginning July 1, 2002.

On July 31, 2002, the Company acquired the BLH and Nobel businesses of Thermo Electron Corporation. BLH and Nobel are engaged in the production and sale of load cell-based process weighing systems, weighing and batching instruments, web tension instruments, weighing scales, servo control systems, and components relating to load cells including strain gages, foil gages, and transducers. The purchase price was $18.5 million in cash. The purchase price has been allocated, with resulting goodwill of $11,262,000. The results of operations are included in the results of the passives segment beginning August 1, 2002.

In October 2002, the Company acquired Celtron Technologies. Celtron is engaged in the production and sale of load cells used in digital scales for the weighing industry, with manufacturing facilities and offices in Taiwan, the People's Republic of China and California. The purchase price of $13.5 million in cash has been allocated, with resulting goodwill of $4,711,000.

On December 13, 2002, the Company acquired BCcomponents Holdings B.V., a leading manufacturer of passive components with operations in Europe, India and the Far East. The product lines of BCcomponents include linear and non-linear resistors; ceramic, film and aluminum electrolytic capacitors; and switches and trimming potentiometers.

Vishay acquired the outstanding shares of BCcomponents in exchange for ten-year warrants to acquire 7,000,000 shares of Vishay common stock at an exercise price of $20.00 per share and ten-year warrants to acquire 1,823,529 shares of Vishay common stock at an exercise price of $30.30 per share. The fair value of the warrants ($39,462,000) was determined using the Black-Scholes method. Significant assumptions used included an expected dividend yield of 0%, a risk free interest rate of 3%, an expected volatility of 66%, and an expected life of five years.

In the transaction, outstanding obligations of BCcomponents, including indebtedness and transaction fees and expenses, in the amount of approximately $224 million were paid ($191,000,000) or assumed ($33,000,000). Also, $105 million in principal amount of BCcomponents' mezzanine indebtedness and certain other securities of BCcomponents were exchanged for $105 million principal amount of floating rate unsecured loan notes of Vishay due 2102. The Vishay notes bear interest at LIBOR plus 1.5% through December 31, 2006 and at LIBOR thereafter. The interest rate may be further reduced to 50% of LIBOR after December 31, 2010 if the price of Vishay common stock trades above a specified target price, as provided in the notes. The notes are subject to a put and call agreement under which the holders may at any time put the notes to Vishay in exchange for 6,176,471 shares of Vishay common stock in the aggregate, and Vishay may call the notes in exchange for cash or for shares of its common stock after 15 years from the date of issuance. The purchase price was as follows:

Cash consideration	$191,000,000
Warrants issued	39,462,000
Acquisition costs	3,000,000
Total purchase price	$233,462,000

Under purchase accounting, the total purchase price is allocated to assets acquired and liabilities assumed based on their estimated fair values. The allocation of the purchase price is based on a preliminary evaluation of the fair value of BCcomponents' tangible and identifiable intangible assets acquired and liabilities assumed at the date of the merger based upon currently available information. There can be no assurance that the estimated amounts will represent the final purchase allocation. The purchase price has been preliminarily allocated, pending finalization of appraisals for property, plant, and equipment, debt, intangible assets and warrants, to the acquired assets and liabilities based on fair values as follows:

Current assets	$ 91,859,000
Property, plant, and equipment	127,626,000
Other assets	3,054,000
Trademarks	21,000,000
Completed technology	22,000,000
Current liabilities	(118,425,000)
Long-term debt	(126,328,000)
Other noncurrent liabilities	(29,860,000)
Goodwill	242,536,000
Total purchase price	$ 233,462,000

In connection with the BCcomponents acquisition, the Company recorded restructuring liabilities of $48,000,000 in connection with an exit plan that management began to formulate prior to the acquisition date. Approximately $46,000,000 of these liabilities relate to employee termination costs covering approximately 780 technical, production, administrative and support employees located in the United States, Europe and the Pacific Rim. The restructuring liability is recorded in other accrued expenses and is expected to be paid out by December 31, 2003. The exit plan is not yet finalized. Future adjustments that increase or decrease the restructuring liabilities would increase or decrease goodwill. A rollforward of the activity related to these restructuring liabilities is as follows (in thousands, except number of employees):

	Workforce Reduction	Other	Number of Employees Terminated	Total
Balance at January 1, 2003	$ 45,855	$ 1,939	780	$ 47,794
Utilized	(5,077)	(26)	(70)	(5,103)
Balance at March 31, 2003	$ 40,778	$ 1,913	710	$ 42,691

Had the acquisitions been made as of January 1, 2002, the Company's pro forma results would have been (in thousands, except per share amounts):

	Three Months Ended March 31, 2002
Net sales	$517,672
Net loss	$ (2,378)
Basic loss per share	$ (0.01)
Diluted loss per share	$ (0.01)

Note 7: Stock-Based Compensation

SFAS No. 123, Accounting for Stock-Based Compensation, encourages entities to record compensation expense for stock-based employee compensation plans at fair value but provides the option of measuring compensation expense using the intrinsic value method prescribed in APB Opinion No. 25, Accounting for Stock Issued to Employees. The Company accounts for stock-based compensation in accordance with APB 25 and related interpretations. The following is provided to comply with the disclosure requirements of SFAS 123 as amended. If compensation cost for the Company's stock option programs had been determined using the fair-value method prescribed by SFAS 123, the Company's results would have been reduced to the pro forma amounts indicated below (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2003	2002
Net income, as reported	$ 6,848	$ 2,420
Deduct: Total stock-based employee compensation expense determined under fair value-based method for all awards, net of related tax effects	467	611
Pro forma net income	$ 6,381	$ 1,809
Earnings per share:		
Basic--as reported	$ 0.04	$ 0.02
Basic--pro forma	$ 0.04	$ 0.01
Diluted--as reported	$ 0.04	$ 0.02
Diluted--pro forma	$ 0.04	$ 0.01

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Overview

Vishay operates in two segments, passive components and active components. The Company is the leading manufacturer of passive components in the United States and Europe. These components include resistors, capacitors, inductors, strain gages and load cells. Vishay is also one of the world's leading manufacturers of active electronic components, also referred to as discrete semiconductors. These include transistors, diodes, rectifiers, certain types of integrated circuits and optoelectronic products. Historically, the passive components business had predominated at Vishay, until the purchase of General Semiconductor in November 2001, after which the active business took predominance. The acquisition of BCcomponents in December 2002 has shifted the predominance back to the passive business. Revenues for the three months ended March 31, 2003 were derived 52% from the Company's passive business and 48% from its active business.

Market conditions in the electronics industry remain difficult. The results for the first quarter continue to reflect the impact of the current weak economy. However, there was an unexpected recovery beginning in February 2003 experienced across several product and market segments. Short-term orders increased predominately in the passive business from contract equipment manufacturers and from the automotive market. It is not currently known whether this recovery will be sustained. This follows a difficult 2002 and 2001, in which the electronic components business generally was depressed both in the United States and much of the world. This economic environment has affected both the passive and active component businesses. The Company's book-to-bill ratio for the first quarter was 1.05, reflecting a book-to-bill ratio for the active business of 1.03 and a book-to-bill ratio for the passive business of 1.07. The Company's backlog was $438.2 million at the end of the first quarter, a $30.6 million increase from the previous quarter.

The following table shows the end-of-period backlog and the book-to-bill ratio for Vishay's business as a whole during the five quarters beginning with the 1st quarter of 2002 through the first quarter of 2003.

	1st Quarter 2002	2nd Quarter 2002	3rd Quarter 2002	4th Quarter 2002	1st Quarter 2003
End of Period Backlog	$ 396,900,000	$ 421,500,000	$ 378,500,000	$ 407,600,000(1)	$ 438,200,000(1)
Book-to-Bill Ratio	1.14	1.02	0.90	0.93	1.05

(1) Includes $49,800,000 and $49,500,000 of backlog attributable to the business of BCcomponents for the fourth quarter of 2002 and the first quarter of 2003, respectively. BCcomponents was acquired in December 2002.

The following table shows sales and book-to-bill ratios broken out by segment for the five quarters beginning with the first quarter of 2002 through the first quarter of 2003:

	1st Quarter 2002	2nd Quarter 2002	3rd Quarter 2002	4th Quarter 2002	1st Quarter 2003
Passive Components					
Sales	$ 184,572,000	$ 187,430,000	$ 196,702,000	$ 198,542,000	$ 274,874,000(1)
Book-to-Bill Ratio	1.02	0.98	0.96	1.00	1.07
Active Components					
Sales	$ 249,568,000	$ 270,447,000	$ 274,717,000	$ 260,835,000	$ 257,253,000
Book-to-Bill Ratio	1.22(2)	1.04	0.85	0.88	1.03

(1) Includes $69,300,000 attributable to BCcomponents for the first quarter of 2003.
(2) The book-to-bill ratio for the active components for the quarter ended March 31, 2002 reflected, in part, an unusual spike in orders in March 2002.

The Company continued to implement its cost control programs during the quarter with an emphasis on the reduction and reallocation of headcount. A major element of the Company's cost control strategy has been to position its manufacturing facilities, to the extent practicable, in jurisdictions with low labor costs. The percentage of headcount in low labor cost countries was 65% as of March 31, 2003. The Company continues to target improvement in this area with the continued integration of the business of BCcomponents.

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

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Costs of products sold	77.7 %	80.0 %
Gross profit	22.3	20.0
Selling, general and administrative expenses	18.2	17.2
Operating income	4.0	2.1
Earnings before income taxes and minority interest	2.2	1.1
Net earnings	1.3	0.6
Effective tax rate	24.9 %	16.5 %

Net Sales, Gross Profits and Margins

Net sales for the quarter ended March 31, 2003 increased $97,987,000 or 22.6% as compared to the comparable prior year period. The increase primarily reflects the acquisitions of BCcomponents in December 2002, Celtron Technologies in October 2002, BLH and Nobel in July 2002 and Tedea-Huntleigh BV in June 2002. Excluding these acquisitions, net sales increased $10,587,000 or 2.4%. Foreign exchange rates during the quarter positively impacted revenues by $22,300,000. In the passive components business, pricing continues to stabilize in the resistor and inductor product lines, and a slow recovery has begun in the capacitor product line. Active component revenues increased only slightly for the quarter ended March 31, 2003 as compared to the comparable prior year period, reflecting the slowdown in the laptop computer market.

Costs of products sold as a percentage of net sales for the quarter ended March 31, 2003 were 77.7% as compared to 80.0% for the comparable prior year period. Gross profit as a percentage of net sales for the quarter ended March 31, 2003 was 22.3% as compared to 20.0% for the comparable prior year period. Price declines were offset by volume increases and cost savings programs.

The following tables show sales and gross profit margins separately for our passive and active segments.

Passive Components

	Three Months Ended March 31, 2003	Three Months Ended March 31, 2002
Net Sales	$274,874,000	$184,572,000
Gross Profit Margin	19.4%	10.8%

Net sales of the passive components business for the quarter ended March 31, 2003 increased $90,302,000, or 48.9%, as compared to the comparable prior year period. Without the acquisition of BCcomponents, Celtron Technologies, BLH and Nobel, and Tedea-Huntleigh, the passive components business sales would have increased by $2,900,000, or 1.6%, for the quarter ended March 31, 2003 as compared to the comparable prior year period. The increase in net sales can be attributed to the volume increases in the resistor and inductor product lines, partially offset by price declines and the positive impact of foreign currency exchange rates. The average selling price decline has slowed in the resistor and inductor product lines and further stabilization is expected due to the BCcomponents acquisition. The capacitor product line continues to struggle, with the average selling price down 9% from the prior year. However, there are indications of the start of a slow recovery. Gross margins were 19.4% for the quarter ended March 31, 2003 as compared to 10.8% for the comparable prior year period. This increase is mainly due to the acquisitions noted above. The gross profit margin at BCcomponents for the quarter ended March 31, 2003 was 20.9% and the gross profit margins for the measurements group acquisitions ranged from 31.0% to 45.0%. Several significant cost reduction programs have been initiated in all of the products lines, including facility combinations and shifting production to lower cost regions. The impact of these cost savings plans has been partially offset by the underutilization of capacity in the commodity products. Additionally, a write-down of $1,500,000 of palladium inventory was taken in the quarter ended March 31, 2003.

Active Components

	Three Months Ended March 31, 2003	2002
Net Sales	$257,253,000	$249,568,000
Gross Profit Margin	25.3%	26.9%

Net sales of the active components business for the quarter ended March 31, 2003 increased by $7,685,000, or 3.1%, from sales of the comparable prior year period. Pricing pressure continues to increase in our active components business. Our Siliconix operation experienced an increase in sales during this period, mainly due to the market shift from single-function cellular phones to multiple- function cellular phones, which utilize more of the Company's components. This increase was partially offset by the slowdown in the laptop computer market and a slight decline in sales in our other semiconductor businesses. Net sales also increased due to the positive impact of foreign currency exchange rates. Gross margins were 25.3% for the quarter ended March 31, 2003 as compared to 26.9% for the comparable prior year period. Margins were negatively impacted by product mix changes at our Siliconix business where there was a higher share of commodity products as compared to the prior year.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses for the quarter ended March 31, 2003 were 18.2% of net sales as compared to 17.2% for the comparable prior year period. This increase was mainly due to the acquisition of BCcomponents. The Company continues to implement cost reduction initiatives company-wide, with particular emphasis placed on reducing headcount in high labor cost countries. Sixty five percent of the Company's labor force is in low labor cost countries. Additionally, the Company has recorded $1.0 million of expenses for the quarter ended March 31, 2003 associated with improving internal controls in response to the provisions of the Sarbanes-Oxley Act.

Restructuring Expense

Our restructuring activities have been designed to cut both fixed and variable costs, particularly in response to the reduced demand for products occasioned by the electronics industry downturn beginning in 2001. These activities include the closing of facilities and the termination of employees. Restructuring costs are accounted for under Statement of Financial Accounting Standards No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Because costs are recorded based upon estimates, actual expenditures for the restructuring activities may differ from the initially recorded costs. If the initial estimates were too low or too high, we could be required either to record additional expenses in future periods or to reverse previously recorded expenses. We anticipate that we will realize the benefits of our restructuring through lower labor costs and other operating expenses in future periods, although it is not possible to quantify the expected savings.

The Company recorded restructuring expense of $687,000 for the quarter ended March 31, 2003. Restructuring of European operations included $557,000 of employee termination costs covering 45 technical, production, administrative and support employees located in France, Hungary, Israel, Portugal and Austria. The remaining $130,000 of restructuring expense related to termination costs for 15 technical, production, administrative and support employees located in the United States.

The Company recorded restructuring expense of $3,024,000 for the quarter ended March 31, 2002. Restructuring of European and Israeli operations included $1,292,000 of employee termination costs covering approximately 234 technical, production, administrative and support employees located in the Czech Republic, France, Hungary, Israel, Portugal and Austria. The remaining $1,732,000 of restructuring expense related to termination costs for approximately 194 technical, production, administrative and support employees located in the United States.

Restructuring expense is separate from plant closure, employee termination and similar integration costs we incur in connection with our acquisition activities. These amounts are included in the costs of our acquisitions and do not affect earnings or losses on our statement of operations.

Interest Expense

Interest expense for the quarter ended March 31, 2003 increased by $3,092,000 as compared to the comparable prior year period. This increase was primarily a result of the various acquisitions made in 2002. The Company borrowed $116,000,000 on its revolving credit facility and issued $105,000,000 principal amount of unsecured loan notes, currently bearing interest at LIBOR plus 1.5%, in connection with the BCcomponents acquisition in December 2002.

Other Income

Other income was $643,000 for the quarter ended March 31, 2003, down $1,906,000 as compared to other income of $2,549,000 for the comparable prior year quarter. This decrease was primarily due to higher foreign exchange losses. Foreign exchange losses of $1,272,000 were reported for the quarter ended March 31, 2003 as compared to foreign exchange gains of $713,000 for the comparable prior year period.

Minority Interest

Minority interest for the quarter ended March 31, 2003 increased $353,000 as compared to the comparable prior year period. This increase was primarily due to the increase in net earnings of Siliconix.

Income Taxes

The effective tax rate, based on earnings before income taxes and minority interest, for the first quarter of 2003 was 24.9% as compared to 16.5% for the comparable prior year period. The higher effective tax rate in 2003 is due primarily to the fact that the Company did not recognize the tax benefit of losses incurred in certain high tax jurisdictions. While those losses are available to offset future taxable income, accounting rules do not allow for the recognition of the benefit currently.

The Company enjoys favorable tax rates on its operations in Israel. Such rates are applied to specific approved projects and are normally available for a period of ten or fifteen years. The low tax rates in Israel applicable to the Company ordinarily have resulted in increased earnings compared to what earnings would have been had statutory United States tax rates applied, but, due to losses reported in Israel, there was no material impact on net earnings for the quarters ended March 31, 2003 and 2002, respectively.

Financial Condition and Liquidity

Cash flows from operations were $27,943,000 for the quarter ended March 31, 2003 as compared to $111,234,000 for the quarter ended March 31, 2002. For the quarter ended March 31, 2002, there were significant reductions in accounts receivable and inventory in response to the business slowdown. Accounts receivable levels at March 31, 2003 have increased significantly due to the upturn in orders beginning in February. This increase was only partially offset by inventory reductions, higher net income and depreciation and amortization. Net purchases of property and equipment for the quarter ended March 31, 2003 were $24,173,000 as compared to $14,073,000 for the comparable prior year period. This increase was mainly due to spending at our Electro-Films location, where the facility is being rebuilt after a fire in 2002. This facility had approximately $8.0 million of capital spending in the first quarter of 2003. Purchase of businesses, net of cash acquired, for the three months ended March 31, 2003 represents payments made related to liabilities assumed from previous acquisitions.

The Company paid down $20,000,000 on its revolving credit lines during the first quarter of 2003, primarily from the cash generated from operations. At March 31, 2003, the Company had $91,000,000 outstanding under its revolving credit facility. In connection with our acquisition of BCcomponents in December 2002, we issued $105,000,000 principal amount of our floating rate unsecured loan notes due 2102. The notes bear interest at LIBOR plus 1.5% through December 31, 2006 and at LIBOR thereafter. The interest payable on the notes may be further reduced to 50% of LIBOR after December 31, 2010 if the price of our common stock trades above a specified target price, as provided in the notes. The notes are subject to a put and call agreement under which the holders may at any time put the notes to us in exchange for 6,176,471 shares of our common stock in the aggregate, and we may call the notes in exchange for cash or for shares of our common stock after 15 years from the date of issuance.

The Company's financial condition at March 31, 2003 was strong, with a current ratio of 2.64 to 1. The Company's ratio of long-term debt, less current portion, to stockholders' equity was .29 to 1 at March 31, 2003 as compared to ..23 to 1 at March 31, 2002 and .30 to 1 at December 31, 2002. The increase in long-term debt ratio from March 31, 2002 to March 31, 2003 reflects the debt incurred in connection with the BCcomponents acquisition.

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

Statements in this report that are not clearly historical are "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These include, but are not limited to, anticipated results for the rest of 2003 and expectations with respect to recoveries in the economic and business climate in general and the Company's businesses in particular. All forward-looking statements made by or on behalf of the Company involve risks, uncertainties and contingencies, whether they are contained in this report or other reports and documents filed with the Securities and Exchange Commission, in press releases or in communications and discussions with investors and analysts through meetings, webcasts, phone calls or conference calls. Many of these risks, uncertainties and contingencies are beyond the Company's control, and they may cause actual results, performance or achievements to differ materially from those anticipated. Please refer to the Company's 2002 Annual Report on Form 10-K for important factors that could cause the Company's actual results, performance or achievements to differ materially from those in any forward-looking statements made by or on behalf of the Company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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.

The Company is exposed to changes in U.S. dollar LIBOR interest rates on borrowings under its floating rate revolving credit facility. 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 March 31, 2003, a fixed rate swap agreement with a notional amount of $100,000,000 was in place. The impact of interest rate derivative instruments on the Company's results of operations for the quarter ended March 31, 2003 was not significant.

Item 4. Disclosure Controls and Procedures

An evaluation was performed as of a date within 90 days prior to the filing date of this quarterly report, under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures are effective in ensuring that all material information required to be filed in this quarterly report has been made known to them in a timely fashion. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date management completed their evaluation.

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:

Exhibit 99.1 - Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Dr. Felix Zandman, Chief Executive Officer

Exhibit 99.2 - Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - Richard N. Grubb, Chief Financial Officer

(b) Reports on Form 8-K:

On January 23, 2003, the Company filed a current report under Item 5 of Form 8-K, regarding the Company's write-down of its current inventory of tantalum powder and wire and an accrual for its commitments under contracts for the supply of tantalum. The date of the form was January 21, 2003.

On February 26, 2003, the Company filed a current report under Item 7 of Form 8-K/A, providing the required financial statements of BCcomponents and the required pro forma financial information giving effect to the

Company's purchase of BCcomponents in December 2002. The form was dated December 13, 2002 and amended the Form 8-K previously filed by the Company on December 23, 2002.

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: May 15, 2003

CERTIFICATIONS

I, Dr. Felix Zandman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vishay Intertechnology, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Dr. Felix Zandman
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Dr. Felix Zandman
Chief Executive Officer

I, Richard N. Grubb, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vishay Intertechnology, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 15, 2003

/s/ Richard N. Grubb
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Richard N. Grubb
Chief Financial Officer

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vishay Intertechnology, Inc. (the "Company") on Form 10-Q for the quarterly period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dr. Felix Zandman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Dr. Felix Zandman
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Dr. Felix Zandman
Chief Executive Officer
May 15, 2003

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vishay Intertechnology, Inc. (the "Company") on Form 10-Q for the quarterly period ending March 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard N. Grubb, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard N. Grubb
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Richard N. Grubb
Chief Financial Officer
May 15, 2003