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 September 30, 1997

OR

[ ] 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 No.)
63 LINCOLN HIGHWAY MALVERN, PENNSYLVANIA	19355
(Address of principal executive offices)	(Zip code)

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

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

As of November 12, 1997 registrant had 56,457,094 shares of its Common Stock and 7,926,898 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q SEPTEMBER 30, 1997

CONTENTS

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

ASSETS	September 30 1997	December 31 1996
CURRENT ASSETS		
Cash and cash equivalents	$43,466	$20,945
Accounts receivable	188,706	163,164
Inventories:		
Finished goods	163,048	182,722
Work in process	86,839	73,606
Raw materials	94,022	100,418
Prepaid expenses and other current assets	90,658	82,310
TOTAL CURRENT ASSETS	666,739	623,165
PROPERTY AND EQUIPMENT - AT COST		
Land	41,958	43,705
Buildings and improvements	226,895	222,743
Machinery and equipment	753,214	695,084
Construction in progress	56,732	57,891
Allowance for depreciation	(358,693)	(308,761)
	720,106	710,662
GOODWILL	296,455	201,574
OTHER ASSETS	44,949	20,646
	$1,728,249	$1,556,047

LIABILITIES AND STOCKHOLDERS' EQUITY	September 30 1997	December 31 1996
CURRENT LIABILITIES		
Notes payable to banks	$42,803	$31,212
Trade accounts payable	44,684	33,930
Payroll and related expenses	48,183	35,973
Other accrued expenses	39,463	55,381
Income taxes	22,962	7,076
Current portion of long-term debt	9,242	25,394
TOTAL CURRENT LIABILITIES	207,337	188,966
LONG-TERM DEBT	342,707	229,885
DEFERRED INCOME TAXES	33,027	33,113
DEFERRED INCOME	62,638	58,570
OTHER LIABILITIES	45,634	30,534
ACCRUED RETIREMENT COSTS	63,364	69,749
STOCKHOLDERS' EQUITY		
Common stock	5,645	5,373
Class B common stock	793	756
Capital in excess of par value	920,052	825,949
Retained earnings	82,586	107,762
Foreign currency translation adjustment	(31,924)	9,106
Unearned compensation	(686)	(370)
Pension adjustment	(2,924)	(3,346)
	973,542	945,230
	$1,728,249	$1,556,047

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, 1997	Three Months Ended September 30, 1996
Net sales	$285,352	$259,889
Costs of products sold	214,960	198,712
GROSS PROFIT	70,392	61,177
Selling, general, and administrative expenses	35,324	35,834
Amortization of goodwill	2,117	1,639
OPERATING INCOME	32,951	23,704
Other income (expense):		
Interest expense	(5,566)	(4,455)
Other	700	115
	(4,866)	(4,340)
EARNINGS BEFORE INCOME TAXES	28,085	19,364
Income taxes	7,390	4,880
NET EARNINGS	$20,695	$14,484
Net earnings per share	$0.32	$0.23
Weighted average shares outstanding	64,636	64,356

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, 1997	1996
Net sales	$831,275	$844,051
Costs of products sold	629,649	625,929
GROSS PROFIT	201,626	218,122
Selling, general, and administrative expenses	102,941	114,675
Restructuring expenses	0	24,280
Amortization of goodwill	5,133	4,899
OPERATING INCOME	93,552	74,268
Other income (expense):		
Interest expense	(12,831)	(13,317)
Other	2,084	978
	(10,747)	(12,339)
EARNINGS BEFORE INCOME TAXES	82,805	61,929
Income taxes	22,504	15,621
NET EARNINGS	$60,301	$46,308
Net earnings per share	$0.94	$0.72
Weighted average shares outstanding	64,466	64,357

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	
	1997	1996
OPERATING ACTIVITIES		
Net earnings	$60,301	$46,308
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	62,441	59,130
Other	983	21,709
Changes in operating assets and liabilities	3,461	(31,777)
NET CASH PROVIDED BY OPERATING ACTIVITIES	127,186	95,370
INVESTING ACTIVITIES		
Purchases of property and equipment-net	(55,218)	(110,093)
Purchase of businesses, net of cash acquired	(122,377)	-
NET CASH USED IN INVESTING ACTIVITIES	(177,595)	(110,093)
FINANCING ACTIVITIES		
Net proceeds on revolving credit lines	159,194	80,050
Proceeds from long-term borrowings	5,485	3,378
Payments on long-term borrowings	(78,018)	(66,360)
Net (payments) proceeds on short-term borrowings	(9,945)	12,488
NET CASH PROVIDED BY FINANCING ACTIVITIES	76,716	29,556
Effect of exchange rate changes on cash	(3,786)	(537)
INCREASE IN CASH AND CASH EQUIVALENTS	22,521	14,296
Cash and cash equivalents at beginning of period	20,945	19,584
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$43,466	$33,880

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
SEPTEMBER 30, 1997

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, 1996.

Note 2: Earnings Per Share

Earnings per share amounts for all periods reflect a 5% stock dividend paid on June 9, 1997.

Note 3: Acquisitions

On July 17, 1997, the Company consummated its acquisition of 65% of Lite-On Power Semiconductor Corporation, a Republic of China (Taiwan) company ("LPSC"), and a member of Taiwan's Lite-On Group of companies, for a net cash purchase price of approximately US$130 million.

LPSC produces diodes, primarily in the Far East, with manufacturing facilities in Taipei, Taiwan; Shanghai, China; and Lee's Summit, Missouri. LPSC also owns approximately 40.2% of Diodes, Inc. (AMEX: DIO), located in Westlake, California. Diodes is a U.S. public company traded on the American Stock Exchange.

Diodes are discrete semiconductor components used to convert electrical currents from AC to DC and are used in all electronic equipment that requires such conversion.

Pursuant to the Stock Purchase Agreement, dated April 25, 1997, among LPSC, Silitek Corporation ("Silitek"), Lite-On Technology Corporation, Dyna Investment Co., Ltd., Lite-On Inc. and other shareholders' as Sellers, and the Company, as Purchaser (the "Stock Purchase Agreement"), the Company, through two Singapore entities, acquired approximately 100% of the issued and outstanding shares of capital stock of LPSC for cash consideration of US$200 million. The purchase was made by a Singapore company (the "Joint Venture Company"), whose capital stock at the time of the acquisition was 50% owned directly by the Company, and 50% owned by another Singapore company (the "Holding Company"), which at the time was a wholly-owned subsidiary of the Company.

Concurrently with the consummation of the acquisition, pursuant to the terms of the Joint Venture Agreement, dated April 25, 1997, between the Company and a company formed by Silitek and certain other shareholders of LPSC, Lite-On JV Corporation, ("JV"), which agreement was amended as of July 17, 1997 (as amended, the "Joint Venture Agreement"), JV purchased from the Company 35% of its interest in the Holding Company and 17.5% in the Joint Venture Company for cash consideration of $70 million.

In connection therewith, JV received stock appreciation rights("SARs") in the Company, which represent the right to receive in stock the increase in value on the equivalent of 1,625,000 shares of the Company's stock above $23 per share. Subject to certain annual and other adjustments, the Company may redeem the SARs if the Company's stock trades above $43 per share. At that price, the SAR's would entitle JV to 755,813 shares of the Company's common stock.

The Joint Venture Agreement also defines the terms of the management of LPSC and its subsidiaries and the agreement between the Company and JV to market the Company's products in Asia and LPSC's products throughout the world.

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 assets ($108,355,000) is being amortized on a straight-line method over an estimated useful life not to exceed forty years.

The Company financed the cash portion ($130 million) of the LPSC acquisition from current availability under the Company's credit facilities.

During the period, the Company further amended its credit facilities in connection with, among other things, adjusting certain financial covenants and extending the maturity dates of the credit facilities.

The summary of the amendment to the Company's credit facilities is qualified in its entirety by reference to the text of such amendment, which is filed as an exhibit hereto and which is incorporated herein by reference.

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	
	1997	1996	1997	1996
Costs of products sold	75.3%	76.5%	75.7%	74.2%
Gross profit	24.7	23.5	24.3	25.8
Selling, general and administrative expenses	12.4	13.8	12.4	13.6
Operating income	11.5	9.1	11.3	8.8
Earnings before income taxes	9.8	7.5	10.0	7.3
Effective tax rate	26.3	25.2	27.2	25.2
Net earnings	7.3	5.6	7.3	5.5

Net sales for the quarter ended September 30, 1997 increased $25,463,000 or 9.8% from the comparable period of the prior year. The increase in net sales relates primarily to the acquisition of LPSC. Net sales of LPSC for the quarter ended September 30, 1997 were $19,634,000. Exclusive of LPSC, net sales would have increased by $5,829,000 or 2.2%. The strengthening of the U.S. dollar against foreign currencies for the quarter ended September 30, 1997 in comparison to the prior year's quarter, resulted in a decrease in reported sales of $17,196,000. Net sales for the nine months ended September 30, 1997 decreased $12,776,000 or 1.5% from the comparable period of the prior year. The strengthening of the U.S. dollar against foreign currencies for the nine months ended September 30, 1997 in comparison to the prior year's period, resulted in a decrease in reported sales of $41,483,000.

Costs of products sold for the quarter and nine months ended September 30, 1997 were 75.3% and 75.7% of net sales, respectively, as compared to 76.5% and 74.2%, respectively, for the comparable prior year periods. Gross profit, as a percentage of net sales, for the quarter ended September 30, 1997 increased from the comparable prior year period mainly due to the restructuring programs taken in 1996 to reduce manufacturing costs. The acquisition of LPSC did not have a material impact on the gross margins of the Company. The gross profits for the nine months ended September 30, 1997 as compared to the prior year period, were negatively affected by a difficult pricing environment.

Israeli government grants, recorded as a reduction of costs of products sold, were $2,970,000 and $8,395,000 for the quarter and nine months ended September 30, 1997, respectively, as compared to $2,215,000 and $6,416,000 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 September 30, 1997 relating to Israeli government grants was $62,638,000 as compared to $58,570,000 at December 31, 1996.

Selling, general, and administrative expenses for the quarter and nine months ended September 30, 1997 were 12.4% of net sales, as compared to 13.8% and 13.6%, respectively, for the comparable prior year periods. LPSC's selling, general and administrative expenses did not have a material impact to the Company. Exclusive of LPSC's selling, general, and administrative expenses, the expenses decreased by $2,497,000 and $13,721,000, respectively, as compared to the prior year periods, as a result of the cost reduction program instituted in 1996.

The Company recorded a pretax restructuring charge of $24,280,000 ($16,000,000 after tax) in the quarter ended June 30, 1996 in connection with a reduction of approximately 1,300 employees in the Company's worldwide workforce. The Company also closed or downsized several facilities in North America and Europe.

Interest costs increased by $1,111,000 for the quarter ended September 30, 1997, from the comparable prior year period, due to the acquisition of LPSC. The Company borrowed $130,000,000 from a group of banks to finance the acquisition of LPSC. Interest costs have decreased by $486,000 for the nine months ended September 30, 1997 as compared to the prior year period.

The effective tax rate for the nine months ended September 30, 1997 was 27.2% as compared to 25.2% for the comparable prior year period. The effective tax rate for calendar year 1996 was 25.2%. The lower tax rate for the nine months ended September 30, 1996 was due primarily to the restructuring charges recorded in the higher tax rate countries, where the Company conducts its business. The continuing effect of low tax rates in Israel (as compared to the statutory rate in the United States) has been to increase net earnings by $4,939,000 and $1,747,000 for the quarters ended September 30, 1997 and 1996, respectively, and $9,389,000 and $10,285,000 for the nine month periods ended September 30, 1997 and 1996, 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 $127,186,000 for the nine months ended September 30, 1997 compared to $95,370,000 for the prior year's period. The increase in cash flows from operations is primarily due to increased earnings and a decrease in inventory for the nine months ended September 30, 1997 as compared to an increase in inventory for the nine months ended September 30, 1996. Net purchases of property and equipment for nine months ended September 30, 1997 were $55,218,000 compared to $110,093,000 in the prior year's period. This decrease reflects the fact that the Company has substantially completed its current restructuring/expansion program. Net cash provided by financing activities of $76,716,000 for the nine months ended September 30, 1997 includes $130,000,000 used to finance the acquisition of LPSC.

The Company incurred a pretax restructuring charge of $38,030,000 for the year ended December 31, 1996. Approximately $28,953,000 of these charges relate to employee termination costs covering approximately 2,600 technical, production, administrative and support employees located in the United States, Canada, France and Germany. As of September 30, 1997, approximately 2,290 employees have been terminated and $21,888,000 of the termination costs have been paid. The restructuring plan is expected to be completed by the end of 1997.

The Company's financial condition at September 30, 1997 is strong, with a current ratio of 3.22 to 1. The Company's ratio of long-term debt (less current portion) to stockholders' equity was .35 to 1 at September 30, 1997 and .24 to 1 at December 31, 1996.

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.

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 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.

- Much 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 50% of the Company's revenues are derived from operations and sales outside the United States. As a result, currency exchange rate fluctuations, inflation, changes in monetary policy and tariffs, potential changes in laws and regulations affecting the Company's business in foreign jurisdictions, trade restrictions or prohibitions, intergovernmental disputes, increased labor costs and reduction or cancellation of government grants, tax benefits or other incentives could impact the Company's results of operations.

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

- The Company may experience underutilization of certain plants and factories in high labor cost regions and capacity constraints in plants and factories located in low labor cost regions, resulting initially in production inefficiencies and higher costs. Such costs include those associated with work force reductions and plant closings in the higher labor cost regions and start-up expenses, manufacturing and construction delays, and increased depreciation costs in connection with the start of production in new plants and expansions in lower labor cost regions. Moreover, capacity constraints may limit the Company's ability to continue to meet demand for any of the Company's products.

- 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.

- 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 and the Czech Republic. 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
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
10.1 - Fourth Amendment to Vishay Loan Agreement, dated as of September 29, 1997.

27 - Financial Data Schedule.

(b) Reports on Form 8-K
Not applicable

SIGNATURES

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

VISHAY INTERTECHNOLOGY, INC.

/s/ Richard N. Grubb

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

Date: November 12, 1997

EXECUTION COPY

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FOURTH AMENDMENT TO VISHAY LOAN AGREEMENT

DATED AS OF SEPTEMBER 29, 1997

COMERICA BANK, AS AGENT

NATIONSBANK OF NORTH CAROLINA, N.A., AS CO-AGENT
BHF-BANK AKTIENGESELLSCHAFT, AS LEAD MANAGER

FOURTH AMENDMENT TO VISHAY LOAN AGREEMENT

THIS FOURTH AMENDMENT ("Fourth Amendment") is made as of this 29th day of September, 1997 by and among Vishay Intertechnology, Inc., a Delaware corporation ("Company"), Comerica Bank, successor by merger to Manufacturers Bank, N.A., formerly known as Manufacturers National Bank of Detroit ("Comerica"), the banks signatory hereto, and Comerica Bank, as agent for the Banks (in such capacity, "Agent").

RECITALS:

A. Company, Agent and the banks signatory thereto (herein, the "Banks") entered into that certain Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term Loan Agreement dated as of July 18, 1994 (as amended by that certain First Amendment dated as of June 27, 1995 (herein, the "First Amendment"), and that certain Second Amendment dated as of March 14, 1996 and that certain Third Amendment dated as of June 30, 1997, the "Vishay Loan Agreement") under which the Banks renewed and extended (or committed to extend) credit to the Company and the Permitted Borrowers, as set forth therein.

B. In connection therewith,

(1) the Banks, Agent and Company entered into that certain Vishay Intertechnology, Inc. Acquisition Loan Agreement dated as of July 18, 1994 (as amended) under which the Banks extended credit to the Company consisting of a Bridge Loan and a Non-Amortizing Term Loan (as therein defined), both such loans having been subsequently repaid;

(2) the Banks, Agent and Vishay Beteiligungs GmbH ("VBG"), now known as Vishay Europe GmbH, and formerly known as Draloric Electronic GmbH, entered into that certain Amended and Restated Draloric/VBG Revolving Credit and Term Loan Agreement dated as of July 18, 1994 (as amended by that certain First Amendment to such loan agreement dated as of June 27, 1995, the "DM Loan Agreement") under which the Banks renewed and extended (or committed to extend) to VBG a revolving credit facility (still outstanding) and a term loan (subsequently repaid), as set forth therein; and

(3) the Banks, Agent and VBG entered into that certain Amended and Restated Roederstein Term Loan Agreement dated as of July 18, 1994 (as amended by that certain First Amendment to such loan agreement dated as of June 27, 1995, the "Roederstein Loan Agreement") under which the Banks renewed and extended credit (still outstanding) to VBG as set forth therein.

C. Pursuant to the Vishay Loan Agreement, Company and the Permitted Borrowers each issued to the Banks their respective Revolving Credit Notes as specified therein, and Company issued to the Banks the Term Notes and the Bid Notes described therein.

D. At the Company's request, Agent and the Banks signatory to this Fourth Amendment have agreed with the Company and the Permitted Borrowers to make certain amendments to the terms and conditions of the Vishay Loan Agreement, including without limitation, increasing the Revolving Credit provided by the Banks to the Company and the Permitted Borrowers thereunder by the amount of Indebtedness presently outstanding under the Term Loan made by the Banks to the Company pursuant to Section 3 of the Vishay Loan Agreement in connection with the concurrent repayment (by renewal) by the Company of the Term Loan, but only on the terms and conditions set forth in this Fourth Amendment.

NOW, THEREFORE, Company, the Permitted Borrowers, Agent and the Banks agree:

1. Section 1 of the Vishay Loan Agreement is amended as follows:

(a) Section 1.6 (the definition of "Activation Fee") is deleted and replaced in its entirety by the word "[Reserved]".

(b) Section 1.7 (the definition of "Adjusted Total Indebtedness") is amended to delete, from the fourth line thereof, the words "average of the".

(c) Section 1.15 (the definition of "Applicable Fee Percentage") is amended to delete in its entirety the proviso added to said section by the First Amendment.

(d) Section 1.17 (the definition of "Applicable Margin") is amended and restated in its entirety, as follows:

"1.17 'Applicable Margin' shall mean, as of any date of determination thereof, (i) with respect to the Revolving Credit and the Term Loan, the applicable interest rate margin, determined by reference to the appropriate columns in the Pricing Matrix attached to this Agreement as Schedule 4.1, and (ii) with respect to Eurocurrency Bid Advances, the Eurocurrency Bid Margin."

(e) Section 1.19 (the definition of "Banks") is amended to add PNC Bank, National Association and The Bank of Tokyo-Mitsubishi, Ltd. New York Branch as additional Banks ("Additional Banks") and to delete Credit Suisse and ABN AMRO Bank N.V. New York Branch ("Former Banks") as Banks.

(f) Section 1.64 (the definition of "Excess Cash Flow") is amended and restated in its entirety, as follows:

"1.64 'Excess Cash Flow' shall mean zero, whether or not the Company's operating activities produce any net cash or otherwise."

(g) Section 1.66 (the definition of "Fees") is amended to delete the references to "the Activation Fee" and "the Revolving Credit Commitment Fee".

(h) Section 1.67 (the definition of "Fixed Charge Coverage Ratio") is amended to replace the words (in the second and third lines thereof), "the Operating Income of the Company, plus depreciation and amortization, each" with the term "EBITDA".

(i) Sections 1.121 through 1.123 (the definitions of "Rating Levels 1, 2 and 3") are amended and restated in their entirety, as follows:

> "1.121. 'Rating Level 1' shall mean an S&P rating of A- (or higher) and a Moody's rating of A3 (or higher).
>
> "1.122. 'Rating Level 2' shall mean an S&P rating of BBB+ (or higher) and a Moody's rating of Baa1 (or higher).
>
> "1.123. 'Rating Level 3' shall mean an S&P rating of BBB (or higher) and a Moody's rating of Baa2 (or higher)."

(j) Section 1.130 (the definition of "Revolving Credit") is amended and restated in its entirety as follows:

> "1.130 'Revolving Credit' shall mean the revolving credit loan to be advanced to the Company or the Permitted Borrowers by the Banks pursuant to Section 2.1 hereof, in an aggregate amount, subject to the terms hereof, not to exceed the Revolving Credit Aggregate Commitment."

(k) Section 1.131 (the definition of "Revolving Credit Aggregate Commitment") is amended and restated in its entirety as follows:

> "1.131 'Revolving Credit Aggregate Commitment' shall mean, as of the applicable date of determination, the sum of Four Hundred Seventy Million Dollars ($470,000,000), less any reductions in the Revolving Credit Aggregate Commitment under Section 2.16 hereof.

(l) Sections 1.132 (the definition of "Revolving Credit Commitment Fee") and 1.133 (the definition of "Revolving Credit Designated Portion") are deleted in their entirety and replaced with the word "[Reserved]."

(m) Section 1.135 (the definition of "Revolving Credit Maturity Date") is amended to extend the Revolving Credit Maturity Date presently in effect from December 31, 2001 to December 31, 2002 and to change the reference to "Revolving Credit Maximum Amount" (in the fourth line thereof) to "Revolving Credit Aggregate Commitment".

(n) Section 1.136 (the definition of "Revolving Credit Maximum Amount") is deleted in its entirety and replaced with the word "[Reserved]."

2. Section 2 of the Vishay Loan Agreement is amended as follows:

(a) Section 2.14 (establishing the Revolving Credit Commitment Fee) is deleted in its entirety and replaced with the word "[Reserved]".

(b) Section 2.15 is amended to delete clause (i) of subparagraph (a) and to redesignate clauses (ii) and (iii) of subparagraph (a) as clauses (i) and (ii), respectively.

(c) Section 2.16 is amended to change each reference in said Section to the "Revolving Credit Maximum Amount" to the "Revolving Credit Aggregate Commitment", to change the reference to the "Revolving Credit Commitment Fee" (in the tenth and eleventh lines thereof) to the "Revolving Credit Facility Fee" and to delete the last sentence of said Section 2.16 in its entirety.

(d) Sections 2.17 and 2.18 are deleted in their entirety and, in each case, replaced with the word "[Reserved]."

3. Replacement Schedule 4.1 (Pricing Matrix) attached to this Fourth Amendment shall replace existing Schedule 4.1 to the Vishay Loan Agreement and Schedule 4.1A (added to the Vishay Loan Agreement by the First Amendment) is hereby deleted; new Exhibit "G" in the form attached to this Fourth Amendment (setting forth the applicable Percentages) shall replace existing Exhibit "G" to the Vishay Loan Agreement; and the existing Schedules to the Vishay Loan Agreement are hereby restated and replaced in their entirety by the Schedules contained in Attachment "1" hereto.

4. Company and each of the Permitted Borrowers ratify and confirm, as of the date hereof, each of the representations and warranties set forth in Sections 6.1 through 6.21, inclusive, of the Vishay Loan Agreement (as amended by this Fourth Amendment), and acknowledge that such representations and warranties are and shall remain continuing representations and warranties during the entire life of the Vishay Loan Agreement, and Agent and the Banks confirm that, as of the Effective Date (defined below), the Term Loan under Section 3 of the Vishay Loan Agreement has been paid by renewal according to the terms hereof.

5. Except as specifically set forth above, this Fourth Amendment shall not be deemed to amend or alter in any respect the terms and conditions of the Vishay Loan Agreement, any of the Notes issued thereunder, or any of the other Loan Documents, or to constitute a waiver by Banks or Agent of any right or remedy under the Vishay Loan Agreement, any of the Notes issued thereunder or any of the other Loan Documents.

6. This Fourth Amendment shall become effective as of September 30, 1997 (the "Effective Date"), subject to the satisfaction by Company and each of the Permitted Borrowers

of the following conditions (which Company covenants and agrees to satisfy) on or before such date:

(a) Agent shall have received counterpart originals of this Fourth Amendment, duly executed and delivered by Company, Permitted Borrowers and the Banks, and in form satisfactory to Agent and the Banks;

(b) Company and each of the Permitted Borrowers (with respect to the Revolving Credit) and Company (with respect to the Bid Notes) shall have executed and delivered to each of the Banks renewal and replacement Notes substantially in the forms of Exhibit B-1, B-2 and C-4 to the Vishay Loan Agreement, as applicable, each of such Notes to be dated as of the Effective Date (with appropriate insertions acceptable to the Banks in form and substance) and (i) in the case of the Revolving Credit, in the face amount of each Bank's respective Percentage of the Revolving Credit Aggregate Commitment, reflecting the increase which is to become effective on the Effective Date of this Fourth Amendment and the aforesaid changes in the Percentages and (ii) in the case of the Bid Notes, in the full amount of the Revolving Credit Aggregate Commitment, reflecting such increase and the aforesaid changes in the Percentages. Upon receipt of the renewal and replacement Notes ("New Notes"), as aforesaid (which New Notes are to be in exchange for and not in payment of the predecessor Revolving Credit Notes, Bid Notes and the Term Notes issued by Company and the Revolving Credit Notes issued by the Permitted Borrowers), the Banks (other than the Additional Banks) shall return such predecessor Notes to Agent which shall stamp such Notes "Exchanged" and deliver said notes to the Company;

(c) Agent shall have received from Company and the Permitted Borrowers, as applicable, copies, certified by a duly authorized officer to be true and complete as of the date hereof, of records of all action taken by Company and the Permitted Borrowers, as the case may be, to authorize the execution and delivery of this Fourth Amendment and to issue replacement Notes hereunder;

(d) Agent shall have received a written legal opinion, addressed to Agent and each of the Banks and dated as of the date hereof, from counsel for Company and the Permitted Borrowers in form and substance satisfactory to Agent and the Banks;

(e) Company shall have paid to Agent, for distribution to the Banks (excluding the Additional Banks, but including the Former Banks) pro rata based on the Percentages in effect immediately prior to the Effective Date, the Fees in effect under the Vishay Loan Agreement prior to the date on which this Fourth Amendment shall become effective, accrued to such date; and

(f) The conditions to the effectiveness of that certain Second Amendment to the DM Loan Agreement and the Roederstein Loan Agreement, to be executed and delivered concurrently herewith, shall have been satisfied.

If the foregoing conditions have not been satisfied on or before September 30, 1997, this Fourth Amendment shall be deemed null and void and of no further force and effect.

7. Concurrently with the Effective Date of this Fourth Amendment pursuant to Section 6 hereof,

(a) each Additional Bank shall become a "Bank" under and for all purposes of the Credit Agreement, shall have all the rights and obligations of a party to the Vishay Loan Agreement, as if it were an original signatory thereto, and shall agree to be bound by the terms and conditions set forth in the Vishay Loan Agreement as if it were an original signatory thereto, and to the extent the Banks parties to the Vishay Loan Agreement prior to the Effective Date hereof shall have exercised any consent or approval rights prior to Effective Date, such Additional Bank agrees to be bound by such consent or approval, to the extent that copies thereof have been provided to such additional Bank; and

(b) each Bank (including the Additional Banks) shall have (i) a Percentage equal to the Percentage set forth in new Exhibit G hereto and (ii) Advances of the Revolving Credit in its Percentage thereof outstanding on the Effective Date. To facilitate the foregoing, each Bank (including the Additional Banks) which as a result of the adjustments of Percentages evidenced by new Exhibit G is to have a greater principal amount of Advances of the Revolving Credit outstanding than such Bank had outstanding under the Vishay Loan Agreement immediately prior to the Effective Date of this Fourth Amendment shall deliver to the Agent immediately available funds to cover such Advances (and the Agent shall, to the extent of the funds so received, disburse funds to each Bank, including the Former Banks, which, as a result of the adjustment of the Percentages, is to have a lesser principal amount of Indebtedness (or no Indebtedness in the case of the Former Banks) outstanding than such Bank had under the Vishay Loan Agreement immediately prior to the Effective Date of the Fourth Amendment). Each Additional Bank agrees that all interest and fees accrued under the Vishay Loan Agreement prior to the Effective Date are the property of the Banks which were parties to the Vishay Loan Agreement prior to the Effective Date of this Fourth Amendment.

8. Unless otherwise expressly defined to the contrary herein, all capitalized terms used in this Fourth Amendment shall have the meaning set forth in the Vishay Loan Agreement.

9. By executing this Fourth Amendment, each of the Permitted Borrowers consents to and acknowledges and agrees to be bound by the terms and conditions of this Fourth Amendment.

10. This Fourth Amendment may be executed in counterpart, in accordance with Section 13.10 of the Vishay Loan Agreement.

IN WITNESS WHEREOF, Company, the undersigned Banks and Agent have each caused this Fourth Amendment to be executed by their respective duly authorized officers or agents, as applicable, all as of the date first set forth above.

COMPANY:

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Richard N. Grubb

Richard N. Grubb

Its: Executive Vice President
63 Lincoln Highway
Malvern, Pennsylvania 19355

AGENT:

COMERICA BANK, as Agent

By: /s/ Dan M. Roman

Dan M. Roman

Its: Vice President
One Detroit Center
500 Woodward Avenue
Detroit, Michigan 48226
Attention: National Division

NATIONSBANK OF NORTH CAROLINA, N.A.

By: /s/ Yousef Omar

Yousef Omar

Its: Senior Vice President

BHF-BANK AKTIENGESELLSCHAFT

By: /s/ Linda Pace

Linda Pace

Its: Vice President

By: /s/ John Sykes

John Sykes

Its: Vice President

BANK HAPOALIM B.M.

By: /s/ Carl Kopfinger

Carl Kopfinger

Its: Vice President

By: /s/ Jonathan Kulka

Jonathan Kulka

Its: First Vice President

SIGNET BANK/MARYLAND

By: /s/ Janice E. Godwin

Janice E. Godwin

Its: Vice President

CORESTATES BANK, N.A.

By:/s/ Kathleen Stucy

Kathleen Stucy

Its: Senior Vice President

BANK LEUMI le-ISRAEL B.M.

By: /s/ Y. Apleker

Y. Apleker

/s/ M. Fink

M. Fink

PNC BANK, NATIONAL ASSOCIATION

By:/s/ Gary Tyrrell

Gary Tyrrell

Its: Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Scott Chappelka

Scott Chappelka

Its: Vice President

THE BANK OF TOKYO-MITSUBISHI,
LTD. NEW YORK BRANCH

By: /s/ Christopher Wilkens

Christopher Wilkens

Its: Attorney-In-Fact

FLEET NATIONAL BANK, formerly known
as SHAWMUT BANK, N.A.

By: /s/ Frank Benesh III

Frank Benesh III

Its: Vice President

ACKNOWLEDGED AND AGREED
BY THE PERMITTED BORROWERS:

VISHAY EUROPE GmbH

By:/s/ Richard N. Grubb

Richard N. Grubb

Its: Attorney-in-Fact

VISHAY ELECTRONIC GmbH,
formerly known as DRALORIC ELECTRONIC GmbH

By: /s/ Richard N. Grubb

Richard N. Grubb

Its: Attorney-in-Fact

EXHIBIT "G"
to Fourth Amendment to Vishay Loan Agreement

Percentages

Comerica Bank		16.67%
NationsBank of North Carolina, N.A.		15.75%
CoreStates Bank		12.50%
BHF-Bank Aktiengesellschaft		9.68%
Bank Hapoalim, B.M.		8.33%
Credit Lyonnais New York Branch		8.33%
Fleet National Bank		7.49%
Bank Leumi le-Israel, B.M.		6.00%
Signet Bank/Maryland		5.25%
Bank of Tokyo-Mitsubishi		5.00%
PNC Bank		5.00%
	Total	100.00%

SCHEDULE 4.1 (VISHAY LOAN AGREEMENT)

PRICING MATRIX (DETERMINATION OF PRICING LEVELS)

	APPLICABLE MARGIN FOR ADVANCES OF THE REVOLVING CREDIT		APPLICABLE FEE PERCENTAGE FOR
	Prime-based Rate	Eurocurrency-based Rate	Revolving Credit Facility Fee
If Leverage Ratio is less than 1.25:1.0 OR If Rating Level 1 is in effect	0.00%	.165%	.085%
If Leverage Ratio is greater than or equal to 1.25:1.0, but less than 2.0:1.0 OR If Rating Level 2 is in effect	0.00%	.20%	.10%
If Leverage Ratio is greater than or equal to 2.0:1.0, but less than 2.75:1.0 OR If Rating Level 3 is in effect	0.00%	.25%	.125%
If Leverage Ratio is greater than or equal to 2.75 OR If Rating Level 4 is in effect	0.00%	.30%	.180%

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1,000
9-MOS
DEC-31-1997
SEP-30-1997
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0
193,738
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343,909
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(358,693)
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967,897
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629,649
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60,301
0
0
0
60,301
.94
.94