AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON AUGUST 29, 1995
FILE NO. 33-

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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 19355-2120
(610) 644-1300
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

RICHARD N. GRUBB
CHIEF FINANCIAL OFFICER
VISHAY INTERTECHNOLOGY, INC.
63 LINCOLN HIGHWAY
MALVERN, PENNSYLVANIA 19355
(610) 644-1300
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF AGENT FOR SERVICE)

COPIES OF ALL COMMUNICATIONS TO:

| SCOTT S. ROSENBLUM, ESQ. | AVI D. EDEN, ESQ. | STEPHEN H. COOPER, ESQ. |
|---|---|---|
| KRAMER, LEVIN, NAFTALIS, NESSEN, KAMIN & FRANKEL | 335 SOUTH 16TH STREET | WEIL, GOTSHAL & MANGES |
| 919 THIRD AVENUE | PHILADELPHIA, PA 19102 | 767 FIFTH AVENUE |
| NEW YORK, NY 10022 | (215) 735-5825 | NEW YORK, NY 10153 |
| (212) 715-9100 | | (212) 310-8000 |

APPROXIMATE DATE OF COMMENCEMENT OF THE PROPOSED SALE TO THE PUBLIC: As soon as practicable, after the effectiveness of the Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [_]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If delivery of the prospectus is expected to be made pursuant to Rule 434 under the Securities Act, please check the following box. [_]

CALCULATION OF REGISTRATION FEE

| TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED | AMOUNT TO BE REGISTERED | PROPOSED MAXIMUM OFFERING PRICE PER SHARE | PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1) | AMOUNT OF REGISTRATION FEE |
|---|---|---|---|---|
| Common Stock, $.10 par value..... | (2) | -- | $238,625,000 | $82,284.48 |

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(1) Estimated solely for the purpose of calculating the registration fee.
(2) Includes shares of Common Stock that may be sold pursuant to the over-allotment option granted to the Underwriters.

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(A) OF THE SECURITIES ACT OF 1933, SHALL DETERMINE.

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## EXPLANATORY NOTE

THIS REGISTRATION STATEMENT CONTAINS TWO FORMS OF PROSPECTUS, OF WHICH ONE (THE "U.S. PROSPECTUS") IS TO BE USED IN CONNECTION WITH AN OFFERING IN THE UNITED STATES AND CANADA AND THE OTHER (THE "INTERNATIONAL PROSPECTUS") IS TO BE USED IN CONNECTION WITH A CONCURRENT OFFERING OUTSIDE THE UNITED STATES AND CANADA. THE U.S. PROSPECTUS AND THE INTERNATIONAL PROSPECTUS ARE IDENTICAL EXCEPT FOR THE FRONT AND BACK COVER PAGES AND CERTAIN CROSS-REFERENCES RELATING THERETO. THE ENTIRE FORM OF THE U.S. PROSPECTUS IS INCLUDED HEREIN AND IS FOLLOWED BY THOSE PAGES OF THE INTERNATIONAL PROSPECTUS THAT DIFFER FROM THE CORRESPONDING PAGES OF THE U.S. PROSPECTUS. EACH OF THE PAGES OF THE INTERNATIONAL PROSPECTUS INCLUDED HEREIN IS LABELED "I- ." FINAL FORMS OF BOTH THE U.S. PROSPECTUS AND THE INTERNATIONAL PROSPECTUS WILL BE FILED IN THEIR ENTIRETY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 424(B).

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
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SUBJECT TO COMPLETION, DATED AUGUST 29, 1995

PROSPECTUS

5,000,000 SHARES

# VISHAY INTERTECHNOLOGY, INC.

[LOGO OF VISHAY]

COMMON STOCK

All of the 5,000,000 shares of Common Stock offered hereby are being sold by the Company. Of those shares, 4,000,000 shares (the "U.S. Shares") are being offered in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters and 1,000,000 shares (the "International Shares") are being offered concurrently outside the United States and Canada (the "International Offering") by the Managers. The public offering price and the underwriting discounts and commissions are identical for both the U.S. Offering and the International Offering (collectively, the "Offering").

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The Common Stock is traded on the New York Stock Exchange under the symbol VSH. On August 25, 1995, the last sale price of the Common Stock as reported on the New York Stock Exchange Composite Tape was $40.50 per share. See "Price Range of Common Stock and Dividend Policy."

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

| | PRICE TO PUBLIC | UNDERWRITING DISCOUNTS AND COMMISSIONS (1) | PROCEEDS TO COMPANY (2) |
|---|---|---|---|
| Per Share..... | $ | $ | $ |
| Total(3)..... | $ | $ | $ |

(1) See "Underwriting" for indemnification arrangements with the U.S. Underwriters and the Managers.
(2) Before deducting expenses payable by the Company, estimated at $ .
(3) The Company has granted the U.S. Underwriters and the Managers 30-day options to purchase in the aggregate up to 750,000 additional shares of Common Stock solely to cover over-allotments, if any. If the options are exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be $ , $ and $ respectively. See "Underwriting."

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The U.S. Shares are offered by the several U.S. Underwriters, subject to prior sale, when, as and if delivered to and accepted by them and subject to certain conditions, including the approval of certain legal matters by counsel. The U.S. Underwriters reserve the right to withdraw, cancel or modify the U.S. Offering and to reject orders in whole or in part. It is expected that delivery

of the U.S. Shares will be made against payment therefor on or about , 1995, at the offices of Bear, Stearns & Co. Inc., 245 Park Avenue, New York, New York 10167.

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BEAR, STEARNS & CO. INC.
MERRILL LYNCH & CO.
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
LEHMAN BROTHERS

, 1995

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

## AVAILABLE INFORMATION

Vishay Intertechnology, Inc. ("Vishay" or the "Company") is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"), all of which may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549, and at the following Regional Offices of the Commission: Chicago Regional Office, Suite 1400, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661-2511; and Northeast Regional Office, 7 World Trade Center, Suite 1300, New York, New York 10048. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. Such material can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, where the Company's Common Stock is listed.

This Prospectus constitutes part of a Registration Statement filed by the Company with the Commission under the Securities Act of 1933, as amended (the "Act"). This Prospectus omits certain of the information contained in the Registration Statement in accordance with the rules and regulations of the Commission. Reference is hereby made to the Registration Statement and related exhibits for further information with respect to the Company and the Common Stock. Statements contained herein concerning the provisions of any document are not necessarily complete and, in each instance, where a copy of such document has been filed as an exhibit to the Registration Statement or otherwise has been filed with the Commission, reference is made to the copy so filed. Each such statement is qualified in its entirety by such reference.

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents, which have been filed by the Company with the Commission pursuant to the Exchange Act, are hereby incorporated by reference in this Prospectus: the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994 and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1995 and June 30, 1995.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom a copy of this Prospectus is delivered, including any beneficial owner of Common Stock, upon written or oral request of such person, a copy of any and all of the documents that have been or may be incorporated by reference herein (other than exhibits to such documents which are not specifically incorporated by reference into such documents). Such requests should be directed to Richard N. Grubb, Chief Financial Officer, Vishay Intertechnology, Inc., 63 Lincoln Highway, Malvern, PA 19355, telephone number (610) 644-1300.

## PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the notes thereto, which appear elsewhere or which are incorporated by reference in this Prospectus. Certain capitalized terms used in this section are defined elsewhere in this Prospectus. Unless otherwise stated, the information in this Prospectus assumes that the U.S. Underwriters' and Managers' over-allotment options will not be exercised. As used herein, the terms "Vishay" and "Company" mean Vishay Intertechnology, Inc. and its consolidated subsidiaries, except as the context otherwise may require.

## THE COMPANY

Vishay is a leading international manufacturer and supplier of passive electronic components, particularly resistors, capacitors and inductors, offering its customers "one-stop" access to one of the most comprehensive passive electronic component lines of any manufacturer in the United States or Europe. Passive electronic components, together with semiconductors (integrated circuits), which the Company does not produce, are the primary elements of every electronic circuit. The Company manufactures one of the broadest lines of surface mount devices, a fast growing format for passive electronic components that is being increasingly demanded by customers. In addition, the Company continues to produce components in the traditional leaded form. Components manufactured by the Company are used in virtually all types of electronic products, including those in the computer, telecommunications, military/aerospace, instrument, automotive, medical and consumer electronics industries.

Since early 1985, the Company has pursued a business strategy that principally consists of the following elements: (i) expansion within the passive electronic components industry, primarily through the acquisition of other manufacturers with established positions in major markets, reputations for product quality and reliability and product lines with which the Company has substantial marketing and technical expertise; (ii) reduction of selling, general and administrative expenses through the integration or elimination of redundant sales offices and administrative functions at acquired companies; (iii) 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; and (iv) maintaining significant production facilities in those regions where the Company markets the bulk of its products in order to enhance customer service and responsiveness.

As a result of this strategy, the Company has grown during the past ten years from a small manufacturer of precision resistors and strain gages to one of the world's largest manufacturers and suppliers of a broad line of passive electronic components. During this period, its revenues have increased from $48.5 million for fiscal year 1984 to $987.8 million for the year ended December 31, 1994, while net profits have increased from $6.1 million to $58.9 million.

During the past two years, the Company has experienced a significant increase in demand for its products. This is a result of the dramatic growth in the worldwide electronics industry and increased usage of passive components in both traditional and new applications. The growing sophistication of integrated circuits has resulted in increased requirements for passive electronic components to support these circuits. For instance, in a certain configuration, the Intel "486" microprocessing chip board includes over 100 passive components. The more advanced "Pentium (R)" chip in a similar configuration requires approximately 250 such components and the next generation "P6" chip will require about 300 such components. The increased usage of components is not limited to computers and is prevalent in almost all electronic products, such as cellular phones and pagers. Further, the growing inclusion of electronic systems within such non-electronic products as automobiles and home appliances has generated a considerable surge in the demand for passive electronic components for use in those systems.

As a result of this increased demand for passive electronic components, the Company's facilities are currently operating at full capacity for those products that account for a majority of its sales. In early 1994, the Company began a major capital expenditure program, which has been accelerated in 1995. Additional manufacturing facilities are currently being constructed in Israel and further plant construction is planned through the end of 1998. The proceeds of this Offering, together with borrowings under the Company's recently expanded revolving credit facility, are intended to finance the approximately $500 million of projected capital expenditures and other costs associated with this expansion program while positioning the Company to respond to appropriate acquisition opportunities should they arise. See "Use of Proceeds" and "Management's Discussion and Analysis of Financial Condition and Results of Operation--Liquidity and Capital Resources."

The Company was incorporated in Delaware in 1962 and maintains its principal executive offices at 63 Lincoln Highway, Malvern, Pennsylvania 19355-2120 (telephone: (610) 644-1300).

## THE OFFERING

| | |
|---|---|
| Common Stock offered: | |
| U.S. Offering | 4,000,000 shares |
| International Offering | 1,000,000 shares |
| Total | 5,000,000 shares |
| Capital Stock to be outstanding after the Offering: | |
| Common Stock | 50,488,267 shares |
| Class B Common Stock | 7,232,094 shares |
| Total | 57,720,361 shares |
| Use of proceeds | To finance capital expenditures associated with expansion of the Company's manufacturing capacity and to reduce outstanding bank borrowings. See "Use of Proceeds." |
| New York Stock Exchange Symbol | VSH |

## SUMMARY CONSOLIDATED FINANCIAL DATA

The following financial information should be read in conjunction with the Company's Consolidated Financial Statements, including the Notes thereto, which are incorporated by reference herein. The results of operations for the six months ended June 30, 1995 are not necessarily indicative of the results of operations to be expected for the full year.

| | YEAR ENDED DECEMBER 31, | | | | | SIX MONTHS ENDED JUNE 30, (UNAUDITED) | |
|---|---|---|---|---|---|---|---|
| | 1990 | 1991 | 1992(1) | 1993(2) | 1994(3) | 1994 | 1995 |
| | (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS) | | | | | | |
| INCOME STATEMENT DATA: | | | | | | | |
| Net sales | $445,596 | $442,283 | $664,226 | $856,272 | $987,837 | $452,698 | $625,745 |
| Gross profit | 132,671 | 124,117 | 156,208 | 193,033 | 239,702 | 106,252 | 162,791 |
| Earnings before interest and income taxes(4) | 53,282 | 42,460 | 57,034 | 71,518 | 98,885 | 43,008 | 77,637 |
| Depreciation and amortization | 26,157 | 27,056 | 36,062 | 48,578 | 57,742 | 26,034 | 33,494 |
| Earnings before cumulative effect of accounting change | 23,201 | 20,890 | 30,413 | 42,648 | 58,947 | 26,884 | 46,758 |
| Net earnings(5) | 23,201 | 20,890 | 30,413 | 44,075 | 58,947 | 26,884 | 46,758 |
| Earnings per share(5)(6): | | | | | | | |
| Before cumulative effect of accounting change | $.67 | $.57 | $.78 | $.91 | $1.20 | $.57 | $.89 |
| Net earnings | $.67 | $.57 | $.78 | $.94 | $1.20 | $.57 | $.89 |
| Weighted average shares outstanding(6) | 39,604 | 36,712 | 42,702 | 46,806 | 49,098 | 46,813 | 52,710 |

| | JUNE 30, 1995 (UNAUDITED) | |
|---|---|---|
| | ACTUAL | AS ADJUSTED(7) |
| | (IN THOUSANDS) | |
| BALANCE SHEET DATA: | | |
| Working capital | $ 386,419 | $ 386,419 |
| Total assets | 1,494,240 | 1,494,240 |
| Long-term debt -- less current portion | 444,707 | 250,376 |
| Stockholders' equity | 643,056 | 836,862 |

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(1) Includes the results from January 1, 1992 of businesses acquired from Sprague Technologies, Inc.

(2) Includes the results from January 1, 1993 of Roederstein GmbH.

(3) Includes the results from July 1, 1994 of Vitramon, Incorporated.

(4) Includes restructuring costs of $6,659,000 and $3,700,000 for the years ended December 31, 1993 and 1991, respectively, primarily associated with lay-offs in France. Earnings for the year ended December 31, 1993 include $7,221,000 of proceeds received for business interruption insurance claims.

(5) Included in the year ended December 31, 1993 is a one-time tax benefit of $1,427,000, or $0.03 per share, resulting from the adoption of FASB Statement No. 109, "Accounting for Income Taxes."

(6) Earnings per share amounts for all periods have been adjusted to reflect a 5% stock dividend paid on March 31, 1995 and a 2-for-1 stock split effective June 16, 1995. Earnings per share for each period are based on the weighted average number of shares of Common Stock and Class B Common Stock outstanding during the period, after giving effect to the conversion of all outstanding 4 3/4% Convertible Subordinated Debentures Due 2003 (the "Debentures") if such conversion would have resulted in a dilutive effect

in that period. The Debentures were fully converted in October 1992.

(7) Reflects the issuance and sale of 5,000,000 shares of Common Stock in this Offering and the application of the assumed net proceeds therefrom to reduce indebtedness.

## USE OF PROCEEDS

The net proceeds of the Offering (estimated to be $194,331,000), together with borrowings under the Company's revolving credit facility, will be used to finance capital expenditures and other costs associated with expansion and enhancement of its manufacturing facilities and, if appropriate opportunities arise, for selective acquisitions related to its business. The Company has no commitments or understandings with respect to any particular acquisition. Pending application for these purposes, the net proceeds will be used to reduce outstanding bank borrowings, including prepayment of a $100 million non-amortizing term loan due July 2001, following which the revolving credit facility will be increased to $400 million and the interest rate and fees payable thereunder will be reduced. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-- Liquidity and Capital Resources."

## PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

The Company's Common Stock is listed on the New York Stock Exchange under the symbol VSH. The following table sets forth the high and low sale prices of the Company's Common Stock as reported on the New York Stock Exchange Composite Tape for the periods indicated. Stock prices have been restated to reflect stock dividends and splits. At August 25, 1995, the Company had approximately 1,500 stockholders of record.

| | 1994 | | 1995(1) | |
|---|---|---|---|---|
| | HIGH | LOW | HIGH | LOW |
| First Quarter | $18.15 | $14.97 | $28.88 | $22.98 |
| Second Quarter | $19.76 | $14.91 | $37.88 | $27.50 |
| Third Quarter | $21.55 | $19.17 | $44.12 | $32.75 |
| Fourth Quarter | $24.94 | $20.90 | -- | -- |

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(1) Through August 28, 1995

The Company does not currently pay cash dividends on its capital stock. Its policy is to retain earnings to support the growth of its businesses. In addition, the Company is restricted from paying cash dividends under the terms of its bank loan agreements.

## CAPITALIZATION

The following table sets forth the unaudited consolidated short-term debt and total capitalization of the Company at June 30, 1995 and as adjusted to give effect to the sale of 5,000,000 shares of Common Stock pursuant to the Offering and the application of the estimated net proceeds therefrom to reduce outstanding indebtedness. This table should be read in conjunction with the Company's Consolidated Financial Statements, including the notes thereto, incorporated by reference herein.

| | JUNE 30, 1995 (UNAUDITED) | |
|---|---|---|
| | ACTUAL | AS ADJUSTED |
| | (IN THOUSANDS) | |
| Short term debt (including current portion of long-term debt) | $ 65,803 | $ 65,803 |
| Long-term debt--less current portion | $ 444,707 | $ 250,376(1) |
| Stockholders' equity: | | |
| Preferred Stock, par value $1.00 per share. Authorized--1,000,000 shares; none issued | -- | -- |
| Common Stock, par value $.10 per share. Authorized--65,000,000 shares; Issued--45,588,148 shares; 50,588,148 shares as adjusted Outstanding--45,488,267 shares; 50,488,267 shares as adjusted | 4,549 | 5,049 |
| Class B Common Stock, par value $.10 per share. Authorized--15,000,000 shares; Issued--7,463,112 shares; Outstanding--7,232,094 shares | 723 | 723 |
| Capital in excess of par value | 508,097 | 701,928 |
| Retained earnings | 100,461 | 99,936(2) |
| Foreign currency translation adjustment | 35,441 | 35,441 |
| Unearned compensation | (405) | (405) |
| Pension adjustment | (5,810) | (5,810) |
| Total stockholders' equity | 643,056 | 836,862 |
| Total capitalization | $ 1,087,763 | $ 1,087,238 |

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(1) Reflects the application of the estimated net proceeds to reduce outstanding indebtedness prior to the anticipated increase in borrowings to finance expected capital expenditures and other costs associated with expansion and enhancement of manufacturing facilities. See "Use of Proceeds."

(2) Reflects the writeoff of deferred costs associated with the non-amortizing term loan.

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information of the Company for each of the five fiscal years in the period ended December 31, 1994 and for the six-month periods ended June 30, 1994 and 1995. Information for the six-month periods ended June 30, 1994 and 1995 is unaudited but, in the opinion of management, includes all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation. The results of operations for the six-month period ended June 30, 1995 are not necessarily indicative of the results to be expected for the full year. These tables should be read in conjunction with the Company's Consolidated Financial Statements, including the Notes thereto, which are incorporated by reference herein.

| | YEAR ENDED DECEMBER 31, | | | | | SIX MONTHS ENDED JUNE 30, (UNAUDITED) | |
|---|---|---|---|---|---|---|---|
| | 1990 | 1991 | 1992(1) | 1993(2) | 1994(3) | 1994 | 1995 |
| | (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS) | | | | | | |
| INCOME STATEMENT DATA: | | | | | | | |
| Net sales | $445,596 | $442,283 | $664,226 | $856,272 | $987,837 | $452,698 | $625,745 |
| Cost of products sold | 312,925 | 318,166 | 508,018 | 663,239 | 748,135 | 346,446 | 462,954 |
| Gross profit | 132,671 | 124,117 | 156,208 | 193,033 | 239,702 | 106,252 | 162,791 |
| Selling, general, and administrative(4) | 77,740 | 79,673 | 101,327 | 118,344 | 137,124 | 61,627 | 81,643 |
| Amortization of goodwill | 1,552 | 1,695 | 2,380 | 3,294 | 4,609 | 1,650 | 3,193 |
| | 53,379 | 42,749 | 52,501 | 71,395 | 97,969 | 42,975 | 77,955 |
| Other income (expense): | | | | | | | |
| Interest expense | (19,426) | (15,207) | (19,110) | (20,624) | (24,769) | (10,436) | (16,892) |
| Other | (97) | (289) | 4,533 | 123 | 916 | 33 | (318) |
| Earnings before income taxes and cumulative effect of accounting change | 33,856 | 27,253 | 37,924 | 50,894 | 74,116 | 32,572 | 60,745 |
| Income taxes | 10,655 | 6,363 | 7,511 | 8,246 | 15,169 | 5,688 | 13,987 |
| Earnings before cumulative effect of accounting change | 23,201 | 20,890 | 30,413 | 42,648 | 58,947 | 26,884 | 46,758 |
| Cumulative effect of accounting change for income taxes | -- | -- | -- | 1,427 | -- | -- | -- |
| Net earnings(5) | 23,201 | 20,890 | 30,413 | 44,075 | 58,947 | 26,884 | 46,758 |
| Earnings per share:(5)(6) | | | | | | | |
| Before cumulative effect of accounting change | $.67 | $.57 | $.78 | $.91 | $1.20 | $.57 | $.89 |
| Net earnings | $.67 | $.57 | $.78 | $.94 | $1.20 | $.57 | $.89 |
| Weighted average shares outstanding(6) | 39,604 | 36,712 | 42,702 | 46,806 | 49,098 | 46,813 | 52,710 |

| | DECEMBER 31, | | | | | JUNE 30, 1995 (UNAUDITED) |
|---|---|---|---|---|---|---|
| | 1990 | 1991 | 1992 | 1993 | 1994 | |
| | (IN THOUSANDS) | | | | | |
| BALANCE SHEET DATA: | | | | | | |
| Working capital | $120,384 | $128,733 | $145,327 | $205,806 | $ 328,322 | $ 386,419 |
| Total assets | 440,656 | 448,771 | 661,643 | 948,106 | 1,333,959 | 1,494,240 |
| Long-term debt--less current portion | 140,212 | 127,632 | 139,540 | 266,999 | 402,337 | 444,707 |
| Stockholders' equity | 177,839 | 201,366 | 346,625 | 376,503 | 565,088 | 643,056 |

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(1) Includes the results from January 1, 1992 of businesses acquired from Sprague Technologies, Inc.

(2) Includes the results from January 1, 1993 of Roederstein GmbH.

(3) Includes the results from July 1, 1994 of Vitramon, Incorporated.

(4) Includes restructuring costs of $6,659,000 and $3,700,000 for the years ended December 31, 1993 and in 1991, respectively, relating primarily to lay-offs in France. Earnings for the year ended December 31, 1993 include $7,221,000 of proceeds received for business interruption insurance claims.

(5) Included in the year ended December 31, 1993 is a one-time tax benefit of $1,427,000, or $0.03 per share, resulting from the adoption of FASB Statement No. 109, "Accounting for Income Taxes."

(6) Earnings per share amounts for all periods have been adjusted to reflect a 5% stock dividend paid on March 31, 1995 and a 2-for-1 stock split effective June 16, 1995. Earnings per share for each period are based on the weighted average number of shares of Common Stock and Class B Common Stock outstanding during the period, after giving effect to the conversion of all outstanding 4 3/4% Convertible Subordinated Debentures Due 2003 (the "Debentures") if such conversion would have resulted in a dilutive effect in that period. The Debentures were fully converted in October 1992.

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

### INTRODUCTION AND BACKGROUND

The Company's sales and net income have increased significantly in the past several years primarily as a result of its acquisitions. Following each acquisition, the Company implemented programs to take advantage of the operating synergies among its businesses and to decrease its costs by transferring some production to lower cost countries. These steps have been reflected in a decline in selling, general and administrative expenses as a percentage of the Company's net sales and in an increase in gross profits. The cost of goods sold reductions for each acquisition, however, are partially masked as a result of subsequent acquisitions.

From mid-1990 through the end of 1993, sales of most of the Company's products were adversely affected by the worldwide slowdown in the electronic components industry, which reflected general recessionary trends in all major industrialized countries. In addition, sales to defense-related industries declined from the end of the first quarter of 1991 until the second half of 1993. Despite this slowdown, Vishay realized record net earnings in each year throughout this period. This was a result of its acquisitions and focus on the bottom-line, including the implementation of operating efficiencies.

In 1994, the Company's growth was fueled not only by its acquisition of Vitramon, Incorporated ("Vitramon"), which provided the Company access to the rapidly growing market for MLCC capacitors, but also by significant improvement in the U.S. and European economies in general and dramatic expansion in the electronic components industry in particular, resulting in record net earnings of $58.9 million. Since early 1994, demand for most passive electronic components has been extremely strong and, in the case of certain products (such as tantalum capacitors), has exceeded available supply, resulting in increased backlogs and favorable pricing. There can be no assurance that these conditions will continue.

The Company's strategy includes transferring some of its manufacturing operations from countries with high labor costs and tax rates (such as the United States, France and Germany) to Israel, Mexico, Portugal and the Czech Republic in order to benefit from lower labor costs and, in the case of Israel, to take advantage of various government incentives, including government grants and tax reduction. Management believes that the Company is well positioned to reduce its costs in the event of a decline in demand by accelerating the transfer of production to countries with lower labor costs and more favorable tax environments.

The Company realizes approximately 50% of its revenues outside the United States. As a result, fluctuations in currency exchange rates can significantly affect the Company's reported sales and to a lesser extent earnings. Currency fluctuations impact the Company's net sales and other income statement amounts, as denominated in U.S. dollars, including other income as it relates to foreign exchange gains or losses. Generally, in order to minimize the effect of currency fluctuations on profits, the Company endeavors to (i) borrow money in the local currencies and markets where it conducts business, and (ii) minimize the time for settling intercompany transactions. The Company does not purchase foreign currency exchange contracts or other derivative instruments to hedge foreign currency exposures.

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 United States) have had the effect of increasing the Company's net earnings. The more favorable Israeli tax rates are applied to specific approved projects and normally continue to be available for a period of ten years or, if the investment in the project is over $20 million, for a period of 15 years, which has been the case for most of the Company's investments in Israel since 1994. New projects are continually being introduced. In addition, the Israeli government offers certain incentive programs in the forms of grants designed to increase employment in Israel. 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.

RESULTS OF OPERATIONS

VARIOUS COMPONENTS OF THE COMPANY'S INCOME STATEMENT, EXPRESSED AS A PERCENTAGE OF SALES, AS WELL AS ITS EFFECTIVE TAX RATE, WERE AS FOLLOWS:

| | YEAR ENDED DECEMBER 31, | | | SIX MONTHS ENDED JUNE 30, | |
|---|---|---|---|---|---|
| | 1992 | 1993 | 1994 | 1994 | 1995 |
| Costs of products sold | 76.5 | 77.5 | 75.7 | 76.5 | 74.0 |
| Gross profit | 23.5 | 22.5 | 24.3 | 23.5 | 26.0 |
| Selling, general and administrative expenses | 15.3 | 13.9 | 13.9 | 13.6 | 13.0 |
| Operating income | 7.9 | 8.3 | 9.9 | 9.5 | 12.5 |
| Earnings before income taxes | 5.7 | 5.9 | 7.5 | 7.2 | 9.7 |
| Net earnings | 4.6 | 5.1 | 6.0 | 5.9 | 7.5 |
| Effective tax rate | 19.8 | 16.2 | 20.5 | 17.5 | 23.0 |

Six months ended June 30, 1995 compared to Six months ended June 30, 1994

Net sales for the six months ended June 30, 1995 increased $173,047,000 or 38.2% from the comparable period of the prior year. The increase reflects the acquisition of Vitramon in July 1994 and the strong performance of the Company's surface mount components businesses. Net sales of Vitramon were $87,753,000 for the six months ended June 30, 1995, an increase of 26.1% over the comparable 1994 period (prior to its acquisition by the Company). Net sales, exclusive of Vitramon, increased by $85,294,000 or 18.8% during the first six months of 1995 over the corresponding period in 1994. In addition, the weakening of the U.S. dollar against foreign currencies in the 1995 period resulted in an increase in reported sales of $35,795,000. Net sales for the first six months of 1995, exclusive of Vitramon and foreign currency effects, increased 11% over the first six months of the prior year. Net bookings, for the six months ended June 30, 1995, exclusive of Vitramon, increased by 23.4% over the comparable 1994 period. Vitramon's net bookings for the six months ended June 30, 1995 increased by 21.8% over the comparable 1994 period (prior to its acquisition by the Company).

Costs of products sold for the six months ended June 30, 1995 were 74.0% of net sales, as compared with 76.5% for the comparable prior year period. The principal factors contributing to this decrease were: (i) the fact that gross profit margins for Vitramon were higher than those for Vishay's other operating companies, (ii) an increase of $1,783,000 or 43% in the amount of Israeli government grants recognized as a reduction of cost of products sold in the six months ended June 30, 1995, (iii) an increase in production in Israel where labor costs are lower than in most other regions in which Vishay manufactures, and (iv) the effect of the peso devaluation, which contributed approximately $1,800,000 to gross profit for the six months ended June 30, 1995. The increase in Israeli government grants resulted primarily from an increase in the Company's work force and capital investment in Israel.

Selling, general, and administrative expenses for the six months ended June 30, 1995 were 13.0% of net sales as compared to 13.6% for the comparable prior year period. Management is continuing to explore additional cost saving opportunities.

Interest costs increased by $6,456,000 in the six months ended June 30, 1995 over the comparable prior year period as a result of increases in prevailing interest rates and an overall increase in the amount of bank debt outstanding as a result of the acquisition of Vitramon and capital expenditures.

The effective tax rate for the six months ended June 30, 1995 was 23.0% compared to 17.5% for the prior year period. The effective tax rate for calendar year 1994 was 20.5%. The higher tax rate for the six months ended June 30, 1995 reflects the inclusion of Vitramon earnings, which were generated in high tax jurisdictions.

The effect of the low tax rates in Israel was to increase net earnings by $8,195,000 and $5,942,000 for the six months ended June 30, 1995 and 1994, respectively. The Israeli pre-tax grants recognized by the Company were $5,940,000 and $4,157,000 for the six months ended June 30, 1995 and 1994, respectively.

Year ended December 31, 1994 compared to Year ended December 31, 1993

Net sales for the year ended December 31, 1994 increased $131,565,000 or 15.4% over the prior year. The increase reflects the acquisition of Vitramon in July 1994. Net sales of Vitramon were $72,139,000 for the six months ended December 31, 1994, an increase of 29.4% over the comparable 1993 period (prior to its acquisition by the Company). Net sales, exclusive of Vitramon, during the year ended December 31, 1994 increased by $59,426,000 or 6.9% over 1993. The weakening of the U.S. dollar against foreign currencies in 1994 resulted in an increase in reported sales of $7,208,000 over 1993.

Net sales, exclusive of Vitramon and foreign currency effects, in the United States and Europe increased 6.1% over the prior year. Net bookings, exclusive of Vitramon, for 1994 increased by 15.5% over the prior year. Net bookings of Vitramon, for the six months ended December 31, 1994, increased by 34.5% over the comparable period of 1993 (prior to its acquisition by the Company).

Costs of products sold for the year ended December 31, 1994 were 75.7% of net sales as compared with 77.5% for the prior year. The principal factors contributing to this decrease were: (i) the fact that gross profit margins for Vitramon are higher than those for Vishay's other operating companies, (ii) an increase of $6,234,000 or 182% in the amount of Israeli government grants recognized as a reduction of costs of products sold in 1994 over the prior year and (iii) a significant increase in production in Israel, where labor costs are generally lower than in other regions in which Vishay manufactures. The increase in Israeli government grants resulted primarily from an increase in the Company's work force and capital investment in Israel.

Selling, general, and administrative expenses for the year ended December 31, 1994 and 1993 were 13.9% of net sales. Management continues to explore additional cost saving opportunities.

Restructuring charges of $6,659,000 for the year ended December 31, 1993 consist primarily of severance costs related to the Company's decision to downsize its European operations, primarily in France, as a result of the European business climate. These costs were paid in 1994.

Income from unusual items of $7,221,000 for the year ended December 31, 1993 represents proceeds received for business interruption insurance claims principally related to operations in Dimona, Israel.

Interest costs increased by $4,145,000 for the year ended December 31, 1994 as a result of increased rates and increased debt incurred for the acquisition of Vitramon.

The effective tax rate for the year ended December 31, 1994 was 20.5% compared to 16.2% for the prior year. The effective tax rate for 1993, exclusive of the effect of nontaxable insurance proceeds, was 18.6%. The higher tax rate for 1994 reflects the inclusion of Vitramon earnings in higher tax locations.

The effect of the low tax rates in Israel was to increase net earnings by $15,291,000 and $11,644,000 for the years ended December 31, 1994 and 1993, respectively. The Company's average income tax rate in Israel was approximately 4% for both 1994 and 1993. The Israeli pre-tax grants recognized by the Company were $9,658,000 and $3,424,000 for the years ended December 31, 1994 and 1993, respectively.

Included in net earnings for the year ended 1993 is a one-time tax benefit of $1,427,000 resulting from the adoption of FASB Statement No. 109, "Accounting for Income Taxes".

Year ended December 31, 1993 compared to Year ended December 31, 1992

Net sales for the year ended December 31, 1993 increased by $192,046,000 over 1992, due primarily to the effects of the Company's acquisition of Roederstein GmbH ("Roederstein"), effective January 1, 1993. Net sales of Roederstein were $212,124,000 for the year ended December 31, 1993. Net sales, exclusive of

Roederstein, decreased by $20,078,000, compared to 1992, due primarily to the strengthening of the U.S. dollar against foreign currencies, which resulted in a $15,671,000 decrease in reported net sales for 1993, as well as to the effects of recessionary pressures in Europe.

Costs of products sold for the year ended December 31, 1993 were 77.5% of net sales as compared to 76.5% for 1992. The principal reason for this increase is that Roederstein's costs of products sold (prior to the full implementation of synergistic cost reductions) were approximately 80% of its net sales, as compared with an average rate of approximately 77% for the Company's other operations. In addition, grants of $3,424,000 received from the government of Israel to offset start-up costs of new facilities were recognized as a reduction of the Company's costs of products sold in 1993.

Selling, general, and administrative expenses for the year ended December 31, 1993 were 13.9% of net sales compared to 15.3% in 1992. The lower rate reported in 1993 reflects the effect of the acquisition of Roederstein and the ongoing cost saving programs implemented with the acquisition of certain businesses of Sprague Technologies, Inc. ("STI") during 1992.

Restructuring charges of $6,659,000 for the year ended December 31, 1993 consist primarily of severance costs related to the Company's downsizing its European operations, primarily in France.

Income from unusual items of $7,221,000 for the year ended December 31, 1993 represents proceeds received for business interruption insurance claims principally related to the operations in Dimona, Israel.

Interest costs for the year ended December 31, 1993 increased by $1,514,000 as a result of increased debt incurred to finance the acquisition of Roederstein.

The effect of the low tax rates in Israel was to increase net earnings by $11,644,000 and $6,015,000 for the years ended December 31, 1993 and 1992, respectively. The Company's average income tax rate in Israel was approximately 4% and 7% for the years ended December 31, 1993 and 1992, respectively. The Israeli pre-tax grant recognized by the Company was $3,424,000 and $104,000 for the years ended December 31, 1993 and 1992, respectively.

Other income for the year ended December 31, 1993 decreased by $4,410,000 from 1992 because other income in 1992 included consulting fees of $2,307,000 from Roederstein prior to its acquisition by the Company as well as fees of approximately $3,325,000 from STI under one year sales and distribution agreements. Foreign currency losses for the year ended December 31, 1993 were $1,382,000, as compared to foreign currency losses of $1,594,000 for 1992.

The effective tax rate of 16.2% for the year ended December 31, 1993 reflects the nontaxability of certain insurance recoveries. The 1993 rate was also affected by increased manufacturing in Israel, where the Company's average income tax rate was approximately 4% in 1993. The effective tax rate for the year ended December 31, 1993, exclusive of the effect of the nontaxable insurance proceeds, was 18.6%. The effective tax rate for the year ended December 31, 1992 was 19.8%.

Effective January 1, 1993 the Company changed its method of accounting for income taxes from the deferred method to the liability method required by FASB Statement No. 109, "Accounting for Income Taxes." The cumulative effect of adopting Statement 109 as of January 1, 1993 was to increase net income by

$1,427,000. Application of the new income tax rules also decreased pretax earnings by $2,870,000 for the year ended December 31, 1993 because of increased depreciation expense as a result of Statement 109's requirement to report assets acquired in prior business combinations at their pretax amounts.

The Company also adopted FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," effective January 1, 1993. The Company has elected to recognize the transition obligation on a prospective basis over a twenty-year period. In 1993, the new standard resulted in additional annual net periodic postretirement benefit costs of $1,200,000 before taxes, and $792,000 after taxes, or $0.02 per share. Prior-year financial statements have not been restated to apply the new standard.

FINANCIAL CONDITION

Cash flows from operations were $36,685,000 for the six months ended June 30, 1995 compared to $10,278,000 for the comparable prior year period. Included in net cash provided by operating activities were $7,152,000 and $7,645,000 of cash payments made in the first six months of 1995 and 1994, respectively, for accruals the Company established in connection with acquisitions. Net purchases of property and equipment in the six months ended June 30, 1995 were $70,460,000 compared to $42,941,000 in the prior year period, reflecting the Company's on-going capital expenditure program to meet growing demand for surface mount components. Net cash provided by financing activities of $33,894,000 for the six months ended June 30, 1995 included borrowings used primarily to finance the additions to property and equipment.

The Company has established accruals of $13,532,000 relating to the Vitramon acquisition. These accruals, which are included in other accrued expenses, will not affect future earnings but will require cash expenditures over the next twelve months.

LIQUIDITY AND CAPITAL RESOURCES

On June 27, 1995, the Company amended its bank credit facilities. The amendment increased the Company's domestic revolving credit facility by $100 million, extended the maturity of its domestic and Deutsche Mark ("DM") denominated revolving credit facilities and gave the Company the right to increase its domestic revolving credit facility by an additional $100 million by prepaying its outstanding $100 million non-amortizing term loan on or before July 1, 1996.

After giving effect to the amendment and prepayment of the $100 million non-amortizing term loan with a portion of the proceeds of this Offering, the Company's domestic credit facilities will consist of a $400,000,000 revolving credit facility that matures on December 31, 2000, subject to the Company's right to request up to three, one-year renewals thereafter, and a $92,500,000 term loan that matures on December 31, 2000. Borrowings under these facilities bear interest at variable rates based on the prime rate or, at the Company's option, LIBOR; at July 31, 1995, the rates ranged from 6.44% to 6.88%. The Company also has DM denominated revolving credit and term loan facilities for certain of its German subsidiaries, which permit borrowings, in the aggregate, of DM 125,615,990, including a DM 40,000,000 revolving credit facility that matures on December 31, 2000, subject to the borrower's right to request up to three, one-year renewals thereafter, and a DM 85,615,990 term loan that matures on December 31, 1997. Borrowings bear interest at variable rates based on LIBOR; at July 31, 1995, the rates ranged from 5.13% to 5.44%.

All of the Company's bank facilities, which are unsecured, are cross-guaranteed by the Company and certain of its subsidiaries. Upon completion of the Offering and prepayment of the $100 million non-amortizing term loan with a portion of the net proceeds, these cross-guarantees will be released. In addition, the interest rates on the Company's revolving credit facilities and term loans will be reduced by an average rate of .34%, and certain commitment and facility fees payable to the lending banks will be reduced as well. In addition, certain financial and restrictive covenants (including the leverage covenant, the tangible net worth ratio and the fixed charge coverage ratio) have been relaxed to accommodate the Company's anticipated increase in capital expenditures.

The Company's ratio of long-term debt (less current portion) to stockholders' equity was .7 to 1 at both June 30, 1995 and December 31, 1994.

The Company's capital expenditures for the year ended December 31, 1994 and 1993 were $83.0 million and $76.8 million, respectively, and, for the six-months ended June 30, 1995 and 1994 were $70.5 million and $42.9 million, respectively. Capital expenditures for the second half of 1995 and for the year ended December 31, 1996 are currently expected to total $70 million and $140 million, respectively.

Management believes that the Company's available sources of credit together with the proceeds of the Offering and cash generated from operations will be sufficient to satisfy the Company's anticipated financing needs for capital expenditures and working capital through the end of 1996.

# BUSINESS

## GENERAL

Vishay is a leading international manufacturer and supplier of passive electronic components, particularly resistors, capacitors and inductors, offering its customers "one-stop" access to one of the most comprehensive passive electronic component lines of any manufacturer in the United States or Europe. Passive electronic components, together with semiconductors (integrated circuits), which the Company does not produce, are the primary elements of every electronic circuit. The Company manufactures one of the broadest lines of surface mount devices, a fast growing format for passive electronic components that is being increasingly demanded by customers. In addition, the Company continues to produce components in the traditional leaded form. Components manufactured by the Company are used in virtually all types of electronic products, including those in the computer, telecommunications, military/aerospace, instrument, automotive, medical and consumer electronics industries.

Since early 1985, the Company has pursued a business strategy that consists of the following elements: (i) expansion within the passive electronic components industry, primarily through the acquisition of other manufacturers with established positions in major markets, reputations for product quality and reliability and product lines with which the Company has substantial marketing and technical expertise; (ii) reduction of selling, general and administrative expenses through the integration or elimination of redundant sales offices and administrative functions at acquired companies; (iii) achievement of significant production cost savings through the transfer and expansion of manufacturing operations to regions, such as Israel, Mexico, Portugal and the Czech Republic, where the Company can take advantage of lower labor costs and available tax and other government-sponsored incentives; and (iv) maintaining significant production facilities in those regions where the Company markets the bulk of its products in order to enhance customer service and responsiveness.

As a result of this strategy, the Company has grown during the past ten years from a small manufacturer of precision resistors and strain gages to one of the world's largest manufacturers and suppliers of a broad line of passive electronic components. During this period, its revenues have increased from $48.5 million for fiscal year 1984 to $987.8 million for the year ended December 31, 1994, while net profits have increased from $6.1 million to $58.9 million.

The Company's major acquisitions have included Dale Electronics, Inc. (United States, Mexico and the United Kingdom) in 1985, Draloric Electronic GmbH (Germany and the United Kingdom) in 1987, Sfernice S.A. (France) in 1988, Sprague Electric Company ("Sprague") (United States and France) in 1992, Roederstein GmbH ("Roederstein") (Germany, Portugal and the United States) in 1993, and Vitramon, Incorporated ("Vitramon") (United States, France, Germany and the United Kingdom) in 1994. In January 1995, the Company acquired a 49% equity interest in Nikkohm Co., Ltd., a Japanese manufacturer of thin film resistors and resistor networks. Nikkohm had sales of approximately $6 million in 1994. This acquisition is intended to facilitate the Company's access to the Japanese electronics market.

## PRODUCTS

Vishay designs, manufactures and markets electronic components that cover a wide range of products and technologies. The products primarily consist of fixed resistors, tantalum, MLCC and film capacitors, and, to a lesser extent, inductors, aluminum and specialty ceramic capacitors, transformers, potentiometers, plasma displays and thermistors. The Company offers most of its product types in the increasingly demanded surface mount device form and in the traditional leaded device form. The Company believes it produces one of the broadest lines of passive electronic components available from any single manufacturer.

Resistors are basic components used in all forms of electronic circuitry to adjust and regulate levels of voltage and current. They vary widely in precision and cost, and are manufactured in numerous materials and forms. Resistive components may be either fixed or variable, the distinction being whether the resistance

is adjustable (variable) or not (fixed). Resistors can also be used as measuring devices, such as Vishay's resistive sensors. Resistive sensors or strain gages are used in experimental stress analysis systems as well as in transducers for electronic measurement of loads (scales), acceleration and fluid pressure.

Vishay manufactures virtually all types of fixed resistors, both in discrete and network forms. These resistors are produced for virtually every segment of the resistive product market, from resistors used in the highest quality precision instruments for which the performance of the resistors is the most important requirement, to resistors for which price is the most important factor.

Capacitors perform energy storage, frequency control, timing and filtering functions in most types of electronic equipment. The more important applications for capacitors are (i) electronic filtering for linear and switching power supplies, (ii) decoupling and bypassing of electronic signals for integrated circuits and circuit boards, and (iii) frequency control, timing and conditioning of electronic signals for a broad range of applications. The Company's capacitor products primarily consist of solid tantalum surface mount chip capacitors, solid tantalum leaded capacitors, wet/foil tantalum capacitors, MLCC capacitors, and film capacitors. Each capacitor product has unique physical and electrical performance characteristics that make each type of capacitor useful for specific applications. Tantalum and MLCC capacitors are generally used in conjunction with integrated circuits in applications requiring low to medium capacitance values ("capacitance" being the measure of the capacitor's ability to store energy). The tantalum capacitor is the smallest and most stable type of capacitor for its range of capacitance and is best suited for applications requiring medium capacitance values. MLCC capacitors, on the other hand, are more cost-effective for applications requiring lower capacitance values. Vitramon's MLCC capacitors are unique because their dielectric (ceramic) layers are thinner than some other multi-layer capacitors, thus requiring less palladium material. This enables reductions in manufacturing costs and allows for a smaller electronic component that has become critical to satisfy the increasing trend toward miniaturization. The Company's MLCC capacitors are known for their particularly high reliability. Management believes that surface mounted MLCC chip capacitors, tantalum chip capacitors, and thick film resistor chips represent the fastest growing segments of the passive electronic component industry.

The Company believes it has taken advantage of the growth of the surface mount component market and is an industry leader in designing and marketing surface mount devices. The Company also believes that in the United States and Europe it is a market leader in the development and production of a wide range of these devices, including thick film chip resistors, thick film resistor networks, metal film leadless resistors (MELFs), molded tantalum chip capacitors, coated tantalum chip capacitors, film capacitors, multi-layer ceramic chip capacitors, thin film chip resistors, thin film networks, wirewound chip resistors, power strip resistors, bulk metal foil chip resistors, current sensing chips, chip inductors, chip transformers, chip trimmers and NTC chip thermistors. The Company also provides a number of component packaging styles to facilitate automated product assembly by its customers. The Company's position in the surface mount market has been enhanced by the acquisition of Vitramon, since substantially all of Vitramon MLCC products utilize surface mount technology. Surface mount devices adhere to the surface of a circuit board rather than being secured by leads that pass through holes to the back side of the board. Surface mounting provides distinct advantages over through-hole mounting. For example, surface mounting allows the placement of more components on a circuit board, which is particularly desirable for a growing number of manufacturers who require greater miniaturization in products such as hand held computers and cellular telephones. Surface mounting also facilitates automation, resulting in lower production costs for equipment manufacturers than those associated with leaded devices. Despite this trend, the Company's sales of leaded devices have remained relatively stable, and in some instances sales of certain leaded components have increased. This is mainly a result of the worldwide shortage of surface mount components.

MARKETS

The Company's products are sold primarily to original equipment manufacturers ("OEMs"), OEM subcontractors that assemble printed circuit boards and independent distributors that maintain large

inventories of electronic components for resale to OEMs. Its products are used in, among other things, virtually every type of product containing electronic circuitry, including computer-related products, telecommunications, measuring instruments, industrial equipment, automotive applications, process control systems, military and aerospace applications, consumer electronics, medical instruments and scales.

For the year ended December 31, 1994, 39% of the Company's net sales were to customers with production facilities in the United States, 8% were to U.S. and European customers with production facilities in Asia and 53% were to European customers and, to a lesser extent, U.S. customers, with production facilities in Europe.

In the United States, products are marketed through independent manufacturers' representatives who are compensated solely on a commission basis by the Company's own sales personnel and by independent distributors. The Company has regional sales personnel in several North American locations to provide technical and sales support for independent manufacturers' representatives throughout the United States, Mexico and Canada. Outside North America, products are sold to customers in Germany, the United Kingdom, France, Israel, Japan, Singapore, South Korea, Brazil and other European and Pacific Rim countries through Company sales offices, independent manufacturers' representatives and distributors.

The Company undertakes to have its products incorporated into the design of electronic equipment at the research and prototype stages. Vishay employs its own staff of application and field engineers who work with its customers, independent manufacturers' representatives and distributors to solve technical problems and develop products to meet specific needs.

The Company is undertaking to have its quality systems at most of its major manufacturing facilities approved under the recently established ISO 9000 international quality control standard. ISO 9000 is a comprehensive set of quality program standards developed by the International Standards Organization. Several of the Company's manufacturing operations have already received ISO 9000 approval and others are actively pursuing such approval.

Vishay's largest customers vary from year to year, and no customer has long-term commitments to purchase products of the Company. No customer accounted for more than 10% of the Company's net sales in 1994.

MANUFACTURING OPERATIONS

The Company strives to balance the location of its manufacturing facilities. In order to better serve its customers, the Company maintains production facilities in those regions where it markets the bulk of its products, such as the U.S., Germany, France and the U.K. To maximize production efficiencies, the Company seeks whenever practicable to establish manufacturing facilities in countries, such as Israel, Mexico, Portugal and the Czech Republic, where it can take advantage of lower labor and tax costs and, in the case of Israel, to take advantage of various government incentives, including grants and income tax relief.

At December 31, 1994, approximately 42% of the Company's identifiable assets were located in the United States, approximately 46% were located in Europe, approximately 11% were located in Israel and approximately 1% were located in other regions. In the United States, the Company's main manufacturing facilities are located in Nebraska, South Dakota, North Carolina, Pennsylvania, Maine, Connecticut, Virginia and Florida. In Europe, the Company's main manufacturing facilities are located in Selb, Landshut and Backnang, Germany and Nice and Tours, France. In Israel, manufacturing facilities are located in Holon, Dimona and rented facilities in Migdal Haemek. The Company also maintains major manufacturing facilities in Juarez, Mexico; Toronto, Canada; Porto, Portugal and the Czech Republic. Recently, the Company has invested substantial resources to increase capacity and to maximize automation in its plants, which it believes will further reduce production costs.

To address the increasing demand for its products and in order to lower its costs, the Company has expanded, and plans to continue to expand, its manufacturing operations in Israel, where it benefits from the government's employment incentive programs designed to increase employment, tax reduction programs, lower wage rates and a highly-skilled labor force, all of which have contributed substantially to the growth and profitability of the Company.

Under the terms of the Israeli government's incentive programs, once a project is approved, the recipient is eligible to receive the benefits of the related grants for the life of the project, so long as the recipient continues to meet preset eligibility standards. None of the Company's approved projects has ever been cancelled or modified and the Company has already received approval for a majority of the projects contemplated by its capital expenditure program. However, from time to time, the government has, considered scaling back or discontinuing these incentive programs. Accordingly, there can be no assurance that the Israeli government will continue to offer new incentive programs or that, if it does, the Company will continue to be eligible to take advantage of them. The Company might be materially adversely affected if these incentive programs were no longer available to the Company for new projects. In addition, the Company might be materially adversely affected if hostilities were to occur in the Middle East that interfere with the Company's operations in Israel. The Company, however, has never experienced any material interruption in its Israeli operations in its 26 years of production there, in spite of several Middle East crises, including wars. For the year ended December 31, 1994, sales of products manufactured in Israel accounted for approximately 15% of the Company's net sales.

Due to a shift in manufacturing emphasis to higher automation processes and the relocation of some production to regions with lower labor costs, portions of the Company's work force and certain facilities may not be fully utilized in the future. As a result, the Company may incur significant costs in connection with work force reductions and the closing of additional manufacturing facilities.

RESEARCH AND DEVELOPMENT

Many of the Company's products and manufacturing processes have been invented, designed and developed by Company engineers and scientists. The Company maintains strategically located design centers where proximity to customers enables it to more easily satisfy the needs of the local market. These design centers are located in the United States (Connecticut, Maine, Nebraska, North Carolina, Pennsylvania), in Germany (Selb, Landshut, Pfafenberg, Backnang), in France (Nice, Tours, Evry) and Israel. The Company also maintains separate research and development staffs and promotes separate programs at a number of its production facilities to develop new products and new applications of existing products, and to improve product and manufacturing techniques. This decentralized system encourages individual product developments at individual manufacturing facilities that occasionally have applications at other facilities. Company research and development costs were approximately $7.2 million in 1994, and $7.1 million in each of years 1993 and 1992. These amounts do not include substantial expenditures for product development and the design, development and manufacturing of machinery and equipment for new processes and for cost reduction measures. See "--Markets."

SOURCES OF SUPPLY

Although most materials incorporated in the Company's products are available from a number of sources, certain materials (particularly tantalum and palladium) are available only from a relatively limited number of suppliers.

Tantalum, a metal, is the principal material used in the manufacture of tantalum capacitor products. It is purchased in powder form primarily under annual contracts with domestic suppliers at prices that are subject to periodic adjustment. The Company is a major consumer of the world's annual tantalum production. There are currently three major suppliers that process tantalum ore into capacitor grade tantalum powder. Although the Company believes that there is currently a surplus of tantalum ore reserves and a sufficient number of tantalum processors relative to foreseeable demand, and that the tantalum required by

the Company has generally been available in sufficient quantities to meet requirements, the limited number of tantalum powder suppliers could lead to increases in tantalum prices that the Company may not be able to pass on to its customers.

Palladium is primarily purchased on the spot and forward markets, depending on market conditions. Palladium is considered a commodity and is subject to price volatility. The price of palladium has fluctuated in the range of approximately $95 to $176 per troy ounce during the last three years. Although palladium is currently found in South Africa and Russia, the Company believes that there are a sufficient number of domestic and foreign suppliers from which the Company can purchase palladium. However, an inability on the part of the Company to pass on increases in palladium costs to its customers could have an adverse effect on the margins of those products using the metal.

INVENTORY AND BACKLOG

Although the Company manufactures standardized products, a substantial portion of its products are produced to meet customer specifications. The Company does, however, maintain an inventory of resistors and other components. Backlog of outstanding orders for the Company's products was $385.5 million, $305.7 million, $198.4 million and $134.3 million, respectively, at June 30, 1995 and at December 31, 1994, 1993 and 1992. The increase in backlog at December 31, 1994 and 1993 as compared with prior periods is attributable in large part to the acquisitions of Vitramon and Roederstein, respectively. The recent surge in backlog to a record level also reflects a continuing increase in demand for the Company's products; bookings have continued to outpace shipments since the beginning of 1994. The increase in bookings has been particularly strong for the Company's surface mounted components, including MLCC capacitors, tantalum capacitors and thick film resistor chips. The current backlog is expected to be filled during the next twelve months. Most of the orders in the Company's backlog may be cancelled by its customers, in whole or in part, although sometimes subject to penalty. To date, however, cancellations have not been significant.

COMPETITION

The Company faces strong competition in its various product lines from both domestic and foreign manufacturers that produce products using technologies similar to those of the Company. The Company's main competitors for tantalum capacitors are KEMET, AVX and NEC; for MLCC capacitors, competitors are KEMET, AVX, Murata and TDK. For thick film chip resistors, competitors are ROHM, Koa and Yageo. For wirewound and metal film resistors, competitors are IRC, ROHM and Ohmite.

The Company's competitive position depends on its product quality, know-how, proprietary data, marketing and service capabilities and business reputation, as well as on price. In respect of certain of its products, the Company competes on the basis of its marketing and distribution network, which provides a high level of customer service. For example, the Company works closely with its customers to have its components incorporated into their electronic equipment at the early stages of design and production and maintains redundant production sites for most of its products to ensure an uninterrupted supply of products. Further, the Company has established a National Accounts Management Program, which provides the Company's largest customers with one national account executive who can cut across Vishay business unit lines for sales, marketing and contract coordination. In addition, the breadth of the Company's product offerings enables the Company to strengthen its market position by providing its customers with "one-stop" access to one of the broadest selections of passive electronic components available from a direct manufacturing source.

Although the Company has numerous United States and foreign patents covering certain of its products and manufacturing processes, no particular patent is considered material to the business of the Company.

ENVIRONMENTAL MATTERS

The Company's manufacturing operations are subject to various federal, state and local laws restricting discharge of materials into the environment. The Company is not involved in any pending or threatened proceedings that would require curtailment of its operations. However, the Company is involved in various

legal actions concerning state government enforcement proceedings and various dump site cleanups. These actions may result in fines and/or cleanup expenses. The Company believes that any fine or cleanup expense, if imposed, would not be material. The Company continually expends funds to ensure that its facilities comply with applicable environmental regulations. The Company has nearly completed its undertaking to comply with new environmental regulations relating to the elimination of chlorofluorocarbons (CFCs) and ozone depleting substances (ODS) and other anticipated compliances with the Clean Air Act amendments of 1990. The Company anticipates that it will undertake capital expenditures of approximately $4,000,000 in fiscal 1995 for general environmental compliance and enhancement programs. The Company has been named a Potentially Responsible Party (PRP) at seven Superfund sites. The Company has settled three of these for minimal amounts and does not expect the others to be material. While the Company believes that it is in material compliance with applicable environmental laws, it cannot accurately predict future developments. Moreover, the risk of environmental liability and remediation costs is inherent in the nature of the Company's business and, therefore, there can be no assurance that material environmental costs, including remediation costs, will not arise in the future.

With each acquisition, the Company undertakes to identify potential environmental concerns and to minimize the environmental matters it may be required to address. In addition, with each acquisition, the Company establishes reserves against potential environmental liabilities that may arise. The Company believes that the reserves it has established are adequate. Nevertheless, the Company often unavoidably inherits certain pre-existing environmental liabilities, generally based on successor liability doctrines. Although the Company has never been involved in any environmental matter that has had a materially adverse impact on its overall operations, there can be no assurance that in connection with any past or future acquisition the Company will not be obligated to address environmental matters that could have a materially adverse impact on its operations.

EMPLOYEES

At June 30, 1995, the Company had approximately 17,800 full-time employees of whom approximately 11,100 were located outside the United States. The Company hires few employees on a part time basis. While various of the Company's foreign employees are members of trade unions, a de minimis number of the Company's employees located in the United States is represented by unions.

## MANAGEMENT

The following table sets forth certain information regarding the directors and executive officers of the Company as of August 28, 1995.

| NAME | AGE | POSITION HELD |
|---|---|---|
| Felix Zandman(1)..... | 67 | Chairman of the Board, President, Chief Executive Officer and Director |
| Donald G. Alfson..... | 49 | Director and Vice President; President--Vishay Electronic Components, U.S. and Asia |
| Avi D. Eden(1)..... | 47 | Director |
| Robert A. Freece(1)..... | 54 | Senior Vice President and Director |
| Richard N. Grubb(1)..... | 48 | Vice President, Treasurer, Chief Financial Officer and Director |
| Eliyahu Hurvitz..... | 62 | Director |
| Abraham Inbar..... | 67 | Vice President; President--Vishay Israel Ltd., a subsidiary of Vishay |
| Henry V. Landau..... | 48 | Vice President; President--Measurements Group, Inc., a subsidiary of Vishay |
| Gerald Paul..... | 46 | Director and Vice President; President--Vishay Electronic Components, Europe |
| Edward B. Shils(2)(3)(4)(5)..... | 79 | Director |
| Luella B. Slaner..... | 74 | Director |
| Mark I. Solomon(2)(3)(4)(5)..... | 55 | Director |
| William J. Spires..... | 53 | Vice President and Secretary |
| Jean-Claude Tine..... | 76 | Director |

- --------
(1) Member of the Executive Committee.
(2) Member of Audit Committee.
(3) Member of Employee Stock Plan Committee.
(4) Member of Compensation Committee.
(5) Member of Stock Option Committee.

Dr. Felix Zandman, a founder of the Company, has been President, Chief Executive Officer and a Director of the Company since its inception. Dr. Zandman has been Chairman of the Board since March 1989. Dr. Zandman is also a cousin of Mr. Alfred Slaner, co-founder and retired Chairman of the Board of the Company, whose wife Luella B. Slaner is a director.

Donald G. Alfson has been a Director of the Company since May 1992 and the President of Vishay Electronic Components, U.S. and Asia since April 1992. Mr. Alfson has been employed by the Company since 1972.

Avi D. Eden is an attorney in private practice, has been a Director of the Company since 1987 and has provided legal services to the Company on a continuing basis since 1973.

Robert A. Freece has been a Director of the Company since 1972. He was Vice President, Treasurer and Chief Financial Officer of the Company from 1972 until 1994, and has been Senior Vice President since May 1994.

Richard N. Grubb has been a Director, Vice President, Treasurer and Chief Financial Officer of the Company since May 1994. Mr. Grubb has been associated with the Company in various capacities since 1972.

Eliyahu Hurvitz has served as a Director of the Company since September 1994. He has been President and Chief Executive Officer of Teva Pharmaceutical Industries, Ltd. for more than the past five years.

Abraham Inbar has been a Vice President of the Company since June 1994. Mr. Inbar has been the President of Vishay Israel Ltd., a subsidiary of the Company, since May 1994. Mr. Inbar was Senior Vice President and General Manager of Vishay Israel Ltd. from 1992 to 1994. Previously, Mr. Inbar was Vice President--Operations for Vishay Israel Ltd. He has been employed by the Company since 1973.

Henry V. Landau has been a Vice President of the Company since 1983. Mr. Landau has been the President and Chief Executive Officer of Measurements Group, Inc., a subsidiary of the Company, since July 1984. Mr. Landau served as a Director of the Company from 1987 to 1993. Mr. Landau was an Executive Vice President of Measurements Group, Inc. from 1981 to 1984 and has been employed by the Company since 1972.

Dr. Gerald Paul has been a Director of the Company since May 1993 and the President of Vishay Electronic Components, Europe since January 1994. Dr. Paul has been employed by the Company since February 1978.

Dr. Edward B. Shils has been a Director of the Company since 1981. Dr. Shils is a Director of the Wharton Entrepreneurial Center and a George W. Taylor Professor Emeritus of Entrepreneurial Studies at the Wharton School, University of Pennsylvania. Dr. Shils is also a Director of Conston Corp.

Luella B. Slaner has been a Director since 1989. Mrs. Slaner is the wife of Alfred Slaner and a co-trustee with Mr. Slaner of a revocable trust created by Mr. Slaner by an agreement dated January 15, 1987. See "Description of Capital Stock." Mrs. Slaner's husband is a cousin of Dr. Zandman.

Mark I. Solomon has served as a Director of the Company since May 1993. He has been the Chairman of CMS Companies for more than the past five years.

William J. Spires has been a Vice President and Secretary of the Company since 1981. Mr. Spires has been Vice President--Industrial Relations since 1980 and has been employed by the Company since 1970.

Jean-Claude Tine has been a Director of the Company since 1988 and is the former Chairman of the Board of Sfernice, a subsidiary of the Company.

## DESCRIPTION OF CAPITAL STOCK

The aggregate number of shares of capital stock which the Company has authority to issue is 81,000,000 shares: 1,000,000 shares of Preferred Stock, par value $1.00 per share (the "Preferred Stock"), 65,000,000 shares of common stock, par value $.10 per share (the "Common Stock"), and 15,000,000 shares of Class B Common Stock, par value $.10 per share (the "Class B Common Stock"). No shares of Preferred Stock have been issued. At August 28, 1995, there were 45,488,267 shares of Common Stock and 7,232,094 shares of Class B Common Stock outstanding.

Holders of Common Stock and Class B Common Stock are entitled to receive, and share ratably on a per share basis, after any required payment on shares of Preferred Stock then outstanding, in such dividends and other distributions of cash, stock or property of the Company as may be declared by the Board of Directors from time to time out of assets legally available therefor, and in distributions upon liquidation of the Company. In the event of a stock dividend or stock split, holders of Common Stock will receive shares of Common Stock and holders of Class B Common Stock will receive shares of Class B Common Stock. Neither the Common Stock nor the Class B Common Stock may be split, divided or combined unless the other is split, divided or combined equally.

The Common Stock and the Class B Common Stock vote together as one class on all matters subject to stockholder approval, except that the approval of the holders of Common Stock and of Class B Common Stock, each voting separately as a class, is required to authorize issuances of additional shares of Class B Common Stock other than in connection with stock splits and stock dividends.

The holders of Common Stock are entitled to one vote for each share held. Holders of Class B Common Stock are entitled to 10 votes for each share held. Since the Class B Common Stock carries additional voting rights, the holders of Class B Common Stock will be able to cause the election of their nominees as directors of the Company. The existence of the Class B Common Stock may make the Company less attractive as a target for a takeover proposal and may render more difficult or discourage a merger proposal or proxy contest for the removal of the incumbent directors, even if such actions were favored by the stockholders of the Company other than the holders of the Class B Common Stock. Accordingly, the existence of the Class B Common Stock may deprive the holders of Common Stock of an opportunity they might otherwise have to sell their shares at a premium over the prevailing market price in connection with a merger or acquisition. Under Delaware law and the Company's Certificate of Incorporation, the approval by a majority of the votes of the outstanding shares of stock of the Company entitled to vote is required in order to consummate certain major corporate transactions, such as a merger or a sale of substantially all assets of the Company. Upon the consummation of the Offering, Dr. Zandman, together with Mr. Alfred Slaner and Mrs. Luella Slaner as co-trustees (the "Slaner Trustees") under a revocable trust created by Mr. Slaner under an agreement dated January 15, 1987, will continue to control the Company and will hold a sufficient number of shares of Class B Common Stock and Common Stock to approve or disapprove any such transaction regardless of how other shares of the Company's capital stock are voted. See "Principal Stockholders."

Shares of Class B Common Stock are convertible into shares of Common Stock on a one-to-one basis at any time at the option of the holder thereof. The Class B Common Stock is not transferable except to the holder's spouse, certain of such holder's relatives, certain trusts established for the benefit of the holder, the holder's spouse or relatives, corporations and partnerships beneficially owned and controlled by such holder, such holder's spouse or relatives, charitable organizations and such holder's estate. Upon any transfer made in violation of those restrictions, shares of Class B Common Stock will be automatically converted into shares of Common Stock on a one-for-one basis.

Neither the holders of Common Stock nor the holders of Class B Common Stock have any preemptive rights to subscribe for additional shares of capital stock of the Company.

The Common Stock is listed on the New York Stock Exchange. There is no public market for shares of Company's Class B Common Stock. All outstanding shares of Common Stock and Class B Common Stock are, and upon issuance, the shares of Common Stock to be sold hereunder will be, validly issued, fully paid and nonassessable.

The Company furnishes to its stockholders annual reports containing financial statements certified by an independent public accounting firm. In addition, the Company furnishes to its stockholders quarterly reports containing unaudited financial information for each of the first three quarters of each year.

American Stock Transfer & Trust Company is the transfer agent and registrar of the Company's Common Stock and Class B Common Stock.

## PRINCIPAL STOCKHOLDERS

Dr. Felix Zandman and the Slaner Trustees control a majority of the voting power of the Company. At August 28, 1995, the Slaner Trustees owned 3,078,646 shares of Common Stock, or 7% of the shares of Common Stock outstanding, and 3,113,204 shares of the Class B Common Stock or 43% of the shares of Class B Common Stock outstanding, which represented a combined total of 29% of the voting power of the Company as of that date. At August 28, 1995, Dr. Zandman owned 48,948 shares of Common Stock, or .1% of the shares of Common Stock outstanding, and 4,060,124 shares of Class B Common Stock, or 56% of the shares of Class B Common Stock outstanding, which represented a combined total of 35% of the Company's voting power as of that date, and Dr. Zandman held options to purchase an additional 504,000 shares of Common Stock at various exercise prices. See "Description of Capital Stock."

## CERTAIN UNITED STATES TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS OF COMMON STOCK

### GENERAL

The following is a general discussion of all material United States federal income and estate tax consequences of the ownership and disposition of Common Stock by a holder who is not a United States person (a "Non-U.S. Holder"). For this purpose, the term "Non-U.S. Holder" is defined as any person who is, as to the United States, a foreign corporation, a non-resident alien individual, a non-resident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien, a non-resident individual or a non-resident fiduciary of a foreign estate or trust. This discussion does not address all aspects of United States federal income and estate taxes and does not deal with foreign, state and local consequences that may be relevant to such Non-U.S. Holders in light of their personal circumstances. (In particular, the discussion does not consider Non-U.S. Holders subject to special tax treatment under the federal income tax laws, including banks, insurance companies, dealers in securities, and holders of securities as part of a "straddle," "hedge," or "conversion transaction.") Furthermore, this discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations promulgated thereunder and administrative and judicial interpretations thereof, all of which are subject to change. Each prospective purchaser of Common Stock is advised to consult a tax advisor with respect to current and possible future tax consequences of acquiring, holding and disposing of Common Stock.

An individual may be deemed to be a resident alien for U.S. tax purposes if the individual is treated as a permanent U.S. resident under U.S. immigration laws or, subject to certain exceptions, if the individual is present in the United States on at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-calendar-year period ending with the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year). Resident aliens are subject to United States federal tax as if they were United States citizens; they are also subject to the United States estate tax (without benefit of the marital deduction for a non-citizen spouse).

### DIVIDENDS

The Company does not currently pay cash dividends on its capital stock. See "Price Range of Common Stock and Dividend Policy." In the event, however, that the Company pays cash dividends in the future, such dividends paid to a Non-U.S. Holder of Common Stock will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the dividends are effectively connected with the conduct of a trade or business of the Non-U.S. Holder within the United States. If the dividend is effectively connected with the conduct of a trade or business of the Non-U.S. Holder within the United States (or, if a tax treaty applies, attributable to a "permanent establishment," or, in the case of an individual, a "fixed base," in the United States, through which such trade or business is conducted) (collectively, "U.S. trade or business income"), the dividend would be subject to United States federal income tax on a net income basis at applicable graduated individual or corporate rates, as the case may be, and would be exempt from the 30% withholding tax described above. Any such U.S. trade or business income received by a corporate Non-U.S. holder would be entitled to the 70% dividends-received-deduction, but may, under certain circumstances, then be subject to an additional "branch profits tax" at a 30% rate or at such lower rate (including zero) as may be specified by an applicable income tax treaty.

Under current United States Treasury regulations, dividends paid to an address outside the United States are presumed to be paid to a resident of such country for purposes of the withholding discussed above and, under the current interpretation of United States Treasury regulations, for purposes of determining the applicability of a tax treaty rate. Under proposed United States Treasury regulations not currently in effect,

however, a Non-U.S. Holder of Common Stock who wishes to claim the benefit of an applicable treaty rate would be required to satisfy applicable certification and other requirements. Certain certification and disclosure requirements must be complied with in order to be exempt from withholding under the U.S. trade or business income exemption discussed above.

A Non-U.S. Holder of Common Stock eligible for a reduced rate of United States withholding tax pursuant to a tax treaty may obtain a refund of any excess amounts of U.S. tax withheld by the Company by filing an appropriate claim for refund with the United States Internal Revenue Service (the "Service").

GAIN ON DISPOSITION OF COMMON STOCK

A Non-U.S. Holder generally will not be subject to United States federal income tax (and generally no tax will be withheld) with respect to gain recognized on a sale or other disposition of Common Stock unless (i) the gain is U.S. trade or business income with respect to the Non-U.S. Holder, (ii) under certain circumstances, in the case of a Non-U.S. Holder who is an individual and holds the Common Stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met or (iii) for Non-U.S. Holders of more than 5% of the Common Stock, the Company is or has been a "U.S. real property holding corporation" for United States federal income tax purposes. The Company has not been and does not anticipate becoming a "U.S. real property holding corporation" for United States federal income tax purposes. Non-U.S. Holders who fall under clause (i) or (ii) above, should consult their tax advisors regarding the tax treatment applicable to them.

FEDERAL ESTATE TAXES

Common Stock owned, or treated as owned, by a non-resident alien individual (as specifically determined for United States federal estate tax purposes) at the time of death will be included in such holder's gross estate for United States federal estate tax purposes, unless an applicable tax treaty provides otherwise.

UNITED STATES INFORMATION REPORTING AND BACKUP WITHHOLDING TAX

The Company must report annually to the Service and to each Non-U.S. Holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends. These information reporting requirements apply whether or not withholding is required. Copies of the information returns reporting such dividends and tax withheld may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under exchange-of-information provisions of an applicable income tax treaty.

United States backup withholding tax (which generally is a withholding tax imposed at the rate of 31% on certain payments to persons that fail to furnish certain information under United States information reporting requirements) generally will not apply to (a) the payment of dividends paid on Common Stock to a Non-U.S. Holder at an address outside the United States or (b) the payment of the proceeds of the sale of Common Stock to or through the foreign office of a broker. In the case of the payment of proceeds from such a sale of Common Stock through a foreign office of a broker that is a United States person or a "U.S. related person," however, information reporting (but not backup withholding) is required with respect to the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and certain other requirements are met or the holder otherwise establishes an exemption. For this purpose, a "U.S. related person" is (i) a "controlled foreign corporation" for United States federal income tax purposes, or (ii) a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment (or for such part of the period that the broker has been in existence) is derived from activities that are effectively connected with the conduct of a United States trade

or business. The payment of the proceeds of a sale of shares of Common Stock to or through a United States office of a broker is subject to information reporting and possible backup withholding unless the owner certifies its non-United States status under penalties of perjury or otherwise establishes an exemption. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a refund or a credit against the Holder's United States federal income tax liability, provided that the required information is furnished to the Service.

These information reporting and backup withholding rules are under review by the United States Treasury, and their application to the Common Stock could be changed prospectively by future regulations.

THE FOREGOING DISCUSSION IS INCLUDED FOR GENERAL INFORMATION ONLY. ACCORDINGLY, EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT WITH HIS TAX ADVISOR WITH RESPECT TO THE INCOME AND ESTATE TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF COMMON STOCK, INCLUDING THE APPLICATION AND EFFECT OF UNITED STATES FEDERAL LAWS AND THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION.

## UNDERWRITING

The underwriters of the U.S. Offering named below (the "U.S. Underwriters"), for whom Bear, Stearns & Co. Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Donaldson, Lufkin & Jenrette Securities Corporation and Lehman Brothers Inc. are acting as representatives, have severally agreed with the Company, subject to the terms and conditions of the U.S. Underwriting Agreement (the form of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part), to purchase from the Company the aggregate number of U.S. Shares set forth opposite their respective names below:

| NAME OF U.S. UNDERWRITER | NUMBER OF U.S. SHARES |
|---|---|
| Bear, Stearns & Co. Inc. | |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated | |
| Donaldson, Lufkin & Jenrette Securities Corporation | |
| Lehman Brothers Inc. | |
| Total | 4,000,000 |

The Managers of the concurrent International Offering named below (the "Managers"), for whom Bear, Stearns International Limited, Merrill Lynch International Limited, Donaldson, Lufkin & Jenrette Securities Corporation and Lehman Brothers International (Europe) are acting as lead Managers, have severally agreed with the Company, subject to the terms and conditions of the International Underwriting Agreement (the form of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part), to subscribe and pay for the aggregate number of International Shares set forth opposite their respective names below:

| NAME OF MANAGER | NUMBER OF INTERNATIONAL SHARES |
|---|---|
| Bear, Stearns International Limited | |
| Merrill Lynch International Limited | |
| Donaldson, Lufkin & Jenrette Securities Corporation | |
| Lehman Brothers International (Europe) | |
| Total | 1,000,000 |

The nature of the respective obligations of the U.S. Underwriters and the Managers is such that all of the U.S. Shares and all of the International Shares must be purchased if any are purchased. Those obligations are subject, however, to various conditions, including the approval of certain matters by counsel. The Company has agreed to indemnify the U.S. Underwriters and the Managers against certain liabilities, including liabilities under the Act, and, where such indemnification is unavailable, to contribute to payments that the U.S. Underwriters and the Managers may be required to make in respect of such liabilities.

The Company has been advised that the U.S. Underwriters propose to offer the U.S. Shares in the United States and Canada and the Managers propose to offer the International Shares outside the United States and Canada, initially at the public offering price set forth on the cover page of this Prospectus and to certain selected dealers at such price less a concession not to exceed $ per share; that the U.S. Underwriters and the Managers may allow, and such selected dealers may reallow, a concession to certain other dealers not to exceed $ per share; and that after the commencement of the Offering, the public offering price and the concessions may be changed.

The Company has granted the U.S. Underwriters and the Managers options to purchase in the aggregate up to 750,000 additional shares of Common Stock solely to cover over-allotments, if any. The options may be exercised in whole or in part at any time within 30 days after the date of this Prospectus. To the extent the options are exercised, the U.S. Underwriters and the Managers will be severally committed, subject to certain conditions, to purchase the additional shares in proportion to their respective purchase commitments as indicated in the preceding tables.

Pursuant to an agreement between the U.S. Underwriters and the Managers (the "Agreement Between"), each U.S. Underwriter has agreed that, as part of the distribution of the U.S. Shares and subject to certain exceptions, (a) it is not purchasing any U.S. Shares for the account of anyone other than a U.S. or Canadian Person (as defined below) and (b) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any U.S. Shares or distribute any prospectus relating to the U.S. Offering outside the United States or Canada or to anyone other than a U.S. or Canadian Person or a dealer who similarly agrees. Similarly, pursuant to the Agreement Between, each Manager has agreed that, as part of the distribution of the International Shares and subject to certain exceptions, (a) it is not purchasing any of the International Shares for the account of any U.S. or Canadian Person and (b) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any of the International Shares or distribute any prospectus relating to the International Offering in the United States or Canada or to any U.S. or Canadian Person or a dealer who does not similarly agree. As used herein, "U.S. or Canadian Person" means any resident or citizen of the United States or Canada, any corporation, pension, profit sharing or other trust, or other entity organized under or governed by the laws of the United States or Canada or of any political subdivision thereof (other than the foreign branch of any U.S. or Canadian Person), any estate or trust, the income of which is subject to United States or Canadian federal income taxation regardless of the source of its income, and any United States or Canadian branch of a person other than a U.S. or Canadian Person. The term "United States" means the United States of America, its territories, its possessions and other areas subject to its jurisdiction; and "Canada" means the provinces of Canada, its territories, its possessions and other areas subject to its jurisdiction.

Pursuant to the Agreement Between, sales may be made between the U.S. Underwriters and the Managers of such number of shares of Common Stock as may be mutually agreed upon. The price of any shares so sold shall be the public offering price as then in effect for the Common Stock being sold by the U.S. Underwriters and the Managers, less an amount not greater than the selling concession allocable to such Common Stock. To the extent that there are sales between the U.S. Underwriters and the Managers pursuant to the Agreement Between, the number of shares initially available for sale by the U.S. Underwriters or by the Managers may be more or less than the amount specified on the cover page of this Prospectus.

Each U.S. Underwriter and each Manager has represented and agreed that (i) it has not offered or sold, and will not offer or sell, in the United Kingdom by means of any document, any shares of Common Stock other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent (except under circumstances which do not constitute an offer to the public within the meaning of the Companies Act 1985 of Great Britain); (ii) it has complied and will comply with applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Common Stock in, from or otherwise involving the United Kingdom, and (iii) it has only issued or passed on, and will only issue or pass on to any person in the Untied Kingdom, any documents received by it in connection with the issue

of Common Stock if that person is of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988 (as amended) or in other circumstances exempted from the restrictions on advertising in the Financial Services Act 1986.

Purchasers of the shares offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the initial public offering price set forth on the cover page hereof.

The Company and its principal stockholders have agreed that, for a period of 90 days after the date of this Prospectus, they will not, without the prior written consent of the Representatives, sell, offer to sell or otherwise dispose of any shares (or securities convertible into or exercisable for shares) of Common Stock or Class B Common Stock, other than the sale of the shares offered hereby, the issuance of shares of Common Stock upon the exercise of employee stock options, the grant of such options and the conversion of outstanding shares of Class B Common Stock into shares of Common Stock.

From time to time in recent years, Bear, Stearns & Co. Inc. ("Bear Stearns"), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch"), Donaldson, Lufkin & Jenrette Securities Cooperation and Lehman Brothers Inc. ("Lehman") have performed various investment banking and other financial advisory services for the Company for which they have received customary compensation. Such services included, in the case of Bear Stearns, acting as a financial advisor to the Company in 1994 in connection with long-term financial planning, in the case of Bear Stearns, acting as co-managing underwriter for the public offering of shares of the Company's Common Stock in August 1990 and as a standby purchaser in connection with the Company's call of the Debentures for redemption in September 1992 and, in the case of Bear Stearns and Lehman, acting as co-managing underwriters for the public offering of the Company's Common Stock in December 1992, and in the case of all four firms, acting as co-managing underwriters for the public offering of the Company's Common Stock in August 1994. In addition, Merrill Lynch acted as financial advisor to Thomas & Betts Corporation in connection with the sale of Vitramon to the Company in July 1994, for which it received customary compensation.

## NOTICE TO CANADIAN RESIDENTS

### RESALE RESTRICTIONS

The distribution of the Common Stock in Canada is being made only on a private placement basis exempt from the requirement that the Company prepare and file a prospectus with the securities regulatory authorities in each province where trades of Common Stock are effected. Accordingly, any resale of the Common Stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the Common Stock.

### REPRESENTATIONS OF PURCHASERS

Confirmations of the acceptance of offers to purchase shares of Common Stock will be sent to Canadian residents to whom this Prospectus has been sent and who have not withdrawn their offers to purchase prior to the issuance of such confirmations. Each purchaser of Common Stock in Canada who receives a purchase confirmation will be deemed to represent to the Company and the dealer from whom such purchase confirmation is received that (i) such purchaser is entitled under applicable provincial securities laws to purchase such Common Stock without the benefit of a prospectus qualified under such securities laws, (ii) where required by law, such purchaser is purchasing as principal and not as agent and (iii) such purchaser has reviewed the text above under "Notice to Canadian Residents--Resale Restrictions."

NOTICE TO ONTARIO RESIDENTS

The Common Stock offered hereby is being issued by a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Section 32 of the Regulation under the Securities Act (Ontario). As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

All of the Company's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Ontario purchasers to effect service of process within Canada upon the Company or such persons. All or a substantial portion of the assets of the Company and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or persons outside of Canada.

NOTICE TO BRITISH COLUMBIA RESIDENTS

A purchaser of Common Stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any Common Stock acquired by such purchaser pursuant to the Offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #88/5, a copy of which may be obtained from the Company. Only one such report must be filed in respect of Common Stock acquired on the same date under the same prospectus exemption.

NOTICE TO NOVA SCOTIA RESIDENTS

The Securities Act (Nova Scotia) provides that where a Canadian offering document, together with any amendments thereto, contains a misrepresentation, a purchaser who purchases securities shall be deemed to have relied on such misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages against the seller of the securities or he may elect to exercise the right of rescission against the seller, in which case he shall have no right of action for damages against the seller, provided that:

(a) the seller will not be liable if the seller proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(b) in an action for damages the seller will not be liable for all or any portion of such damages that the seller proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon;

(c) in no case shall the amount recoverable pursuant to the right of action exceed the price at which the securities were offered; and

(d) the action for rescission or damages conferred by the Securities Act (Nova Scotia) is in addition to and without derogation from any other rights the purchaser may have at law;

but no action to enforce these rights may be commenced:

(i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(ii) in the case of an action for damages, the earlier of:

(1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or

(2) three years after the date of the transaction that gave rise to the cause of action.

## LANGUAGE OF DOCUMENTS

All Canadian purchasers of shares of Common Stock acknowledge that all documents evidencing or relating in any way to the sale of such shares will be drawn in the English language only. Vous reconnaissez par les presentes que c'est votre volente express que tous les documents faisant loi ou se rapportant de quelque maniere a la vente des valeurs mobilieres rediges en anglais seulement.

## EXPERTS

The consolidated financial statements of Vishay Intertechnology, Inc. appearing in the Company's Annual Report (Form 10-K) for the year ended December 31, 1994, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

## LEGAL MATTERS

The legality of the Common Stock offered hereby is being passed upon for the Company by Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, New York, New York. Certain legal matters will be passed upon for the Underwriters by Weil, Gotshal & Manges (a partnership including professional corporations), New York, New York.

NO DEALER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED HEREIN AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, ANY UNDERWRITER OR ANY OTHER PERSON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH IT RELATES, OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OF SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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5,000,000 SHARES

VISHAY
INTERTECHNOLOGY, INC.

COMMON STOCK

[LOGO OF VISHAY]

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PROSPECTUS

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BEAR, STEARNS & CO. INC.

MERRILL LYNCH & CO.

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

LEHMAN BROTHERS

, 1995

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+++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++
+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
+++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++++

[INTERNATIONAL PROSPECTUS]

SUBJECT TO COMPLETION, DATED AUGUST 29, 1995

PROSPECTUS

5,000,000 SHARES

# VISHAY INTERTECHNOLOGY, INC.

[LOGO OF VISHAY]

COMMON STOCK

All of the 5,000,000 shares of Common Stock offered hereby are being sold by the Company. Of those shares, 1,000,000 shares (the "International Shares") are being offered outside the United States and Canada (the "International Offering") by the Managers and 4,000,000 shares (the "U.S. Shares") are being concurrently offered in the United States (the "U.S. Offering") by the U.S. Underwriters. The public offering price and the underwriting discounts and commissions are identical for both the International Offering and the U.S. Offering.

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The Common Stock is traded on the New York Stock Exchange under the symbol VSH. On August 25, 1995, the last sale price of the Common Stock as reported on the New York Stock Exchange Composite Tape was $40.50 per share. See "Price Range of Common Stock and Dividend Policy."

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

| | PRICE TO PUBLIC | UNDERWRITING DISCOUNTS AND COMMISSIONS (1) | PROCEEDS TO COMPANY (2) |
|---|---|---|---|
| Per Share..... | $ | $ | $ |
| Total(3)..... | $ | $ | $ |

(1) See "Underwriting" for indemnification arrangements with the U.S. Underwriters and the Managers.
(2) Before deducting expenses payable by the Company, estimated at $ .
(3) The Company has granted the U.S. Underwriters and the Managers 30-day options to purchase in the aggregate up to 750,000 additional shares of Common Stock solely to cover over-allotments, if any. If the options are exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be $ , $ and $ , respectively. See "Underwriting."

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The International Shares are offered by the several Managers, subject to prior sale, when, as and if delivered to and accepted by them and subject to certain conditions, including the approval of certain legal matters by counsel. The Managers reserve the right to withdraw, cancel or modify the International Offering and to reject orders in whole or in part. It is expected that delivery

of the International Shares will be made against payment therefor on or about , 1995, at the offices of Bear, Stearns & Co. Inc., 245 Park Avenue, New York, New York 10167.

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BEAR, STEARNS INTERNATIONAL LIMITED
MERRILL LYNCH INTERNATIONAL LIMITED
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
LEHMAN BROTHERS

, 1995

[INTERNATIONAL PROSPECTUS]

NO DEALER, SALESMAN, OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED HEREIN AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY, ANY UNDERWRITER OR ANY OTHER PERSON. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES OTHER THAN THE REGISTERED SECURITIES TO WHICH IT RELATES, OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OF SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF OR THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

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INTERTECHNOLOGY, INC.

COMMON STOCK

[LOGO OF VISHAY]

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BEAR, STEARNS
INTERNATIONAL LIMITED

MERRILL LYNCH
INTERNATIONAL LIMITED

DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION

LEHMAN BROTHERS

, 1995

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following are the estimated expenses, all of which will be paid by the Company, of the issuance and distribution of the Common Stock being registered.

| | |
|---|---|
| Securities and Exchange Commission Filing Fee | $82,285 |
| NASD Filing Fee | 23,788 |
| NYSE Listing Fee | 4,000 |
| Legal Fees and Expenses | 300,000 |
| Accounting Fees and Expenses | 75,000 |
| Blue Sky Fees and Expenses (including counsel fees) | 7,500 |
| Registrar and Transfer Agent's Fee | 1,500 |
| Printing and Engraving Expenses | 60,000 |
| Miscellaneous Expenses | 20,927 |
| Total | $575,000 |

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Reference is made to Articles NINTH and TENTH of the Certificate of Incorporation and Article VII of the By-Laws of the Registrant and Section 145 of the General Corporation Law of the State of Delaware.

Section 145 of the Delaware General Corporation Law permits indemnification by the Company of every person (and the heirs, executors and administrators of such person) who is or was a director, officer, employee or agent of the Company or of any other company, including another corporation, partnership, joint venture, trust or other enterprise which such person serves or served as such at the request of the Company against all judgments, payments in settlement (whether or not approved by court), fines, penalties and other reasonable costs and expenses (including fees and disbursements of counsel) imposed upon or incurred by such person in connection with or resulting from any action, suit, proceeding, investigation or claim, civil, criminal, administrative, legislative or other (including any criminal action, suit or proceeding in which such person enters a plea of guilty or nolo contendere or its equivalent), or any appeal relating thereto, which is brought or threatened either by or in the right of the Company or such other company (herein called a "derivative action") or by any other person, governmental authority or instrumentality (herein called a "third-party action") and in which such person is made a party or is otherwise involved by reason of his being or having been such director, officer, employee, or agent or by reason of any action or omission, or alleged action or omission by such person in his capacity as such director, officer, employee or agent if either (a) such person is wholly successful, on the merits or otherwise, in defending such derivative or third-party action or (b) in the judgment of a court of competent jurisdiction or, in the absence of such a determination, in the judgment of a majority of a quorum of the Board of Directors of the Company (which quorum shall not include any director who is a party to or is otherwise involved in such action) or, in the absence of such a disinterested quorum, in the opinion of independent legal counsel (i) in the case of a derivative action, such person acted in good faith in what he reasonably believed to be the best interest of the Company and was not adjudged liable to the Company or such other company or (ii) in the case of a third-party action, such person acted in good faith in what he reasonably believed to be the best interest of the Company or such other company, and, in addition, in any criminal action, had no reasonable cause to believe that his action was unlawful; provided that, in the case of a derivative action, such indemnification shall not be made in respect of any payment to the Company or to such other company or any stockholder thereof in satisfaction of judgment or in settlement unless either (x) a court of competent jurisdiction has approved such settlement, if any, and the reimbursement of such payment or (y) if the court in which such action has been instituted lacks jurisdiction to grant such approval or such action is settled before the institution of judicial proceedings,

in the opinion of independent legal counsel the applicable standard of conduct specified in the preceding sentence has been met, such action was without substantial merit, such settlement was in the best interest of the corporation or such other company and the reimbursement of such payment is permissible under applicable law. In case such person is successful, on the merits or otherwise, in defending part of such action or, in the judgment of such a court or such quorum of the Board of Directors or in the opinion of such counsel, has met the applicable standard of conduct specified in the preceding sentence with respect to part of such action, he shall be indemnified by the Company against the judgments, settlements, payments, fines, penalties and other costs and expenses attributable to such part of such action.

The Certificate of Incorporation and Certificates of Amendment of Restated Certificate of Incorporation are filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 1O-Q for the quarter ended June 30, 1995 incorporated herein by reference. The Amended and Restated By-laws and Amendment No. 1 to Amended and Restated By-Laws of the Registrant are filed as Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1993 incorporated herein by reference.

The Registrant has obtained an officers' and directors' liability insurance policy which will indemnify officers and directors for losses arising from any claim by reason of a wrongful act under certain circumstances where the Registrant does not indemnify such officer or director, and will reimburse the Registrant for any amounts where the Registrant may by law indemnify any of its officers or directors in connection with a claim by reason of wrongful act.

ITEM 16. EXHIBITS.

| EXHIBIT NO. | DESCRIPTION OF EXHIBITS |
|---|---|
| 1.1 | --Form of U.S. Underwriting Agreement.+ |
| 1.2 | --Form of International Underwriting Agreement.+ |
| 3.1 | --Certificate of Amendment of Restated Certificate of Incorporation of the Company, dated May 23, 1995 and Composite Certificate of Amendment of Restated Certificate of Incorporation of the Company as of August 3, 1995 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995 (the "Form 10-Q")). |
| 3.2 | --Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.2 to the Registration Statement of Form S-2, Registration No. 33-13833) and Amendment No. 1 to Amended and Restated By-laws of the Company (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993). |
| 5 | --Opinion of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, counsel to the Company, as to the legality of securities being registered (including consent).* |
| 10.1 | --The Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term Loan Agreement (the "Vishay Loan Agreement"), dated as of July 18, 1994, by and among Comerica Bank, NationsBank of North Carolina, N.A., Berliner Handels-und Frankfurter Bank, Signet Bank Maryland, CoreStates Bank, N.A., Bank Hapoalim, B.M., ABN AMRO Bank N.V., Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (collectively, the "Banks"), Comerica Bank, as agent for the Banks (the "Agent"), and Vishay Intertechnology, Inc. ("Vishay"), dated as of July 18, 1994. Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated July 18, 1994 (the "1994 Form 8-K"). |
| 10.2 | --The Amended and Restated Vishay Europe GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement (the "DM Loan Agreement"), dated as of July 18, 1994, by and among the Banks, the Agent and Vishay Europe GmbH ("VEG"). Incorporated by reference to Exhibit 10.2 to the 1994 Form 8-K. |

| EXHIBIT NO. | DESCRIPTION OF EXHIBITS |
|---|---|
| 10.3 | --The Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement, dated as of July 18, 1994 (the "Roederstein Loan Agreement"), by and among the Banks, the Agent and VEG. Incorporated by reference to Exhibit 10.3 to the 1994 Form 8-K. |
| 10.4 | --The Vishay Intertechnology, Inc. $200,000,000 Acquisition Loan Agreement (the "Acquisition Loan Agreement"), dated as of July 18, 1994, by and among the Banks, the Agent and Vishay. Incorporated by reference to Exhibit 10.4 to the 1994 Form 8-K. |
| 10.5 | --The First Amendment dated June 27, 1995 to the Vishay Loan Agreement and the Acquisition Loan Agreement. (Incorporated by reference to Exhibit 10.1 to the Form 10-Q.) |
| 10.6 | --The First Amendment dated June 27, 1995 to the DM Loan Agreement and the Roederstein Loan Agreement. (Incorporated by reference to Exhibit 10.2 to the Form 10-Q.) |
| 10.7 | --Amended and Restated Vishay Guaranty by Vishay to the Banks, dated as of July 18, 1994. Incorporated by reference to Exhibit 10.5 to the 1994 Form 8-K. |
| 10.8 | --Domestic Guaranty by Dale Holdings, Inc., Dale Electronics, Inc., Measurements Group, Inc., Vishay Sprague Holdings Corp. and Sprague Sanford, Inc. to the Banks, dated as of July 18, 1994. Incorporated by reference to Exhibit 10.6 to the 1994 Form 8-K. |
| 10.9 | --Amended and Restated Permitted Borrowers Guaranty by Vilna Equities Holding B.V., VBG, Draloric Electronic GmbH, E-Sil Components Ltd., Sfernice, S.A. and Roederstein Spezialfabriken fur Bauelemente der Elektronik und Kondersatoren der Starkstromtechnik GmbH to the Banks, dated as of July 18, 1994. Incorporated by reference to Exhibit 10.7 to the 1994 Form 8-K. |
| 23.1 | --Consent of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel (contained in the opinion filed as Exhibit 5). |
| 23.2 | --Consent of Independent Auditors.+ |
| 24 | --Powers of attorney (included on signature page). |

- --------
+ Filed herewith
* To be filed by amendment

ITEM 17. UNDERTAKINGS.

The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933 (the "Securities Act"), each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The Registrant hereby further undertakes:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 15, or

otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjunction of such issue.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, VISHAY INTERTECHNOLOGY, INC. CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF NEW YORK, STATE OF NEW YORK, ON THE 28TH DAY OF AUGUST, 1995.

Vishay Intertechnology, Inc.

/s/ Richard N. Grubb
By_____
NAME: RICHARD N. GRUBB
TITLE: VICE PRESIDENT, TREASURER
CHIEF FINANCIAL OFFICER AND DIRECTOR

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT EACH PERSON WHOSE SIGNATURE APPEARS BELOW CONSTITUTES AND APPOINTS FELIX ZANDMAN AND RICHARD N. GRUBB, AND EACH AND ANY ONE OF THEM, HIS TRUE AND LAWFUL ATTORNEY-IN-FACT AND AGENT, EACH ACTING ALONE, WITH FULL POWER OF SUBSTITUTION AND RESUBSTITUTION, FOR HIM AND IN HIS NAME, PLACE AND STEAD, IN ANY AND ALL CAPACITIES, TO SIGN ANY OR ALL AMENDMENTS (INCLUDING POST-EFFECTIVE AMENDMENTS) TO THIS REGISTRATION STATEMENT, AND TO FILE THE SAME, WITH ALL EXHIBITS THERETO, AND OTHER DOCUMENTS IN CONNECTION THEREWITH, WITH THE SECURITIES AND EXCHANGE COMMISSION, GRANTING UNTO SAID ATTORNEYS-IN-FACT AND AGENTS, EACH ACTING ALONE, FULL POWER AND AUTHORITY TO DO AND PERFORM EACH AND EVERY ACT AND THING REQUISITE AND NECESSARY TO BE DONE IN AND ABOUT THE PREMISES, AS FULLY TO ALL INTENTS AND PURPOSES AS HE MIGHT OR COULD DO IN PERSON, HEREBY RATIFYING AND CONFIRMING ALL THAT SAID ATTORNEYS-IN FACT AND AGENTS, EACH ACTING ALONE, OR THEIR OR HIS SUBSTITUTE OR SUBSTITUTES, MAY LAWFULLY DO OR CAUSE TO BE DONE BY VIRTUE HEREOF.

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ Felix Zandman<br>- ----------<br>FELIX ZANDMAN | Chairman of the Board, President, Chief Executive Officer and Director (Principle Executive Officer) | August 28,1995 |
| /s/ Richard N. Grubb<br>- ----------<br>RICHARD N. GRUBB | Vice President, Treasurer, Chief Financial Officer and Director (Principle Financial and Accounting Officer) | August 28, 1995 |

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ Donald G. Alfson<br>DONALD G. ALFSON | Director and Vice President, President of Vishay Electronic Components, U.S. and Asia | August 28, 1995 |
| /s/ Avi D. Eden<br>AVI D. EDEN | Director | August 28, 1995 |
| /s/ Robert A. Freece<br>ROBERT A. FREECE | Senior Vice President and Director | August 28, 1995 |
| /s/ Eliyahu Hurvitz<br>ELIYAHU HURVITZ | Director | August 28, 1995 |
| /s/ Gerald Paul<br>GERALD PAUL | Director and Vice President, President of Vishay Electronic Components, Europe | August 28, 1995 |
| /s/ Edward B. Shils<br>EDWARD B. SHILS | Director | August 28, 1995 |
| /s/ Luella B. Slaner<br>LUELLA B. SLANER | Director | August 28, 1995 |
| /s/ Mark I. Solomon<br>MARK I. SOLOMON | Director | August 28, 1995 |
| /s/ Jean-Claude Tine<br>JEAN-CLAUDE TINE | Director | August 28, 1995 |

INDEX TO EXHIBITS

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| 3.2 | --Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.2 to the Registration Statement of Form S-2, Registration No. 33-13833) and Amendment No. 1 to Amended and Restated By-laws of the Company (incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993). | |
| 5 | --Opinion of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, counsel to the Company, as to the legality of securities being registered (including consent).* | |
| 10.1 | --The Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term Loan Agreement (the "Vishay Loan Agreement"), dated as of July 18, 1994, by and among Comerica Bank, NationsBank of North Carolina, N.A., Berliner Handels-und Frankfurter Bank, Signet Bank Maryland, CoreStates Bank, N.A., Bank Hapoalim, B.M., ABN AMRO Bank N.V., Credit Lyonnais New York Branch, Meridian Bank, Bank Leumi le-Israel, B.M. and Credit Suisse (collectively, the "Banks"), Comerica Bank, as agent for the Banks (the "Agent"), and Vishay Intertechnology, Inc. ("Vishay"), dated as of July 18, 1994. Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated July 18, 1994 (the "1994 Form 8-K"). | |
| 10.2 | --The Amended and Restated Vishay Europe GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement (the "DM Loan Agreement"), dated as of July 18, 1994, by and among the Banks, the Agent and Vishay Europe GmbH ("VEG"). Incorporated by reference to Exhibit 10.2 to the 1994 Form 8-K. | |
| 10.3 | --The Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement, dated as of July 18, 1994 (the "Roederstein Loan Agreement"), by and among the Banks, the Agent and VEG. Incorporated by reference to Exhibit 10.3 to the 1994 Form 8-K. | |
| 10.4 | --The Vishay Intertechnology, Inc. $200,000,000 Acquisition Loan Agreement (the "Acquisition Loan Agreement"), dated as of July 18, 1994, by and among the Banks, the Agent and Vishay. Incorporated by reference to Exhibit 10.4 to the 1994 Form 8-K. | |
| 10.5 | --The First Amendment dated June 27, 1995 to the Vishay Loan Agreement and the Acquisition Loan Agreement. (Incorporated by reference to Exhibit 10.1 to the Form 10-Q.) | |
| 10.6 | --The First Amendment dated June 27, 1995 to the DM Loan Agreement and the Roederstein Loan Agreement. (Incorporated by reference to Exhibit 10.2 to the Form 10-Q.) | |
| 10.7 | --Amended and Restated Vishay Guaranty by Vishay to the Banks, dated as of July 18, 1994. Incorporated by reference to Exhibit 10.5 to the 1994 Form 8-K. | |
| 10.8 | --Domestic Guaranty by Dale Holdings, Inc., Dale Electronics, Inc., Measurements Group, Inc., Vishay Sprague Holdings Corp. and Sprague Sanford, Inc. to the Banks, dated as of July 18, 1994. Incorporated by reference to Exhibit 10.6 to the 1994 Form 8-K. | |
| 10.9 | --Amended and Restated Permitted Borrowers Guaranty by Vilna Equities Holding B.V., VBG, Draloric Electronic GmbH, E-Sil Components Ltd., Sfernice, S.A. and Roederstein Spezialfabriken fur Bauelemente der Elektronik und Kondersatoren der Starkstromtechnik GmbH to the Banks, dated as of July 18, 1994. Incorporated by reference to Exhibit 10.7 to the 1994 Form 8-K. | |

| EXHIBIT NO. | DESCRIPTION OF EXHIBITS | PAGE |
|---|---|---|
| 23.1 | --Consent of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel (contained in the opinion filed as Exhibit 5). | |
| 23.2* | --Consent of Independent Auditors. | |
| 24 | --Powers of attorney (included on signature page). | |

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+ Filed herewith
* To be filed by amendment

EXHIBIT 1.1

4,000,000 SHARES OF COMMON STOCK

VISHAY INTERTECHNOLOGY, INC.

U.S. UNDERWRITING AGREEMENT

_____, 1995

Bear, Stearns & Co. Inc.
Merrill Lynch, Pierce, Fenner &
Smith Incorporated
Donaldson, Lufkin & Jenrette
Securities Corporation
Lehman Brothers Inc.
as Representatives of the
several U.S. Underwriters named
in Schedule I hereto
c/o Bear, Stearns & Co. Inc.
245 Park Avenue
New York, N.Y. 10167

Ladies and Gentlemen:

The undersigned, Vishay Intertechnology, Inc., a Delaware corporation (the "Company"), hereby confirms its agreement with you as follows:

1. U.S. UNDERWRITERS. The term "U.S. Underwriters", as used herein, refers collectively to you and the other underwriters named in Schedule I annexed hereto and made a part hereof, for whom you are acting as representatives. Except as may be expressly set forth below, any reference to you in this Agreement shall be solely in your capacity as representatives of the U.S. Underwriters.

2. DESCRIPTION OF STOCK.

(a) The Company proposes to issue and sell to the U.S. Underwriters an aggregate of 4,000,000 shares (the "Firm U.S. Shares") of its Common Stock, par value $.10 per share (the "Common Stock"), upon the terms set forth in Section 8 hereof. The Company also proposes to grant to the U.S. Underwriters the option to purchase from the Company, for the sole purpose of covering over-allotments in connection with the sale of the Firm U.S. Shares, an aggregate of up to 600,000 additional shares (the "Additional U.S. Shares") of Common Stock upon the terms set forth in Section 8 hereof and for the purposes set forth in

subsection 4(b) hereof. The Firm U.S. Shares and the Additional U.S. Shares are hereinafter referred to collectively as the "U.S. Shares."

(b) It is understood and agreed to by all the parties that the Company is concurrently entering into an agreement (the "International Underwriting Agreement") providing for the sale by the Company of up to a total of 1,000,000 shares (the "Firm International Shares") of Common Stock through arrangements with certain underwriters outside the United States (the "Managers"), for which Bear, Stearns International Limited, Merrill Lynch International Limited, Donaldson, Lufkin & Jenrette Securities Corporation and Lehman Brothers International (Europe) are acting as representatives. The Company also proposes to grant to the Managers the option to purchase, for the sole purpose of covering over-allotments in connection with the sale of the Firm International Shares, up to an aggregate of 150,000 additional shares (the "Additional International Shares") of Common Stock. The Firm International Shares and the Additional International Shares are collectively referred to herein as the "International Shares," the U.S. Shares and the International Shares are collectively referred to herein as the "Shares" and this Agreement and the International Underwriting Agreement are collectively referred to as the "Underwriting Agreements."

(c) It is also understood and agreed to by all the parties that the U.S. Underwriters have entered into an agreement with the Managers (the "Agreement between U.S. Underwriters and Managers") contemplating the coordination of certain transactions between the U.S. Underwriters and the Managers and that, pursuant thereto and subject to the conditions set forth therein, the U.S. Underwriters may (i) purchase from the Managers a portion of the International Shares to be sold to the Managers pursuant to the International Underwriting Agreement or (ii) sell to the Managers a portion of the U.S. Shares to be sold to the U.S. Underwriters pursuant to this Agreement. The Company also understands that any such purchases and sales between the U.S. Underwriters and the Managers shall be governed by the Agreement between U.S. Underwriters and Managers and shall not be governed by the terms of this Agreement.

(d) Prior to the public offering of the U.S. Shares by the U.S. Underwriters, the Company and you, acting on behalf of the U.S. Underwriters, shall enter into an agreement substantially in the form of Exhibit A hereto (the "U.S. Pricing Agreement"). The U.S. Pricing Agreement may take the form of an exchange of any standard form of written telecommunication between the parties hereto and shall specify such applicable information as is indicated on Exhibit A hereto. The offering of the U.S. Shares shall be governed by this Agreement, as

supplemented by the U.S. Pricing Agreement. From and after the date of the execution and delivery of the U.S. Pricing Agreement, this Agreement shall be deemed to incorporate the U.S. Pricing Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to, and agrees with, each U.S. Underwriter that:

(a) The Company meets the requirements for the use of Form S-3 under the Securities Act of 1933, as amended (the "Act"), and has prepared and filed with the Securities and Exchange Commission (the "Commission"), pursuant to the Act and the rules and regulations promulgated by the Commission thereunder (the "Regulations"), a registration statement on Form S-3 (File No. 33 ) relating to the Shares and one amendment thereto, including in each case a preliminary prospectus relating to the offering of the U.S. Shares. The Company next proposes to file with the Commission after the effectiveness of such registration statement, in accordance with Rules 430A and 424(b)(1) or Rule 424(b)(4) of the Regulations, a final prospectus with respect to the offering of the U.S. Shares, the final prospectus so filed in either case to include all Rule 430A Information (as hereinafter defined) and to conform, in content and form, to the last printer's proof thereof furnished to and approved by you immediately prior to such filing. As used in this Agreement, (i) the term "Effective Date" means the date that the registration statement hereinabove referred to is declared effective by the Commission, (ii) the term "Registration Statement" means such registration statement as last amended prior to the time the same was declared effective by the Commission, including all exhibits and schedules thereto, all documents (including financial statements, financial schedules and exhibits) incorporated therein by reference and all Rule 430A Information deemed to be included therein at the Effective Date pursuant to Rule 430A of the Regulations, (iii) the term "Rule 430A Information" means information with respect to the Shares and the public offering thereof permitted, pursuant to the provisions of paragraph (a) of Rule 430A of the Regulations, to be omitted from the form of prospectus included in the Registration Statement at the time it is declared effective by the Commission, (iv) the term "U.S. Prospectus" means the form of final prospectus relating to the U.S. Shares first filed with the Commission pursuant to Rule 424(b) of the Regulations or, if no filing pursuant to Rule 424(b) is required, the form of final prospectus included in the

Registration Statement at the Effective Date, (v) the term "International Prospectus" means the form of final prospectus relating to the International Shares first filed with the Commission pursuant to Rule 424(b) of the Regulations or, if no filing pursuant to Rule 424(b) is required, the form of final prospectus included in the Registration Statement at the Effective Date (the U.S. Prospectus and the International Prospectus are referred to collectively as the "Prospectuses"), (vi) the term "U.S. Preliminary Prospectus" means any preliminary prospectus (as described in Rule 430 of the Regulations) with respect to the U.S Shares that omits Rule 430A Information and (vii) the term "International Preliminary Prospectus" means any preliminary prospectus (as described in Rule 430 of the Regulations) with respect to the International Shares that omits Rule 430A Information (the U.S. Preliminary Prospectus and the International Preliminary Prospectus are referred to collectively as the "Preliminary Prospectuses"). Any reference herein to either Preliminary Prospectus or Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 that were filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on or before the date of such Preliminary Prospectus or the date of such Prospectus, as the case may be, except that any such documents shall be deemed to be modified or superseded to the extent that a statement contained in such Preliminary Prospectus or such Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference therein modifies or supersedes such statement (all such documents being hereinafter referred to as the "Incorporated Documents").

(b) On the Effective Date, the date the U.S. Prospectus is first filed with the Commission pursuant to Rule 424(b) of the Regulations (if required), at all times subsequent thereto to and including the Closing Date and, if later, the Additional Closing Date (each as hereinafter defined), when any post-effective amendment to the Registration Statement becomes effective or any supplement to the U.S. Prospectus is filed with the Commission, and during such longer period as the U.S. Prospectus may be required to be delivered in connection with sales of U.S. Shares by the U.S. Underwriters or a dealer, the Registration Statement and the U.S. Prospectus (as amended or supplemented if the Company shall have filed with the Commission an amendment or supplement thereto) did or will comply in all material respects with the applicable provisions of the Act, the Regulations, the Exchange Act and the rules and regulations thereunder, and did not and will

not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein (in the case of the U.S. Prospectus, in light of the circumstances under which they were made) not misleading. When any U.S. Preliminary Prospectus was first filed with the Commission (whether filed as part of the Registration Statement or an amendment thereof or pursuant to Rule 424(a) of the Regulations) and when any amendment thereof or supplement thereto was first filed with the Commission, such U.S. Preliminary Prospectus and any amendments thereof and supplements thereto complied in all material respects with the applicable provisions of the Act and the Exchange Act and the respective rules and regulations thereunder and did not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. No representation and warranty, however, is made in this subsection 3(b) by the Company with respect to written information contained in or omitted from the Registration Statement, the U.S. Prospectus, any U.S. Preliminary Prospectus, or any amendment or supplement in reliance upon and in conformity with information furnished to the Company by you or on your behalf with respect to the U.S. Underwriters and the plan of distribution of the Shares expressly for use in connection with the preparation thereof. Each of the Incorporated Documents, when each was first filed with the Commission, complied in all material respects with the applicable provisions of the Exchange Act and the rules and regulations of the Commission thereunder and any further documents so filed and incorporated by reference will, when they are filed with the Commission, comply in all material respects with the applicable provisions of the Exchange Act. None of such filed documents when they were filed (or, if an amendment with respect thereto was filed, when such amendment was filed), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading; and no such further document, when it is filed with the Commission, will contain an untrue statement of a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(c) Each contract, agreement, instrument, lease, license or other item required to be described or incorporated by reference in the Registration Statement or

the U.S. Prospectus has been properly described, or shall be properly described, as the case may be, in all material respects or incorporated by reference therein. Each contract, agreement, instrument, lease, license, or other item required to be filed as an exhibit to the Registration Statement has been filed with the Commission as an exhibit to, or has been incorporated by reference as an exhibit into, the Registration Statement.

(d) Ernst & Young LLP, whose separate report has been filed with the Commission and is incorporated by reference in the Registration Statement, are independent public accountants with regard to the Company, as required by and within the meaning of the Act and the Regulations. The consolidated financial statements of the Company and its consolidated subsidiaries (the "Company Financials") incorporated by reference in the Registration Statement and to be incorporated by reference in the U.S. Prospectus fairly present, with respect to the Company and its consolidated subsidiaries, the consolidated financial position, the consolidated results of operations and the other information purported to be shown therein at the respective dates and for the respective periods to which they apply. The Company Financials have been prepared in accordance with generally accepted accounting principles as in effect in the United States ("US GAAP") consistently applied throughout the periods involved, and are, in all material respects, prepared in accordance with the books and records of the Company and its consolidated subsidiaries. No other financial statements are required by Form S-3 or otherwise to be included in the Registration Statement or the U.S. Prospectus.

(e) Subsequent to the respective dates as of which information is given in the Registration Statement, except as set forth in the Registration Statement, there has not been any material adverse change in the business, properties, operations, condition (financial or other) or results of operations of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, and since the date of the latest balance sheet of the Company included or incorporated by reference in the Registration Statement, neither the Company nor any of its subsidiaries has incurred or undertaken any liabilities or obligations, direct or contingent, that are material to the Company and its subsidiaries taken as a whole, except for liabilities or obligations (i) incurred or undertaken in the ordinary course of business or (ii) disclosed in the Registration Statement.

(f) The Company has all requisite legal right, power and authority to execute, deliver and perform this Agreement and to issue, sell and deliver the U.S. Shares in accordance with the terms and conditions of this Agreement. This Agreement has been duly and validly authorized, executed and delivered by the Company and is a legal and binding obligation of the Company, enforceable against the Company in accordance with its terms except (i) that rights to indemnity and/or contribution hereunder may be limited by federal or state securities laws or the public policy underlying such laws, (ii) that such enforcement may be subject to bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect relating to creditors' rights generally and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(g) The execution, delivery and performance by the Company of this Agreement and the U.S. Pricing Agreement and the consummation of the transactions contemplated hereby will not (i) conflict with or result in a breach of any of the terms and provisions of, or constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) or require consent under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to the terms of, any agreement, instrument, franchise, license or permit to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets may be bound and that is material to the Company and its subsidiaries taken as a whole, or (ii) violate or conflict with any provision of the certificate of incorporation, by-laws or similar governing instruments of the Company or any of its subsidiaries listed on Schedule II hereto (the "Material Subsidiaries") or (iii) violate or conflict with any judgment, decree, order, statute, rule or regulation of any court or any public, governmental or regulatory agency or body having jurisdiction over the Company or any of its Material Subsidiaries or any of their respective properties or assets, except for those violations or conflicts that individually or in the aggregate would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(h) No consent, approval, authorization, order, registration, filing, qualification, license or permit of or

with any court or any public, governmental or regulatory agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets is required for the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby, except the registration under the Act of the Shares, the authorization of the Shares for listing on the New York Stock Exchange (the "NYSE") and such consents, approvals, authorizations, orders, registrations, filings, qualifications, licenses and permits as may be required under state securities laws in connection with the purchase and distribution of the Shares by the U.S. Underwriters and the Managers. No consent of any party to any material contract, agreement, instrument, lease, license, arrangement or understanding to which the Company or any subsidiary is party, or to which any of their respective properties or assets are subject, is required for the execution, delivery or performance of this Agreement by the Company or for the issuance, sale or delivery by the Company of the Shares.

(i) All of the currently outstanding shares of Common Stock and all of the outstanding shares of capital stock of each of the Material Subsidiaries have been duly and validly authorized and issued, are fully paid and nonassessable and were not issued in violation of or subject to any preemptive rights. The U.S. Shares have been duly authorized and, when issued, delivered and sold in accordance with this Agreement, will be validly issued, fully paid and nonassessable, and will not have been issued in violation of or subject to any preemptive rights. The Company had, at June 30, 1995, an authorized and outstanding capitalization as set forth in the Registration Statement and as shall be set forth in the U.S. Prospectus, both on an historical basis and as adjusted to give effect to the offering. The Common Stock conforms to the description thereof set forth in, or incorporated by reference into, the Registration Statement and as shall be set forth in or incorporated by reference into, the U.S. Prospectus. The Company owns directly or indirectly all of the shares of capital stock of the Company's subsidiaries, free and clear of all claims, liens, security interests, pledges, charges, encumbrances, stockholders agreements and voting trusts except as otherwise described in Schedule III hereto or in the Registration Statement and as may be disclosed in the U.S. Prospectus, other than immaterial amounts of shares that are owned by employees of certain subsidiaries.

(j) There is no commitment, plan or arrangement to issue, and no outstanding option, warrant or other right

calling for the issuance of, any share of capital stock of the Company or of any subsidiary or any security or other instrument that by its terms is convertible into, exercisable for, or exchangeable for capital stock of the Company or any subsidiary of the Company, except as described in the Registration Statement and as may be described in the U.S. Prospectus.

(k) The Company has no active subsidiaries other than those listed in Schedule III hereto and all references in this Agreement to subsidiaries of the Company (except as otherwise provided) shall be deemed limited to the Company's active subsidiaries. Each of the Company and its Material Subsidiaries has been duly organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation. Each of the Company and its Material Subsidiaries is duly qualified and in good standing as a foreign corporation in each jurisdiction in which the character or location of its properties (owned, leased or licensed) or the nature or conduct of its business makes such qualification necessary, except for those failures to be so qualified or in good standing that will not in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole. Each of the Company and its Material Subsidiaries has all requisite corporate power and authority, and all necessary consents, approvals, authorizations, orders, registrations, filings, qualifications, licenses and permits of and from all public, regulatory or governmental agencies and bodies, to own, lease and operate its properties and conduct its business as now being conducted and as described in the Registration Statement and as may be described in the U.S. Prospectus (except for those the absence of which, individually or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries taken as a whole), and no such consent, approval, authorization, order, registration, qualification, license or permit contains a materially burdensome restriction that is not adequately disclosed in the Registration Statement and the U.S. Prospectus.

(l) Neither the Company nor any of its subsidiaries, nor to the best knowledge of the Company or any subsidiary, any other party, is in violation or breach of, or in default (nor has an event occurred that with notice, lapse of time or both, would constitute a default) with respect to complying with, any material provision of any contract, agreement, instrument, lease, license, arrangement, or understanding that is material to the Company and its subsidiaries taken as a whole, except for such violations, breaches and defaults as, individually or in the aggregate,

would not have a material adverse effect on the financial condition, results of operation or business of the Company and its subsidiaries taken as a whole; and each such contract, agreement, instrument, lease, license, arrangement, and understanding is in full force and effect, and is the legal, valid, and binding obligation of the Company or such subsidiary, as the case may be, and (subject to applicable bankruptcy, insolvency, and other laws affecting the enforceability of creditors' rights generally) is enforceable as to the Company or such subsidiary, as the case may be, in accordance with its terms. The Company and each Material Subsidiary enjoys peaceful and undisturbed possession in all material respects under all material leases and licenses under which it is operating. Neither the Company nor any of its Material Subsidiaries is in violation of its certificate of incorporation, by-laws or similar governing instrument.

(m) There is no litigation, arbitration, claim, governmental or other proceeding or investigation pending or, to the best knowledge of the Company or any subsidiary after due inquiry, threatened (or any basis therefor known to the Company or any subsidiary), with respect to the Company, any subsidiary, or any of their respective operations, businesses, properties or assets except as disclosed in the Registration Statement and as may be described in the U.S. Prospectus, that might have, individually or in the aggregate, a material adverse effect upon the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as a whole.

(n) Each of the Company and its subsidiaries has good and marketable title to all of its real and personal properties and assets that are owned by it, free and clear of all liens, security interests, pledges, charges, encumbrances, and mortgages (except as disclosed in the Registration Statement and as may be disclosed in the U.S. Prospectus or such as individually or in the aggregate do not have a material adverse effect upon the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as a whole). No real property owned, leased, licensed, or used by the Company or by a Material Subsidiary lies in an area that is, or to the best knowledge of the Company or any Material Subsidiary will be, subject to zoning, use, or building code restrictions that would prohibit, and no state of facts relating to the actions or inaction of another person or entity or his, her or its ownership, leasing, licensing, or use of any real or

personal property exists that would prevent, the continued effective ownership, leasing, licensing, or use of such real property in the business of the Company or such subsidiary as presently conducted or as the U.S. Prospectus indicates it contemplates conducting (except as may be described in the U.S. Prospectus or such as individually or in the aggregate do not have a material adverse effect upon the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as whole).

(o) All material patents, patent applications, trademarks, trademark applications, trade names, service marks, copyrights, franchises, and other intangible properties and assets (all of the foregoing being herein called "Intangibles") that the Company or any subsidiary owns or has pending, or under which it is licensed, are in good standing, are, to the knowledge of the Company and any subsidiary, uncontested. Neither the Company nor any subsidiary has received notice of infringement with respect to asserted Intangibles of others. To the knowledge of the Company and any subsidiary, there is no infringement by others of Intangibles of the Company or any subsidiary that has had or may in the future have a materially adverse effect on the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as a whole.

(p) To the Company's knowledge, neither the Company or any subsidiary, nor any director, officer or employee of the Company or any subsidiary has, directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to political activity; made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment.

(q) No person has the right by contract or otherwise to require registration under the Act of shares of Common Stock or other securities of the Company because of the filing or effectiveness of the Registration Statement.

(r) Neither the Company nor any of its officers, directors or affiliates (as defined in the Regulations) has taken or will take, directly or indirectly, prior to the termination of the underwriting contemplated by this

Agreement, any action designed to stabilize or manipulate the price of any security of the Company, or that has caused or resulted in, or that might reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company, to facilitate the sale or resale of any of the Shares.

(s) Neither the Company nor any of its subsidiaries is, or intends to conduct its business in such a manner that it would become, an "investment company" or a company "controlled" by an "investment company" as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act").

(t) Except as may be set forth in the U.S. Prospectus, the Company has not incurred any liability for a fee, commission, or other compensation on account of the employment of a broker or finder in connection with the transactions contemplated by this Agreement.

(u) The Company and each of its Material Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) the access to the respective assets of the Company and such material Subsidiary, as the case may be, is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(v) Other than as disclosed in the Registration Statement and as shall be disclosed in the U.S. Prospectus, no labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of management of the Company, is imminent that, singly or in the aggregate, is or is reasonably likely to be materially adverse to the Company and its subsidiaries taken as a whole, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that reasonably can be expected to have a material adverse effect on the financial condition, results of operations, operations or business of the Company and its subsidiaries taken as a whole.

(w) (i) All United States Federal income tax returns of the Company and each of its subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed that are due and payable have been paid, except assessments against which appeals have been or will be promptly taken and (ii) the Company and its subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable law of all other jurisdictions, except, as to each of the foregoing clauses (i) and (ii), insofar as the failure to file such returns, individually and in the aggregate, would not have a material adverse effect on the financial condition, results of operations, operations or business of the Company and its subsidiaries taken as a whole, and the Company and its subsidiaries have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Company or its subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with generally accepted accounting principles or if the failure to make any or all such payments, singly or in the aggregate, would not be material to the Company and its subsidiaries, taken as a whole. The charges, accruals and reserves on the consolidated books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not have a material adverse effect on the financial condition, results of operations, operations or business of the Company and its subsidiaries taken as whole.

4. PURCHASE, SALE AND DELIVERY OF THE U.S. SHARES.

(a)(i) On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Firm U.S. Shares to the respective U.S. Underwriters, and each U.S. Underwriter agrees, severally and not jointly, to purchase from the Company the number of Firm U.S. Shares set forth opposite the name of such U.S. Underwriter in Schedule I hereto, all at the price per share set forth in the U.S. Pricing Agreement.

(ii) If the U.S. Pricing Agreement has not been executed by the close of business on the fourth full business day following the date on which the Registration Statement becomes effective, this Agreement shall terminate

forthwith, without liability of any party to any other party except that Sections 7, 9, 10 and 11 shall remain in effect.

(iii) Delivery of the Firm U.S. Shares and payment of the purchase price therefor shall be made at the offices of Bear, Stearns & Co. Inc. at 245 Park Avenue, New York, New York 10167, or such other location in the New York City metropolitan area you shall determine and advise the Company upon at least two full business days' notice in writing. Such delivery and payment shall be made at 10:00 A.M., New York City time, on the fifth full business day following the date of execution of the U.S. Pricing Agreement, or at such other time as may be agreed upon by you and the Company. The time and date of such delivery and payment are herein called the "Closing Date." Delivery of the Firm U.S. Shares shall be made to you or upon your order, for the respective accounts of the U.S. Underwriters, against payment by you, on behalf of the respective U.S. Underwriters, to the Company of the aggregate purchase price therefor by certified or official bank check payable in New York Clearing House funds to the order of the Company; provided, however, that such payment shall be made by wire
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transfer to the account of the Company of immediately available funds if the Company provides a written request therefor to Bear, Stearns & Co. Inc. ("Bear, Stearns") at least three business days prior to the Closing Date. If such payment is made in immediately available funds, the Company shall reimburse Bear, Stearns for the incremental cost thereof at the then prevailing federal funds effective rate plus 137.5 basis points plus any applicable bank charges incurred by Bear, Stearns.

(iv) Certificates for the Firm U.S. Shares shall be registered in such name or names and in such authorized denominations as you may request in writing at least two full business days prior to the Closing Date, provided that, if so specified by you, the Firm U.S. Shares may be represented by a global certificate registered in the name of Cede & Co., as nominee of the Depositary Trust Company ("Cede"). The Company shall permit you to examine and package such certificates for delivery at least one full business day prior to the Closing Date, unless the Firm U.S. Shares are to be represented by a global certificate.

(b)(i) The Company hereby grants to the U.S. Underwriters an option (the "U.S. Option") to purchase from the Company up to an aggregate of 600,000 Additional U.S. Shares at the same price per share as is applicable to the sale of the Firm U.S. Shares to the U.S. Underwriters, for the sole purpose of covering over-allotments in the offering

of the Firm U.S. Shares by the U.S. Underwriters. The U.S. Option shall be exercisable by you on one occasion only, at any time before the expiration of 30 days from the date of the U.S. Pricing Agreement, for the purchase of all or part of the Additional U.S. Shares, such exercise to be made by notice, given by you to the Company in the manner specified in Section 14 hereof, which notice shall set forth the aggregate number of Additional U.S. Shares with respect to which the U.S. Option is being exercised, the denominations and the name or names in which certificates evidencing the Additional U.S. Shares so purchased are to be registered, and the date and time of delivery of such Additional U.S. Shares, which date may be at or subsequent to the Closing Date and shall not be less than two nor more than ten days after such notice. The aggregate number of Additional U.S. Shares to be purchased from the Company by each U.S. Underwriter (as adjusted by you to eliminate fractions) shall be determined by multiplying the total number of Additional U.S. Shares to be sold by the Company by a fraction (x) the numerator of which is the number of Firm U.S. Shares set forth opposite the name of such U.S. Underwriter in Schedule I annexed hereto and (y) the denominator of which is the total number of Firm U.S. shares.

(ii) Delivery of the Additional U.S. Shares so purchased and payment of the purchase price therefor shall be made at the offices of Bear, Stearns & Co. Inc. at 245 Park Avenue, New York, New York 10167, or such other location in the New York City metropolitan area as you shall determine and advise the Company upon at least two full business days' notice in writing. Such delivery and payment shall be made at 10:00 A.M., New York City time, on the date designated in such notice or at such other time and date as may be agreed upon by you and the Company. The time and date of such delivery and payment are herein called the "Additional Closing Date." Delivery of the Additional U.S. Shares shall be made to you or upon your order, for the respective accounts of the U.S. Underwriters, against payment by you, on behalf of the respective U.S. Underwriters, to the Company of the aggregate purchase price therefor, by certified or official bank check payable in New York Clearing House funds to the order of the Company; provided, however, that if the Additional Closing Date is
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the same date as the Closing Date and the Company is to receive payment for the Firm U.S. Shares in immediately available funds in accordance with Section 4(a)(iii), payment to the Company for the Additional U.S. Shares shall also be made in immediately available funds, in which event

the Company shall reimburse Bear, Stearns for the incremental cost thereof as provided in Section 4(a)(iii).

(iii) Certificates for the Additional U.S. Shares purchased by the U.S. Underwriters, when delivered to or upon your order, shall be registered in such name or names and in such authorized denominations as you shall have requested in the notice of exercise of the U.S. Option, provided that, if so specified by you, such Additional U.S. Shares may be represented by a global certificate registered in the name of Cede. The Company shall permit you to examine and package such certificates for delivery at least one full business day prior to the Additional Closing Date, unless the Additional U.S. Shares are to be represented by a global certificate.

(c) The U.S. Underwriters shall not be obligated to purchase any Firm U.S. Shares from the Company except upon tender to the U.S. Underwriters by the Company of all of the Firm U.S. Shares and the U.S. Underwriters shall not be obligated to purchase any Additional U.S. Shares from the Company except upon tender to the U.S. Underwriters by the Company of all of the Additional U.S. Shares specified in the notice of exercise of the U.S. Option. The Company shall not be obligated to sell or deliver any Firm U.S. Shares or Additional U.S. Shares except upon tender of payment by the U.S. Underwriters for all the Firm U.S. Shares or the Additional U.S. Shares, as the case may be, agreed to be purchased by the U.S. Underwriters hereunder.

5. OFFERING. It is understood that as soon after the U.S. Pricing Agreement has been executed and delivered as you deem it advisable to do so, the U.S. Underwriters shall offer the U.S. Shares for sale to the public as set forth in the U.S. Prospectus.

6. COVENANTS OF THE COMPANY.

The Company covenants and agrees with each U.S. Underwriter that:

(a) The Company shall use its best efforts to cause the Registration Statement to become effective. If the Registration Statement has become or becomes effective pursuant to Rule 430A of the Regulations, or filing of the U.S. Prospectus with the Commission is otherwise required under Rule 424(b) of the Regulations, the Company shall file the U.S. Prospectus, properly completed, with the Commission pursuant to Rule 424(b) of the Regulations within the time period therein prescribed and shall provide evidence

satisfactory to you of such timely filing. The Company shall promptly advise you and confirm such advice in writing, (1) when the Registration Statement or any post-effective amendment thereto has become effective, (2) of the initiation or threatening of any proceedings for, or receipt by the Company of any notice with respect to, the suspension of the qualification of the Shares for sale in any jurisdiction or the issuance by the Commission of any order suspending the effectiveness of the Registration Statement and (3) of receipt by the Company or any representative or attorney of the Company of any other communications from the Commission relating to the Company, the Registration Statement, any U.S. Preliminary Prospectus, the U.S. Prospectus or the transactions contemplated by this Agreement. The Company shall make every reasonable effort to prevent the issuance of an order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and, if any such order is issued, to obtain its lifting as soon as possible. The Company shall not file any amendment to the Registration Statement or any amendment of or supplement to the U.S. Prospectus before or after the Effective Date to which you shall reasonably object in writing after being timely furnished in advance a copy thereof unless the Company shall conclude, upon the advice of counsel, that any such amendment must be filed at a time prior to obtaining such consent.

(b) If, at any time when a prospectus relating to the Shares is required to be delivered under the Act, any event shall occur as a result of which the U.S. Prospectus as then amended or supplemented includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary at any time to amend the Registration Statement or supplement the U.S. Prospectus to comply with the Act and the Regulations, the Company shall notify you promptly and prepare and file with the Commission an appropriate post-effective amendment or supplement (in form and substance reasonably satisfactory to you) that will correct such statement or omission and shall use its best efforts to have any such post-effective amendment to the Registration Statement declared effective as soon as possible.

(c) The Company shall promptly deliver to you five manually-signed copies of the Registration Statement, including exhibits and all documents incorporated by reference therein and all amendments thereto, and to those

persons (including you) whom you identify to the Company, such number of conformed copies of the Registration Statement, each U.S. Preliminary Prospectus, the U.S. Prospectus, all amendments of and supplements to such documents, if any, and all documents incorporated by reference in the Registration Statement and the U.S. Prospectus or any amendment thereof or supplement thereto, without exhibits, as you may reasonably request.

(d) The Company shall cooperate with the U.S. Underwriters and Weil, Gotshal & Manges ("Underwriters' Counsel") in connection with their efforts to qualify or register the Shares for sale under the securities (or "Blue Sky") laws of such jurisdictions as you shall request, shall execute such applications and documents and furnish such information as may be reasonably required for such purpose and shall comply with such laws so as to continue such qualification in effect for so long as may be required to complete the distribution of the Shares; provided, however, that the Company shall not be
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required to qualify as a foreign corporation in any jurisdiction or to file a consent to service of process in any jurisdiction in any action other than one arising out of the offering or sale of the Shares in such jurisdiction.

(e) The Company shall make generally available (within the meaning of Section 11(a) of the Act) to its security holders and to you, in such numbers as you may reasonably request for distribution to the U.S. Underwriters, as soon as practicable, an earnings statement, covering a period of at least twelve consecutive full calendar months commencing after the effective date of the Registration Statement, that satisfies the provisions of Section 11(a) of the Act and Rule 158 of the Regulations.

(f) During a period of 90 days from the date of this Agreement, the Company shall not, without the prior written consent of Bear, Stearns, (A) issue, sell, offer or agree to sell, or otherwise dispose of, directly or indirectly, any Common Stock or Class B Common Stock of the Company, par value $.10 per share (the "Class B Common Stock") (or any securities convertible into, exercisable for or exchangeable for Common Stock or Class B Common Stock) other than the (i) Company's issuance and sale of Shares hereunder, (ii) the Company's issuance of shares of Common Stock upon the conversion of the Company's presently outstanding Class B Common Stock, or (iii) the issuance of Common Stock under the Company's employee benefit plans, or (B) acquire, agree or commit to acquire or publicly announce its intention to acquire, directly or through a subsidiary, assets or

securities of any other person, firm or corporation in a transaction or series of related transactions that would be material to the Company and its subsidiaries, taken as a whole. In addition, the Company has obtained and shall deliver to you on the date hereof a written undertaking from each of Dr. Felix Zandman and Mrs. Luella B. Slaner, in her individual capacity and in her capacity as Trustee of the Trust for the benefit of Mr. Alfred P. Slaner, that, without the prior written consent of Bear, Stearns, such person will not sell, offer or agree to sell, or otherwise dispose of, directly or indirectly, any Common Stock or Class B Common Stock (or any securities convertible into, exercisable for or exchangeable for Common Stock or Class B Common Stock).

(g) During the three years following the Effective Date, the Company shall furnish to you, in such numbers as you may reasonably request for distribution to the U.S. Underwriters, copies of (i) all reports to its shareholders and (ii) all reports, financial statements, and proxy or information statements filed by the Company with the Commission or any national securities exchange.

(h) The Company shall apply the proceeds from the sale of the Shares hereunder in the manner set forth under "Use of Proceeds" in the U.S. Prospectus.

(i) The Common Stock currently outstanding is listed on the NYSE and the Shares have been duly authorized for listing on the NYSE, subject only to official notice of issuance. The Company shall use its best efforts promptly to cause the Shares to be listed on the NYSE.

(j) The Company shall comply with all registration, filing, and reporting requirements of the Exchange Act, which may from time to time be applicable to the Company.

(k) The Company shall comply with all provisions of all undertakings contained in the Registration Statement.

(l) Prior to the Closing Date or the Additional Closing Date, as the case may be, the Company shall issue no press release or other communication directly or indirectly and hold no press conference with respect to the Company, any subsidiary, the financial condition, results of operations, operations, business properties, assets, liabilities, or prospects of any of them, or this offering, without your prior consent, which shall not be unreasonably withheld, unless the Company shall conclude upon the advice of counsel that such press release or other communication must be issued at a time prior to obtaining such consent.

7. PAYMENT OF EXPENSES. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay all costs and expenses incident to the performance of its obligations hereunder, including those in connection with (i) preparing, printing, duplicating, filing and distributing the Registration Statement (including all amendments thereof and exhibits thereto), any Preliminary Prospectuses, the Prospectuses and any supplements thereto, the underwriting documents (including this Agreement, the International Underwriting Agreement, the U.S. and International Pricing Agreements and any agreements with selected securities dealers) and all other documents relating to the public offering of the Shares (including those supplied to the U.S. Underwriters in quantities as hereinabove stated and those supplied to the Managers in quantities as stated in the International Underwriting Agreement), (ii) the issuance, transfer and delivery of the Shares to the U.S. Underwriters and the Managers, including any transfer or other taxes payable thereon, (iii) the qualification, if any, of the Shares under state securities laws, including the costs of preparing, printing and distributing to the U.S. Underwriters a preliminary and final Blue Sky Memorandum and the reasonable fees and disbursements of Underwriters' Counsel in connection therewith, (iv) the listing of the Shares on the NYSE and (v) the review of the terms of the public offering of the Shares by the National Association of Securities Dealers, Inc. (the "NASD") and the reasonable fees and disbursements of Underwriters' Counsel in connection therewith.

8. CONDITIONS OF THE U.S. UNDERWRITERS' OBLIGATIONS. The obligations of the several U.S. Underwriters to purchase and pay for the U.S. Shares, as provided herein, shall be subject to the accuracy of the representations and warranties of the Company herein contained, as of the date hereof, as of the Closing Date and, with respect to the Additional U.S. Shares, the accuracy of the representations and warranties of the Company as of the Additional Closing Date, to the absence from any certificates, opinions, written statements or letters furnished pursuant to this Section 8 to you or to Underwriters' Counsel of any qualification or limitation not previously approved in writing by you, to the performance by the Company of its obligations hereunder, and to the following additional conditions:

(a) The Registration Statement shall have become effective not later than 5:00 P.M., New York time, on the date of this Agreement or at such later time and date as shall have been consented to in writing by the Representatives, and no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereof shall have been issued by the

Commission or any state securities commission and no proceedings therefor shall have been initiated or threatened by the Commission or any state securities commission.

(b) At the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received the opinion of Avi Eden, Esq., general counsel for the Company, dated the date of its delivery, addressed to the U.S. Underwriters and the Managers, and in form and scope satisfactory to Underwriters' Counsel, to the effect that:

(i) The Company and each of its domestic subsidiaries listed in Schedule II hereto (the "Material Domestic Subsidiaries") (x) has been duly organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation and is duly qualified and in good standing as a foreign corporation in each jurisdiction in which the character or location of its properties (owned, leased or licensed) or the nature or conduct of its business makes such qualification necessary, except for those failures to be so qualified or in good standing that, in the aggregate, will not have a material adverse effect on the Company and its subsidiaries taken as a whole and (y) has all requisite corporate authority to own, lease and license its respective properties and conduct its business as now being conducted and as described in the Registration Statement and the Prospectuses. All of the issued and outstanding capital stock of each Material Domestic Subsidiary of the Company has been duly and validly issued and is fully paid and nonassessable and free of preemptive rights and, except for immaterial numbers of shares of certain of those subsidiaries that are owned by directors or employees of those subsidiaries, is owned by the Company or a subsidiary thereof, free and clear of any lien, adverse claim or security interest and, to the knowledge of such counsel, restriction on transfer, shareholders' agreement, voting trust or other defect of title whatsoever, except as otherwise described in the Registration Statement and as may be disclosed in the Prospectuses.

(ii) The authorized capital stock of the Company is as set forth in the Registration Statement and the Prospectuses. All of the outstanding shares of such capital stock have been duly authorized and validly issued, are fully paid and nonassessable and were not issued in violation of or subject to any preemptive

rights. The Shares have been duly authorized for issuance and sale to the U.S. Underwriters and the Managers, respectively, pursuant to the Underwriting Agreements and, when so sold and delivered to the U.S. Underwriters and the Managers, respectively, will be validly issued, fully paid and nonassessable and will not have been issued in violation of or subject to any preemptive rights. To the best knowledge of such counsel after due inquiry, there is no outstanding option, warrant or other right calling for the issuance of any share of capital stock of the Company or of any Material Domestic Subsidiary of any security or other instrument that by its terms is convertible into, exercisable for or exchangeable for capital stock of the Company or any Material Domestic Subsidiary, except as may be described in the Prospectuses. Upon delivery of and payment for the Shares to be sold by the Company to each U.S. Underwriter and Manager pursuant to the Underwriting Agreements, each U.S. Underwriter and each Manager (assuming that it acquires such Shares without notice of any adverse claim, as such term is used in Section 8-302 of the Uniform Commercial Code in effect in the State of New York) will acquire good and marketable title to the Shares so sold and delivered to it, free and clear of all liens, pledges, charges, claims, security interests, restrictions on transfer, agreements or other defects of title whatsoever (other than those resulting from any action taken by such U.S. Underwriter or such Manager). The Common Stock conforms in all material respects to the description thereof contained in the Registration Statement and the Prospectuses.

(iii) The Common Stock currently outstanding is listed on the NYSE and the Shares have been duly authorized for listing on the NYSE, subject only to official notice of issuance.

(iv) The Company has all requisite legal corporate right, power and authority to execute, deliver and perform the Underwriting Agreements and the Pricing Agreements and to consummate the transactions contemplated thereby. The Underwriting Agreements and the Pricing Agreements and the transactions contemplated thereby have been duly and validly authorized, executed and delivered by the Company, and the Underwriting Agreements constitute valid and binding obligations of the Company, except to the extent (A) that rights to indemnity and/or contribution thereunder may be limited by federal or state

securities laws or the public policy underlying such laws, (B) that such enforcement may be subject to bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect relating to creditors' rights generally and (C) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(v) To the best of such counsel's knowledge, there is no litigation or governmental or other action, suit, proceeding or investigation before any court or before or by any public, regulatory or governmental agency or body pending or threatened against, or involving the properties or business of, the Company or any of its subsidiaries, that, if resolved against the Company or such subsidiary, individually or, to the extent involving related claims or issues, in the aggregate, is of a character required to be disclosed in the Registration Statement and the Prospectuses that has not been properly disclosed therein; and to such counsel's knowledge, there is no contract or document concerning the Company or any of its subsidiaries of a character required to be described in the Registration Statement and the Prospectuses or to be filed as an exhibit to the Registration Statement, that is not so described or filed.

(vi) To such counsel's knowledge, no order directed to any Incorporated Document has been issued by the Commission and no challenge has been made by the Commission to the accuracy or adequacy of any such Incorporated Document.

(vii) The execution, delivery, and performance by the Company of the Underwriting Agreements and the consummation of the transactions contemplated thereby do not and will not when such performance is required pursuant to the terms hereof (A) conflict with or result in a breach of any of the terms and provisions of, or constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) or require consent under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to the terms of any agreement, instrument, franchise, license or permit known to such counsel to which the Company or any of its subsidiaries is a party or by which any of such

corporations or their respective properties or assets are or may be bound and that is material to the Company and its subsidiaries taken as a whole (other than those conflicts, breaches and defaults as to which requisite waivers or consents have been obtained by the Company and those that, individually or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries taken as a whole), (B) violate or conflict with any provision of the certificate of incorporation or by-laws or equivalent instruments of the Company or any of its subsidiaries that are organized under the laws of any state or other jurisdiction in the United States, or (C) to the best knowledge of such counsel, violate or conflict with any judgment, decree, order, statute, rule or regulation of any court or any public, governmental or regulatory agency or body having jurisdiction over the Company or any of its Material Domestic Subsidiaries or any of their respective properties or assets, except for those violations or conflicts that, singly or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries taken as a whole. To the knowledge of such counsel, no consent, approval, authorization, order, registration, filing, qualification, license or permit of or with any court or any public, governmental, or regulatory agency or body having jurisdiction over the Company or any of its Material Domestic Subsidiaries or any of their respective properties or assets is required for the execution, delivery and performance of the Underwriting Agreements by the Company and the consummation of the transactions contemplated thereby, including, without limitation, the issuance, sale and delivery of the Shares, except for (1) such as may be required under state securities laws in connection with the purchase and distribution of the Shares by the U.S. Underwriters (as to which such counsel need express no opinion) and (2) such as have been made or obtained under the Act or the rules of the NYSE.

(viii) No consent of any party to any material contract, agreement, instrument, lease or license known to such counsel to which the Company or any subsidiary thereof is a party, or to which any of their respective properties or assets are subject, is required for the execution, delivery, or performance of this Agreement, or the sale or delivery of the U.S. Shares.

(ix) Insofar as statements in the Prospectuses purport to summarize the status of litigation or the

provisions of laws, rules, regulations, orders, judgments, decrees, contracts, agreements, instruments, leases, or licenses, such statements are correct in all material respects and, to the best knowledge of such counsel, the statements accurately reflect the status of such litigation.

(x) The Company is not an "investment company" or a company "controlled" by an "investment company" as defined in the Investment Company Act.

(xi) To such counsel's knowledge, no person or entity has the right, by contract or otherwise, to require registration under the Act of shares of Common Stock or other securities of the Company solely because of the filing or effectiveness of the Registration Statement.

(xii) Such counsel has received no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and to the best knowledge of such counsel, no proceedings therefore have been initiated or threatened by the Commission.

In addition, such counsel shall state that he has participated in conferences with officers and other representatives of the Company and its subsidiaries, representatives of the independent certified public accountants of the Company, representatives of the U.S. Underwriters and the Managers and Underwriters' Counsel at which the contents of the Registration Statement, the Prospectuses and any amendments thereof or supplements thereto and related matters were discussed and, although such counsel has not undertaken to investigate or verify independently, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectuses or any amendments thereof or supplements thereto (except as to matters referred to in the last sentence of clause (ii) above), on the basis of the foregoing (relying as to materiality to a large extent upon the opinions of officers and other representatives of the Company) nothing has caused such counsel to believe that the Registration Statement at the time it became effective (or any post-effective amendment thereof as of the date of such amendment) contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectuses as of the date thereof and as of the

date of such opinion contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no view with respect to the financial statements and schedules and other financial, accounting and statistical data included therein, or with respect to the exhibits to the Registration Statement or with respect to any information furnished by or on behalf of the U.S. Underwriters or the Managers for use in the Registration Statement).

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than the laws of the United States, the Commonwealth of Pennsylvania and Delaware corporate law, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to Underwriters' Counsel) of other counsel reasonably acceptable to Underwriters' Counsel, familiar with the applicable laws; and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and certificates or other written statements of officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company and its subsidiaries. The opinion of counsel for the Company shall state that the opinion of any such other counsel is in form and substance satisfactory to such counsel and, in his opinion, he and you are justified in relying thereon.

(c) On the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received the opinion of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, special counsel for the Company, dated the date of its delivery, addressed to the U.S. Underwriters and the Managers and in form and scope satisfactory to Underwriters' Counsel, to the effect that:

(i) The Registration Statement and the Prospectuses (other than the financial statements and schedules and other financial and statistical data included or incorporated by reference therein, as to which no opinion need be expressed) comply as to form in all material respects with the requirements of the Act and the Regulations. The Incorporated Documents (other than the financial statements and schedules and other financial and statistical data included or incorporated by reference therein, as to which no

opinion need be expressed) complied as to form in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder as of the respective dates filed with the Commission; and

(ii) The Registration Statement has become effective under the Act, and such counsel is not aware of any stop order suspending the effectiveness of the Registration Statement and to the knowledge of such counsel no proceedings therefor have been initiated or threatened by the Commission.

In addition, you shall have received the opinion of such counsel to the effect set forth in clauses (ii) (other than the second sentence thereof), (iv), (v) and (vii) of Section 8(b) hereof. You also shall have received a statement from such counsel to the effect of the penultimate paragraph of Section 8(b) hereof. In rendering such opinion, such counsel may state that their opinion is limited to matters of Federal, Delaware corporate and New York law and such counsel may rely as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and upon certificates of public officials.

(d) On the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received (i) the favorable opinion of Melissa Palmer as to the French subsidiary of the Company listed in Schedule II hereto, (ii) the favorable opinion of Peltzer & Riesenkampff as to the German subsidiaries of the Company listed in Schedule II hereto, (iii) the favorable opinion of Moret, Ernst & Young as to the Netherlands subsidiary of the Company listed on Schedule II hereto and (iv) the favorable opinion of Israel Baron, Esq. as to the Israeli subsidiary of the Company listed in Schedule II hereto, each dated the date of its delivery, addressed to the U.S. Underwriters and the Managers and in form and scope satisfactory to Underwriters' Counsel, in each case as to the absence of any pending or threatened litigation that might result in a judgment or decree having a material adverse effect on the condition (financial or other), earnings business or properties of each subsidiary that is the subject of the opinion (collectively, the "Subject Subsidiaries"), the due incorporation and continuing existence in good standing under the laws of its jurisdiction of incorporation of each such Subject Subsidiary, the due qualification in and continuing good standing of each such Subject Subsidiary under the laws of each foreign jurisdiction in which it owns or leases material properties or conducts material business

and where such qualification is required by law, the due authorization and valid issuance of the outstanding capital stock of each such Subject Subsidiary and the ownership thereof directly or indirectly by the Company free and clear of any liens, claims, security interests, except for security interests in favor of certain named banks as disclosed in the Registration Statement, the absence (to such counsel's knowledge) of any outstanding options, warrants or other rights to acquire, by purchase, exchange or conversion, shares of the capital stock of each such Subject Subsidiary and the absence (to such counsel's knowledge) of any violation, breach or default on the part of each such Subject Subsidiary of or under any agreement, lease or license that is material to the Company and its subsidiaries taken as a whole.

(e) At the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received a certificate of the Chief Financial Officer of the Company, dated the date of its delivery, to the effect that the conditions set forth in subsection (a) of this Section 8 have been satisfied, that as of the date of such certificate the representations and warranties of the Company set forth in Section 3 hereof are accurate and the obligations of the Company to be performed hereunder on or prior thereto have been duly performed.

(f) At the time this Agreement is executed and at the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received a letter, from Ernst & Young, dated the date of its delivery, addressed to the U.S. Underwriters and the Managers and in form and substance reasonably satisfactory to you, to the effect that: (i) they are independent public accountants with respect to the Company within the meaning of the Act and the Regulations and stating that the answer to Item 10 of the Registration Statement is correct insofar as it relates to them; (ii) in their opinion, the financial statements and schedules of the Company included or incorporated by reference in the Registration Statement and the Prospectuses and covered by their opinion incorporated by reference therein comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the applicable published rules and regulations of the Commission thereunder; (iii) on the basis of procedures (but not an examination made in accordance with generally accepted auditing standards) consisting of a reading of the latest available unaudited interim consolidated financial statements of the Company and its subsidiaries, a reading of the minutes of meetings and

consents of the shareholders and boards of directors of the Company and its subsidiaries and the committees of such boards subsequent to December 31, 1994, inquiries of officers and other employees of the Company and its subsidiaries who have responsibility for financial and accounting matters of the Company and its subsidiaries with respect to transactions and events subsequent to December 31, 1994, reading the unaudited consolidated condensed financial statements of the Company and its subsidiaries for the six months ended June 30, 1995 and 1994, respectively, and other specified procedures and inquiries to a date not more than six days prior to the date of such letter, nothing has come to their attention that would cause them to believe that: (A) the unaudited pro forma condensed consolidated financial statements contained in the Registration Statement and the Prospectuses do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Regulations or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements, (B) the unaudited historical consolidated condensed financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement and the Prospectuses do not comply as to form in all material respects with the applicable accounting requirements of the Act, the Exchange Act and the regulations or that such unaudited condensed consolidated financial statements are not presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement and the Prospectuses, (C) with respect to the period subsequent to June 30, 1995 there were, as of the date of the most recent available monthly consolidated financial statements of the Company and its subsidiaries, if any, and as of a specified date not more than six days prior to the date of such letter, any changes in the capital stock or long-term indebtedness of the Company or any decrease in stockholders' equity of the Company, in each case as compared with the amounts shown in the most recent balance sheet included or incorporated by reference in the Registration Statement and the Prospectuses, except for changes or decreases that the Registration Statement and the Prospectuses disclose have occurred or may occur; or (D) that during the period from June 30, 1995 to the date of the most recent available monthly consolidated financial statements of the Company and its subsidiaries, if any, and to a specified date not more than six days prior to the date of such letter, there was any decrease, as compared with the corresponding period in

the prior fiscal year, in total revenues, or total or per share net income, except for decreases that the Prospectuses disclose have occurred or may occur; and (iv) stating that they have compared specific numbers of shares, percentages of revenues and earnings, and other financial information pertaining to the Company and its subsidiaries set forth in the Prospectuses, which have been specified by you prior to the date of this Agreement, to the extent that such numbers, percentages, and information may be derived from the general accounting and financial records of the Company and its subsidiaries or from schedules furnished by the Company, and excluding any questions requiring an interpretation by legal counsel, with the results obtained from the application of specified readings, inquiries, and other appropriate procedures specified by you (which procedures do not constitute an examination in accordance with generally accepted auditing standards) set forth in such letter, and found them to be in agreement.

(g) All proceedings taken in connection with the sale of the Shares as contemplated by the Underwriting Agreements shall be reasonably satisfactory in form and substance to you and to Underwriters' Counsel, and you shall have received from Underwriters' Counsel an opinion, dated as of the Closing Date and addressed to the U.S. Underwriters and the Managers, with respect to the sale of the Firm Shares, and dated as of the Additional Closing Date with respect to the sale of the Additional Shares, as to such matters as you reasonably may require, and the Company shall have furnished to Underwriters' Counsel such documents as Underwriters' Counsel may request for the purpose of enabling Underwriters' Counsel to pass upon such matters.

(h) The NASD, upon review of the terms of the underwriting arrangements for the public offering of the Shares, shall have raised no objections thereto.

(i) The Shares shall have commenced trading on the NYSE on a when-issued basis.

(j) At the time this Agreement is executed, the Company shall have furnished to you the written undertakings referred to in the last sentence of Section 6(f), in form and substance satisfactory to Underwriters' Counsel.

(k) Prior to the Closing Date and the Additional Closing Date, the Company shall have furnished to you such further information, certificates and documents as you may reasonably request.

(l) The closing of the purchase of the International Shares pursuant to the International Underwriting Agreement shall occur concurrently with (x) the closing described in Section 4(a)(iii) hereof, in the case of the Firm U.S. Shares, and (y) the closing described in Section 4(b)(ii) hereof, in the case of the Additional U.S. Shares.

If any of the conditions specified in this Section 8 shall not have been fulfilled when and as required by this Agreement, or if any of the certificates, opinions, written statements, or letters furnished to you or to Underwriters' Counsel pursuant to this Section 8 shall not be in all material respects reasonably satisfactory in form and substance to you and to Underwriters' Counsel, all obligations of the U.S. Underwriters hereunder not theretofore discharged may be canceled by you at, or at any time prior to, the Closing Date and with respect to the Additional U.S. Shares, the Additional Closing Date. Notice of such cancellation shall be given to the Company in writing, or by telephone, telex or telegraph, confirmed in writing.

9. INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless each U.S. Underwriter and each person, if any, who controls any U.S. Underwriter within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against any and all losses, liabilities, claims, damages and expenses whatsoever (including but not limited to attorneys' fees and any and all expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation, provided that such settlement was effected with the Company's written consent in accordance with Section 9(c) hereof), joint or several, to which they or any of them may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material

fact contained in the Registration Statement or the U.S. Prospectus or any U.S. Preliminary Prospectus, or in any supplement thereto or amendment thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the U.S. Prospectus, in light of the circumstances under which they were made) not misleading; provided, however, -------- -------
that the Company shall not be liable under this subsection 9(a) to any U.S. Underwriter in any such case to the extent but only to the extent that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by or on your behalf with respect to the U.S. Underwriters; and provided further, that with respect to any U.S. Preliminary -------- -------
Prospectus, such indemnity shall not inure to the benefit of any U.S. Underwriter (or the benefit of any person controlling such U.S. Underwriter) if the person asserting any such losses, liabilities, claims, damages or expenses purchased the Shares that are the subject thereof from such U.S. Underwriter and if such person was not sent or given a copy of the U.S. Prospectus, excluding documents incorporated therein by reference, at or prior to confirmation of the sale of such Shares to such person in any case where such sending or giving is required by the Act and the untrue statement or omission of a material fact contained in such U.S. Preliminary Prospectus was corrected in the U.S. Prospectus. This indemnity agreement will be in addition to any liability that the Company may otherwise have, including under this Agreement.

(b) Each U.S. Underwriter, severally and not jointly, agrees to indemnify and hold harmless the Company, each of the directors of the Company, each of the officers of the Company who shall have signed the Registration Statement, and each other person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against any losses, liabilities, claims, damages and expenses whatsoever (including but not limited to attorneys' fees and any and all expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation, provided that such settlement was effected with such U.S. Underwriter's written consent in accordance with Section 9(c) hereof), joint or several, to which they or any of them may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration

Statement or the U.S. Prospectus or any U.S. Preliminary Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the U.S. Prospectus, in light of the circumstances under which they were made) not misleading, in each case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by you or on your behalf with respect to such U.S. Underwriter expressly for use in the Registration Statement or U.S. Prospectus; provided, however, that in no case shall such U.S. Underwriter be liable or
- --------  -------
responsible for any amount in excess of the aggregate public offering price of the U.S. Shares underwritten by it and distributed to the public. This indemnity will be in addition to any liability that the U.S. Underwriter may otherwise have including under this Agreement. The Company acknowledges that the statements set forth in the last paragraph of the cover page and in the first ten paragraphs under the caption "Underwriting" in the U.S. Prospectus constitute the only information furnished in writing by or on behalf of any U.S. Underwriter expressly for use in the Registration Statement, any related U.S. Preliminary Prospectus and the U.S. Prospectus.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the assertion of any claim, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement thereof (but the failure so to notify an indemnifying party shall not relieve it from any liability that it may have under this Section 9 except to the extent that it has been prejudiced in any material respect by such failure or from any liability that it may have otherwise). In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by one of the indemnifying parties in connection with the

defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties with respect to such different defenses), in any of which events such fees and expenses shall be borne by the indemnifying parties. The indemnifying party under subsection (a) or (b) above shall only be liable for the legal expenses of one counsel for all indemnified parties in each jurisdiction in which any claim or action is brought; provided, however, that the indemnifying party shall be liable for separate counsel for any indemnified party in a jurisdiction, if counsel to the indemnified parties shall have reasonably concluded that there may be defenses available to such indemnified party that are different from or additional to those available to one or more of the other indemnified parties and that separate counsel for such indemnified party is prudent under the circumstances. Anything in this subsection to the contrary notwithstanding, an indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent; provided, however, that such written consent was not unreasonably withheld.

10. CONTRIBUTION. In order to provide for contribution in circumstances in which the indemnification provided for in Section 9(a) hereof is for any reason held to be unavailable from the Company or is insufficient to hold harmless a party indemnified thereunder, the Company and the U.S. Underwriters shall contribute to the aggregate losses, claims, damages, liabilities and expenses of the nature contemplated by such indemnification provisions (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, but after deducting in the case of losses, claims, damages, liabilities and expenses suffered by the Company, any contribution received by the Company from persons, other than one or more of the U.S. Underwriters, who may also be liable for contribution, including persons who control the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, officers of the Company who signed the Registration Statement and directors of the Company) to which the Company and one or more of the U.S. Underwriters may be subject, in such proportions as are appropriate to reflect the relative benefits received by the Company, on the one hand, and the U.S. Underwriters, on the other hand, from the offering of the U.S. Shares or, if such allocation is not permitted by

applicable law or indemnification is not available as a result of the indemnifying party not having received notice as provided in Section 9 hereof, in such proportion as is appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Company, on the one hand, and the U.S. Underwriters, on the other hand, in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the U.S. Underwriters, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and (y) the underwriting discounts received by the U.S. Underwriters, respectively, in each case as set forth in the table on the cover page of the U.S. Prospectus. The relative fault of the Company, on the one hand, and of the U.S. Underwriters, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the U.S. Underwriters on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the U.S. Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 10, (i) in no case shall any U.S. Underwriter be required to contribute any amount in excess of the amount by which the aggregate public offering price of the U.S. Shares underwritten by it and distributed to the public exceeds the amount of any damages that such U.S. Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or such omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 10, each person, if any, who controls any U.S. Underwriter within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act shall have the same rights to contribution as such U.S. Underwriter and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to clauses (i) and (ii) of this Section 10. Any party entitled to contribution shall, promptly after receipt of notice

of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 10, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 10 or otherwise. No party shall be liable for contribution with respect to any action or claim settled without its written consent; provided, however, that such written consent was not unreasonably
withheld.

11. SURVIVAL OF REPRESENTATIONS AND AGREEMENTS. All representations and warranties, covenants and agreements of the U.S. Underwriters and the Company contained in this Agreement, including without limitation the agreements contained in Sections 6 and 7, the indemnity agreements contained in Section 9 and the contribution agreements contained in Section 10, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the U.S. Underwriters or any controlling person of any U.S. Underwriter or by or on behalf of the Company, any of its officers and directors, and shall survive delivery of the U.S. Shares to and payment for the U.S. Shares by the U.S. Underwriters. The representations contained in Section 3 and the agreements contained in Sections 6, 7, 9, 10 and 13(d) hereof shall survive the termination of this Agreement including pursuant to Section 13 hereof.

12. DEFAULT BY A U.S. UNDERWRITER.

(a) If any U.S. Underwriter or U.S. Underwriters shall default in its or their obligation to purchase Firm U.S. Shares or Additional U.S. Shares hereunder, and if the Firm U.S. Shares or Additional U.S. Shares with respect to which such default relates do not (after giving effect to arrangements, if any, made pursuant to subsection (b) below) exceed in the aggregate 10% of the number of shares of Firm U.S. Shares or Additional U.S. Shares, as the case may be, that all U.S. Underwriters have agreed to purchase hereunder, then such Firm U.S. Shares or Additional U.S. Shares to which the default relates shall be purchased by the non-defaulting U.S. Underwriters in proportion to the respective proportions that the numbers of Firm U.S. Shares set forth opposite their respective names in Schedule I hereto bear to the aggregate number of Firm U.S. Shares set forth opposite the names of the non-defaulting U.S. Underwriters.

(b) If such default relates to more than 10% of the Firm U.S. Shares or Additional U.S. Shares, as the case may be, you may, in your discretion, arrange for another party or parties (including any non-defaulting U.S. Underwriter or U.S.

Underwriters who so agree) to purchase such Firm U.S. Shares or Additional U.S. Shares, as the case may be, to which such default relates on the terms contained herein. If within five (5) calendar days after such a default you do not arrange for the purchase of the Firm U.S. Shares or Additional U.S. Shares, as the case may be, to which such default relates as provided in this Section 12, this Agreement (or, in the case of a default with respect to the Additional U.S. Shares, the obligations of the U.S. Underwriters to purchase and of the Company to sell the Additional U.S. Shares) shall thereupon terminate, without liability on the part of the Company with respect thereto (except in each case as provided in Sections 7, 9(a) and 10 hereof) or the several non-defaulting U.S. Underwriters (except as provided in Sections 9(b) and 10 hereof), but nothing in this Agreement shall relieve a defaulting U.S. Underwriter or U.S. Underwriters of its or their liability, if any, to the other several U.S. Underwriters and the Company for damages occasioned by its or their default hereunder.

(c) If the Firm U.S. Shares or Additional U.S. Shares to which the default relates are to be purchased by the non-defaulting U.S. Underwriters, or are to be purchased by another party or parties as aforesaid, you or the Company shall have the right to postpone the Closing Date or Additional Closing Date, as the case may be, for a period not exceeding five (5) business days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the U.S. Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment or supplement to the Registration Statement or the U.S. Prospectus that, in the opinion of Underwriters' Counsel, may thereby be made necessary or advisable. The term "U.S. Underwriter" as used in this Agreement shall include any party substituted under this Section 12 with like effect as if it had originally been a party to this Agreement with respect to such Firm U.S. Shares and Additional U.S. Shares.

13. EFFECTIVE DATE OF AGREEMENT; TERMINATION.

(a) This Agreement shall become effective when you and the Company shall have received notification of the effectiveness of the Registration Statement. Until this Agreement becomes effective as aforesaid, and in addition to the termination provisions of Section 4(a)(ii), this Agreement may be terminated by the Company by notifying you or by you by notifying the Company without any liability of any party to any party hereunder. Notwithstanding the foregoing, the provisions of this Section 13 and of Sections 7, 9, 10 and 11 hereof shall at all times be in full force and effect.

(b) This Agreement and the obligations of the U.S. Underwriters hereunder may be terminated by you by written notice to the Company at any time at or prior to the Closing Date (and, with respect to the Additional U.S. Shares, the Additional Closing Date), without liability (other than with respect to Sections 9 and 10) on the part of any U.S. Underwriter to the Company if, on or prior to such date, (i) the Company shall have failed, refused or been unable to perform in any material respect any agreement on its part to be performed hereunder, (ii) any other condition to the obligations of the U.S. Underwriters set forth in Section 8 hereof is not fulfilled when and as required in any material respect, (iii) trading in securities generally on the NYSE or the American Stock Exchange or in the over-the-counter market shall have been suspended or materially limited, or minimum prices shall have been established on either exchange or such market by the Commission, or by either exchange or other regulatory body or governmental authority having jurisdiction, (iv) a general banking moratorium shall have been declared by Federal or New York State authorities, (v) there shall have occurred any outbreak or escalation of armed hostilities involving the United States on or after the date hereof, or if there has been a declaration by the United States of a national emergency or war, the effect of which shall be, in your judgment, to make it inadvisable or impracticable to proceed with the sale and delivery of the U.S. Shares on the terms and in the manner contemplated in the U.S. Prospectus, (vi) in your reasonable opinion any material adverse change shall have occurred since the respective dates as of which information is given in the Registration Statement or the Prospectuses in the condition (financial or other) of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business other than as set forth in the Prospectuses or contemplated thereby, or (vii) there shall have occurred such a material adverse change in the financial markets in the United States such as, in your judgment, makes it inadvisable or impracticable to proceed with the sale and delivery of the U.S. Shares on the terms and in the manner contemplated in the U.S. Prospectus. Your right to terminate this Agreement will not be waived or otherwise relinquished by their failure to give notice of termination prior to the time that the event giving rise to the right to terminate shall have ceased to exist, provided that notice is given prior to the Closing Date (and, with respect to the Additional U.S. Shares, the Additional Closing Date).

(c) Any notice of termination pursuant to this Section 13 shall be by telephone, telex, telephonic facsimile, or telegraph, confirmed in writing by letter.

(d) If this Agreement shall be terminated pursuant to any of the provisions hereof (otherwise than pursuant to

notification by you as provided in subsection 13(a) or 13(b) hereof), or if the sale of the U.S. Shares provided for herein is not consummated because any condition to the obligations of the U.S. Underwriters set forth herein is not satisfied (other than with respect to Section 8(m) hereof as a result of a default by the Managers in the purchase of the International Shares) or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof (other than by reason of a default of the U.S. Underwriters), the Company agrees, subject to demand by you, to reimburse the U.S. Underwriters for all reasonable out-of-pocket expenses (including the reasonable fees and expenses of Underwriters' Counsel), incurred by the U.S. Underwriters in connection herewith.

14. NOTICES. All communications hereunder, except as may be otherwise specifically provided herein, shall be in writing and, if sent to any one or more of the U.S. Underwriters, shall be hand delivered, telexed, telegraphed or faxed to Bear, Stearns & Co. Inc., 245 Park Avenue, New York, New York 10167, Attention: Corporate Finance Department (Fax No. 212-272-3092); if sent to the Company, shall be hand delivered, telexed, telegraphed or faxed to the Company, 63 Lincoln Highway, Malvern, Pennsylvania 19355, Attention: Chief Financial Officer (Fax No. 215-296-0657).

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument.

16. PARTIES. The Company shall be entitled to act and rely upon any request, notice, consent, waiver or agreement purportedly given by the U.S. Underwriters or you when the same shall have been given and signed by Bear, Stearns. This Agreement shall inure solely to the benefit of, and shall be binding upon, each of the U.S. Underwriters and the Company and the controlling persons, directors, officers, employees and agents referred to in Sections 9 and 10, and their respective successors and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of U.S. Shares from the U.S. Underwriters.

17. CONSTRUCTION. This Agreement shall be construed in accordance with the internal laws of the State of New York.

If the foregoing correctly sets forth the complete agreement between the U.S. Underwriters, on the one hand, and the

Company, on the other hand, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us.

Very truly yours,

VISHAY INTERTECHNOLOGY, INC.

By:
---
Name:
Title:

Accepted as of the date first above written.

BEAR, STEARNS & CO. INC.
Acting on its own behalf and as a representative of the several U.S. Underwriters named in Schedule I annexed hereto.

By:
---
Name:
Title:

DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
Acting on its own behalf and as a representative of the several U.S. Underwriters named in Schedule I annexed hereto.

By:
---
Name:
Title:

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
Acting on its own behalf and as a representative of the several U.S. Underwriters named in Schedule I annexed hereto.

By:
---
Name:
Title:

LEHMAN BROTHERS INC.
Acting on its own behalf and as a representative of the several U.S. Underwriters named in Schedule I annexed hereto.

By:
---
Name:
Title:

SCHEDULE I

| Name of U.S. Underwriter | Number of Firm U.S. Shares to be Purchased |
|---|---|
| Bear, Stearns & Co. Inc. . . . . | |
| Donaldson, Lufkin & Jenrette Securities Corporation . . . . . | |
| Lehman Brothers Inc. . . . . | |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated . . . . . | |
| TOTAL | |

SCHEDULE II

MATERIAL SUBSIDIARIES

| NAME | JURISDICTION OF INCORPORATION |
|---|---|
| Dale Holdings, Inc. | Delaware |
| Dale Electronics, Inc. | Delaware |
| Measurements Group, Inc. | Delaware |
| Vishay Acquisition Holdings Corp. | Delaware |
| Vishay Sprague Holdings Corp. | Delaware |
| Vitramon, Incorporated | Delaware |
| Draloric Electronic GmbH | Germany |
| Roederstein GmbH | Germany |
| Vishay Europe GmbH | Germany |
| Sfernice S.A. | France |
| Vilna Equities Holdings, B.V. | Netherlands |
| Vishay Israel Limited | Israel |

SCHEDULE III

COMPANY SUBSIDIARIES

| Name | Jurisdiction | Percent of Equity |
|---|---|---|
| Nikkohm Co. Ltd. | Japan | 49% |
| Nippon Vishay, K.K. | Japan | 100% |
| Vishay F.S.C., Inc. | U.S. Virgin Islands | 100% |
| VSH Holdings, Inc. | Delaware | 100% |
| Roederstein Electronics, Inc. | Delaware | 100% |
| Measurements Group, Inc. | Delaware | 100% |
| Vishay MicroMeasures SA | France | 100% |
| Measurements Group GmbH | Germany | 100% |
| Grupo Da Medidas Iberica S.L. | Spain | 100% |
| Vishay Israel Limited | Israel | 100% |
| Z.T.R. Electronics Ltd. | Israel | 100% |
| Vishay International Trade Ltd. | Israel | 100% |
| Dale Israel Electronics Industries Ltd. | Israel | 100% |
| Draloric Israel Ltd. | Israel | 100% |
| V.I.E.C. Ltd. | Israel | 100% |
| Vilna Equities Holding, B.V. | Netherlands | 100% |
| Visra Electronics Financing B.V. | Netherlands | 100% |
| Measurements Group (U.K.) Ltd. | England & Wales | 100% |
| Vishay Europe GmbH | Germany | 65.70% by Vishay Israel<br>27.30% by Vishay<br>5.50% by Vilna<br>1.50% by Dale |
| Roederstein GmbH | Germany | 100% |
| Roederstein-Produktionsgesell-schaft GmbH | Germany | 100% |
| Roederstein Electronics Portugal Lda. | Portugal | 95% |
| Vishay Bauelemente Vertrieb GmbH | Germany | 78% |
| Vishay Bauelemente Vertrieb A.G. | Switzerland | 96% |
| Roederstein Vertrieb Elektronischer Bauelemente & Co. | Austria | 77.78% |
| Vishay Vertrieb Elektronischer Bauelemente Ges.mbH | Austria | 100% |
| Klevestav-Roederstein Festigheter AB | Sweden | 50% |
| Vishay Components, S.A. | Spain | 100% |

Note: Names of Subsidiaries are indented under name of Parent

| Name | Jurisdiction | Percent of Equity |
|---|---|---|
| Dzie Roederstein Electronische Onderdelen B.V. | Netherlands | 40% |
| N.V. Roederstein Electronics Components S.A. | Belgium | 100% |
| Fabrin Roederstein A.S. | Denmark | 40% |
| OY Roederstein AB | Finland | 40% |
| Okab Roederstein Finland OY | Finland | 44.4% |
| Rogin Electronic S.A. | France | 33% |
| Roederstein Norge AS | Norway | 40% |
| Roederstein-Hilfe-GmbH | Germany | 100% |
| Draloric Electronics GmbH | Germany | 100% |
| Draloric Electronic SPOL S RO | Czech Republic | 100% |
| Sfernice S.A. | France | 99.8% |
| Vishay Composants Electroniques S.A.R.L. | France | 100% |
| Nicolitch S.A. | France | 100% |
| Gravures Industrielles Mulhousiennes S.A. | France | 100% |
| Sfernice Ltd. | England & Wales | 100% |
| Aztronic Societe Nouvelle S.A. | France | 100% |
| Ultronix, Inc. | Delaware | 100% |
| Ohmtek, Inc. | New York | 100% |
| Techno Components Corp. | Delaware | 100% |
| Vitramon France, S.A. | France | 100% |
| E-Sil Components Ltd. | England & Wales | 100% |
| Vishay Components (U.K.) Ltd. | England & Wales | 100% |
| Grued Corporation Inc. | Delaware | 100% |
| Con-Gro, Corp. | Delaware | 100% |
| Gro-Con, Inc. | Delaware | 100% |
| Angstrohm Precision, Inc. | Delaware | 100% |
| Angstrohm Holdings, Inc. | Delaware | |
| Alma Components Ltd. | Guernsey | 100% |
| Vishay Resistor Products (U.K.) Ltd. | England & Wales | 100% |
| Heavybarter, Unlimited | England & Wales | 100% |
| Vishay-Mann Limited | England & Wales | 100% |
| Vitramon, Ltd. | England & Wales | 100% |
| Dale Holdings, Inc. | Delaware | 100% |
| Dale Electronics, Inc. | Delaware | 100% |
| Componentes Dale de Mexico S.A. de C.V. | Mexico | 100% |
| Electronica Dale de Mexico S.A. de C.V. | Mexico | 100% |

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Note: Names of Subsidiaries are indented under name of Parent

| Name | Jurisdiction | Percent of Equity |
|---|---|---|
| Vishay Electronic Components Asia Pte., Ltd. | Singapore | 100% |
| Jefel de Mexico S.A. de C.V. | Mexico | 100% |
| The Colber Corporation | New Jersey | 100% |
| Dale Test Laboratories, Inc. | South Dakota | 100% |
| Angstrohm Precision, Inc. (Maryland) | Maryland | 100% |
| Bradford Electronics, Inc. | Delaware | 100% |
| Vishay Sprague Holdings Corp. | Delaware | 100% |
| Sprague North Adams, Inc. | Massachusetts | 100% |
| Sprague Sanford, Inc. | Maine | 100% |
| Vishay Sprague, Inc. | Delaware | 100% |
| Vishay Sprague Canada Holdings Inc. | Canada | 100% |
| Sprague Electric of Canada Limited | Canada | 100% |
| Sprague France S.A. | France | 100% |
| Sprague Palm Beach, Inc. | Delaware | 100% |
| Vishay Acquisition Holdings Corp. | Delaware | 100% |
| Vitramon, Incorporated | Delaware | 100% |
| Vitramon Pty. Limited | Australia | 100% |
| Vitramon Japan Limited | Japan | 100% |
| Vitramon do Brasil Ltda. | Brazil | 100% |
| Vitramon Far East Pte Ltd. | Singapore | 100% |

Note: Names of Subsidiaries are indented under name of Parent

EXHIBIT A

4,000,000 Shares

VISHAY INTERTECHNOLOGY, INC.

Common Stock

FORM OF U.S. PRICING AGREEMENT

_____

_____, 1995

Bear, Stearns & Co. Inc.
Merrill Lynch, Pierce, Fenner &
 Smith Incorporated
Donaldson, Lufkin & Jenrette
 Securities Corporation
Lehman Brothers Inc.
 as Representatives of the
 several U.S. Underwriters named
 in the U.S. Underwriting Agreement
c/o Bear, Stearns & Co. Inc.
245 Park Avenue
New York, New York 10167

Ladies and Gentlemen:

Reference is made to the U.S. Underwriting Agreement dated _____, 1995 (the "U.S. Underwriting Agreement") among Vishay Intertechnology, Inc. (the "Company") and the several U.S. Underwriters named therein (the "U.S. Underwriters"), for whom you are acting as representatives. The U.S. Underwriting Agreement provides for the purchase by the U.S. Underwriters from the Company, subject to the terms and conditions set forth therein, of an aggregate of 2,200,000 shares (the "Firm U.S. Shares") of the Company's common stock, par value $.10 per share. This Agreement is the U.S. Pricing Agreement referred to in the U.S. Underwriting Agreement.

Pursuant to Section 4 of the U.S. Underwriting Agreement, the Company agrees with each U.S. Underwriter as follows:

1. The public offering price per share for the Firm U.S. Shares, determined as provided in said Section 4, shall be $_____.

2. The purchase price per share for the Firm U.S. Shares to be paid by the several U.S. Underwriters shall be $_____, such price being an amount equal to the public offering price set forth above less $_____ per share.

The Company represents and warrants to each of the U.S. Underwriters that the representations and warranties of the Company set forth

in Section 3 of the U.S. Underwriting Agreement are accurate as though expressly made at and as of the date hereof.

This Agreement shall be governed by the laws of the State of New York.

If the foregoing is in accordance with our understanding of the U.S. Underwriting Agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the U.S. Underwriters and the Company in accordance with its terms and the terms of the U.S. Underwriting Agreement.

Very truly yours,

VISHAY INTERTECHNOLOGY, INC.

By:
---
Name:
Title:

Confirmed and accepted as of
the date first above written:

BEAR, STEARNS & CO. INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
LEHMAN BROTHERS INC.
Acting on behalf of themselves and as
representatives of the other U.S. Underwriters
named in the U.S. Underwriting Agreement.

By: BEAR, STEARNS & CO., INC.

By:
---
Name:
Title:

EXHIBIT 1.2

1,000,000 SHARES OF COMMON STOCK

VISHAY INTERTECHNOLOGY, INC.

# INTERNATIONAL UNDERWRITING AGREEMENT

_____, 1995

Bear, Stearns International Limited
Merrill Lynch International Limited
Donaldson, Lufkin & Jenrette
Securities Corporation
Lehman Brothers International (Europe)
as Lead Managers of the
several Managers named
in Schedule I hereto
c/o Bear, Stearns International Limited
One Canada Square
London E14 5AD, England

Ladies and Gentlemen:

The undersigned, Vishay Intertechnology, Inc., a Delaware corporation (the "Company"), hereby confirms its agreement with you as follows:

1. MANAGERS. The term "Managers", as used herein, refers collectively to you and the other underwriters named in Schedule I annexed hereto and made a part hereof, for whom you are acting as representatives. Except as may be expressly set forth below, any reference to you in this Agreement shall be solely in your capacity as representatives of the Managers.

2. DESCRIPTION OF STOCK.

(a) The Company proposes to issue and sell to the Managers an aggregate of 1,000,000 shares (the "Firm International Shares") of its Common Stock, par value $.10 per share (the "Common Stock"), upon the terms set forth in Section 8 hereof. The Company also proposes to grant to the Managers the option to purchase from the Company, for the sole purpose of covering over-allotments in connection with the sale of the Firm International Shares, an aggregate of up to 150,000 additional shares (the "Additional International Shares") of Common Stock upon the terms set forth in Section 8 hereof and for the purposes set forth in subsection 4(b) hereof. The Firm International

Shares and the Additional International Shares are hereinafter referred to collectively as the "International Shares."

(b) It is understood and agreed to by all the parties that the Company is concurrently entering into an agreement (the "U.S. Underwriting Agreement") providing for the sale by the Company of up to a total of 4,000,000 shares (the "Firm U.S. Shares") of Common Stock through arrangements with certain underwriters in the United States (the "U.S. Underwriters"), for which Bear, Stearns & Co. Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Donaldson, Lufkin & Jenrette Securities Corporation and Lehman Brothers Inc. are acting as representatives. The Company also proposes to grant to the U.S. Underwriters the option to purchase, for the sole purpose of covering over-allotments in connection with the sale of the Firm U.S. Shares, up to an aggregate of 600,000 additional shares (the "Additional U.S. Shares") of Common Stock. The Firm U.S. Shares and the Additional U.S. Shares are collectively referred to herein as the "U.S. Shares," the International Shares and the U.S. Shares are collectively referred to herein as the "Shares" and this Agreement and the U.S. Underwriting Agreement are collectively referred to as the "Underwriting Agreements."

(c) It is also understood and agreed to by all the parties that the U.S. Underwriters have entered into an agreement with the Managers (the "Agreement between U.S. Underwriters and Managers") contemplating the coordination of certain transactions between the U.S. Underwriters and the Managers and that, pursuant thereto and subject to the conditions set forth therein, the U.S. Underwriters may (i) purchase from the Managers a portion of the International Shares to be sold to the Managers pursuant to this Agreement or (ii) sell to the Managers a portion of the U.S. Shares to be sold to the U.S. Underwriters pursuant to the U.S. Underwriting Agreement. The Company also understands that any such purchases and sales between the U.S. Underwriters and the Managers shall be governed by the Agreement between U.S. Underwriters and Managers and shall not be governed by the terms of this Agreement.

(d) Prior to the public offering of the International Shares by the Managers, the Company and you, acting on behalf of the Managers, shall enter into an agreement substantially in the form of Exhibit A hereto (the "International Pricing Agreement"). The International Pricing Agreement may take the form of an exchange of any standard form of written telecommunication between the parties hereto and shall specify such applicable information as is indicated on Exhibit A hereto. The offering of the International Shares shall be governed by this Agreement, as supplemented by the International Pricing Agreement. From and after the date of the execution and delivery of the International

Pricing Agreement, this Agreement shall be deemed to incorporate the International Pricing Agreement.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to, and agrees with, each Manager that:

(a) The Company meets the requirements for the use of Form S-3 under the Securities Act of 1933, as amended (the "Act"), and has prepared and filed with the Securities and Exchange Commission (the "Commission"), pursuant to the Act and the rules and regulations promulgated by the Commission thereunder (the "Regulations"), a registration statement on Form S-3 (File No. 33 ) relating to the Shares and one amendment thereto, including in each case a preliminary prospectus relating to the offering of the International Shares. The Company next proposes to file with the Commission after the effectiveness of such registration statement, in accordance with Rules 430A and 424(b)(1) or Rule 424(b)(4) of the Regulations, a final prospectus with respect to the offering of the International Shares, the final prospectus so filed in either case to include all Rule 430A Information (as hereinafter defined) and to conform, in content and form, to the last printer's proof thereof furnished to and approved by you immediately prior to such filing. As used in this Agreement, (i) the term "Effective Date" means the date that the registration statement hereinabove referred to is declared effective by the Commission, (ii) the term "Registration Statement" means such registration statement as last amended prior to the time the same was declared effective by the Commission, including all exhibits and schedules thereto, all documents (including financial statements, financial schedules and exhibits) incorporated therein by reference and all Rule 430A Information deemed to be included therein at the Effective Date pursuant to Rule 430A of the Regulations, (iii) the term "Rule 430A Information" means information with respect to the Shares and the public offering thereof permitted, pursuant to the provisions of paragraph (a) of Rule 430A of the Regulations, to be omitted from the form of prospectus included in the Registration Statement at the time it is declared effective by the Commission, (iv) the term "U.S. Prospectus" means the form of final prospectus relating to the U.S. Shares first filed with the Commission pursuant to Rule 424(b) of the Regulations or, if no filing pursuant to Rule 424(b) is required, the form of final prospectus included in the Registration Statement at the Effective Date, (v) the term "International Prospectus"

means the form of final prospectus relating to the International Shares first filed with the Commission pursuant to Rule 424(b) of the Regulations or, if no filing pursuant to Rule 424(b) is required, the form of final prospectus included in the Registration Statement at the Effective Date (the U.S. Prospectus and the International Prospectus are referred to collectively as the "Prospectuses"), (vi) the term "U.S. Preliminary Prospectus" means any preliminary prospectus (as described in Rule 430 of the Regulations) with respect to the U.S Shares that omits Rule 430A Information and (vii) the term "International Preliminary Prospectus" means any preliminary prospectus (as described in Rule 430 of the Regulations) with respect to the International Shares that omits Rule 430A Information (the U.S. Preliminary Prospectus and the International Preliminary Prospectus are referred to collectively as the "Preliminary Prospectuses"). Any reference herein to either Preliminary Prospectus or Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 that were filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on or before the date of such Preliminary Prospectus or the date of such Prospectus, as the case may be, except that any such documents shall be deemed to be modified or superseded to the extent that a statement contained in such Preliminary Prospectus or such Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference therein modifies or supersedes such statement (all such documents being hereinafter referred to as the "Incorporated Documents").

(b) On the Effective Date, the date the International Prospectus is first filed with the Commission pursuant to Rule 424(b) of the Regulations (if required), at all times subsequent thereto to and including the Closing Date and, if later, the Additional Closing Date (each as hereinafter defined), when any post-effective amendment to the Registration Statement becomes effective or any supplement to the International Prospectus is filed with the Commission, and during such longer period as the International Prospectus may be required to be delivered in connection with sales of International Shares by the Managers or a dealer, the Registration Statement and the International Prospectus (as amended or supplemented if the Company shall have filed with the Commission an amendment or supplement thereto) did or will comply in all material respects with the applicable provisions of the Act, the Regulations, the Exchange Act and the rules and regulations thereunder, and did not and will not contain an untrue

statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein (in the case of the International Prospectus, in light of the circumstances under which they were made) not misleading. When any International Preliminary Prospectus was first filed with the Commission (whether filed as part of the Registration Statement or an amendment thereof or pursuant to Rule 424(a) of the Regulations) and when any amendment thereof or supplement thereto was first filed with the Commission, such International Preliminary Prospectus and any amendments thereof and supplements thereto complied in all material respects with the applicable provisions of the Act and the Exchange Act and the respective rules and regulations thereunder and did not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. No representation and warranty, however, is made in this subsection 3(b) by the Company with respect to written information contained in or omitted from the Registration Statement, the International Prospectus, any International Preliminary Prospectus, or any amendment or supplement in reliance upon and in conformity with information furnished to the Company by or on your behalf with respect to the Managers and the plan of distribution of the Shares expressly for use in connection with the preparation thereof. Each of the Incorporated Documents, when each was first filed with the Commission, complied in all material respects with the applicable provisions of the Exchange Act and the rules and regulations of the Commission thereunder and any further documents so filed and incorporated by reference will, when they are filed with the Commission, comply in all material respects with the applicable provisions of the Exchange Act. None of such filed documents when they were filed (or, if an amendment with respect thereto was filed, when such amendment was filed), contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading; and no such further document, when it is filed with the Commission, will contain an untrue statement of a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(c) Each contract, agreement, instrument, lease, license or other item required to be described or incorporated by reference in the Registration Statement or

the International Prospectus has been properly described, or shall be properly described, as the case may be, in all material respects or incorporated by reference therein. Each contract, agreement, instrument, lease, license, or other item required to be filed as an exhibit to the Registration Statement has been filed with the Commission as an exhibit to, or has been incorporated by reference as an exhibit into, the Registration Statement.

(d) Ernst & Young LLP, whose separate report has been filed with the Commission and is incorporated by reference in the Registration Statement, are independent public accountants with regard to the Company, as required by and within the meaning of the Act and the Regulations. The consolidated financial statements of the Company and its consolidated subsidiaries (the "Company Financials") incorporated by reference in the Registration Statement and to be incorporated by reference in the International Prospectus fairly present, with respect to the Company and its consolidated subsidiaries, the consolidated financial position, the consolidated results of operations and the other information purported to be shown therein at the respective dates and for the respective periods to which they apply. The Company Financials have been prepared in accordance with generally accepted accounting principles as in effect in the United States ("US GAAP") consistently applied throughout the periods involved, and are, in all material respects, prepared in accordance with the books and records of the Company and its consolidated subsidiaries. No other financial statements are required by Form S-3 or otherwise to be included in the Registration Statement or the International Prospectus.

(e) Subsequent to the respective dates as of which information is given in the Registration Statement, except as set forth in the Registration Statement, there has not been any material adverse change in the business, properties, operations, condition (financial or other) or results of operations of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, and since the date of the latest balance sheet of the Company included or incorporated by reference in the Registration Statement, neither the Company nor any of its subsidiaries has incurred or undertaken any liabilities or obligations, direct or contingent, that are material to the Company and its subsidiaries taken as a whole, except for liabilities or obligations (i) incurred or undertaken in the ordinary course of business or (ii) disclosed in the Registration Statement.

(f) The Company has all requisite legal right, power and authority to execute, deliver and perform this Agreement and to issue, sell and deliver the International Shares in accordance with the terms and conditions of this Agreement. This Agreement has been duly and validly authorized, executed and delivered by the Company and is a legal and binding obligation of the Company, enforceable against the Company in accordance with its terms except (i) that rights to indemnity and/or contribution hereunder may be limited by federal or state securities laws or the public policy underlying such laws, (ii) that such enforcement may be subject to bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect relating to creditors' rights generally and (iii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(g) The execution, delivery and performance by the Company of this Agreement and the International Pricing Agreement and the consummation of the transactions contemplated hereby will not (i) conflict with or result in a breach of any of the terms and provisions of, or constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) or require consent under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to the terms of, any agreement, instrument, franchise, license or permit to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or their respective properties or assets may be bound and that is material to the Company and its subsidiaries taken as a whole, or (ii) violate or conflict with any provision of the certificate of incorporation, by-laws or similar governing instruments of the Company or any of its subsidiaries listed on Schedule II hereto (the "Material Subsidiaries") or (iii) violate or conflict with any judgment, decree, order, statute, rule or regulation of any court or any public, governmental or regulatory agency or body having jurisdiction over the Company or any of its Material Subsidiaries or any of their respective properties or assets, except for those violations or conflicts that individually or in the aggregate would not have a material adverse effect on the Company and its subsidiaries taken as a whole.

(h) No consent, approval, authorization, order, registration, filing, qualification, license or permit of or

with any court or any public, governmental or regulatory agency or body having jurisdiction over the Company or any of its subsidiaries or any of their respective properties or assets is required for the execution, delivery and performance of this Agreement by the Company and the consummation of the transactions contemplated hereby, except the registration under the Act of the Shares, the authorization of the Shares for listing on the New York Stock Exchange (the "NYSE") and such consents, approvals, authorizations, orders, registrations, filings, qualifications, licenses and permits as may be required under state securities laws in connection with the purchase and distribution of the Shares by the U.S. Underwriters and the Managers. No consent of any party to any material contract, agreement, instrument, lease, license, arrangement or understanding to which the Company or any subsidiary is party, or to which any of their respective properties or assets are subject, is required for the execution, delivery or performance of this Agreement by the Company or for the issuance, sale or delivery by the Company of the Shares.

(i) All of the currently outstanding shares of Common Stock and all of the outstanding shares of capital stock of each of the Material Subsidiaries have been duly and validly authorized and issued, are fully paid and nonassessable and were not issued in violation of or subject to any preemptive rights. The International Shares have been duly authorized and, when issued, delivered and sold in accordance with this Agreement, will be validly issued, fully paid and nonassessable, and will not have been issued in violation of or subject to any preemptive rights. The Company had, at June 30, 1995, an authorized and outstanding capitalization as set forth in the Registration Statement and as shall be set forth in the International Prospectus, both on an historical basis and as adjusted to give effect to the offering. The Common Stock conforms to the description thereof set forth in, or incorporated by reference into, the Registration Statement and as shall be set forth in, or incorporated by reference into, the International Prospectus. The Company owns directly or indirectly all of the shares of capital stock of the Company's subsidiaries, free and clear of all claims, liens, security interests, pledges, charges, encumbrances, stockholders agreements and voting trusts except as otherwise described in Schedule III hereto or in the Registration Statement and as may be disclosed in the International Prospectus, other than immaterial amounts of shares that are owned by employees of certain subsidiaries.

(j) There is no commitment, plan or arrangement to issue, and no outstanding option, warrant or other right calling for the issuance of, any share of capital stock of the Company or of any subsidiary or any security or other instrument that by its terms is convertible into, exercisable for, or exchangeable for capital stock of the Company or any subsidiary of the Company, except as described in the Registration Statement and as may be described in the International Prospectus.

(k) The Company has no active subsidiaries other than those listed in Schedule III hereto and all references in this Agreement to subsidiaries of the Company (except as otherwise provided) shall be deemed limited to the Company's active subsidiaries. Each of the Company and its Material Subsidiaries has been duly organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation. Each of the Company and its Material Subsidiaries is duly qualified and in good standing as a foreign corporation in each jurisdiction in which the character or location of its properties (owned, leased or licensed) or the nature or conduct of its business makes such qualification necessary, except for those failures to be so qualified or in good standing that will not in the aggregate have a material adverse effect on the Company and its subsidiaries taken as a whole. Each of the Company and its Material Subsidiaries has all requisite corporate power and authority, and all necessary consents, approvals, authorizations, orders, registrations, filings, qualifications, licenses and permits of and from all public, regulatory or governmental agencies and bodies, to own, lease and operate its properties and conduct its business as now being conducted and as described in the Registration Statement and as may be described in the International Prospectus (except for those the absence of which, individually or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries taken as a whole), and no such consent, approval, authorization, order, registration, qualification, license or permit contains a materially burdensome restriction that is not adequately disclosed in the Registration Statement and the International Prospectus.

(l) Neither the Company nor any of its subsidiaries, nor to the best knowledge of the Company or any subsidiary, any other party, is in violation or breach of, or in default (nor has an event occurred that with notice, lapse of time or both, would constitute a default) with respect to complying with, any material provision of any contract, agreement, instrument, lease, license, arrangement, or

understanding that is material to the Company and its subsidiaries taken as a whole, except for such violations, breaches and defaults as, individually or in the aggregate, would not have a material adverse effect on the financial condition, results of operation or business of the Company and its subsidiaries taken as a whole; and each such contract, agreement, instrument, lease, license, arrangement, and understanding is in full force and effect, and is the legal, valid, and binding obligation of the Company or such subsidiary, as the case may be, and (subject to applicable bankruptcy, insolvency, and other laws affecting the enforceability of creditors' rights generally) is enforceable as to the Company or such subsidiary, as the case may be, in accordance with its terms. The Company and each Material Subsidiary enjoys peaceful and undisturbed possession in all material respects under all material leases and licenses under which it is operating. Neither the Company nor any of its Material Subsidiaries is in violation of its certificate of incorporation, by-laws or similar governing instrument.

(m) There is no litigation, arbitration, claim, governmental or other proceeding or investigation pending or, to the best knowledge of the Company or any subsidiary after due inquiry, threatened (or any basis therefor known to the Company or any subsidiary), with respect to the Company, any subsidiary, or any of their respective operations, businesses, properties or assets except as disclosed in the Registration Statement and as may be described in the International Prospectus, that might have, individually or in the aggregate, a material adverse effect upon the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as a whole.

(n) Each of the Company and its subsidiaries has good and marketable title to all of its real and personal properties and assets that are owned by it, free and clear of all liens, security interests, pledges, charges, encumbrances, and mortgages (except as disclosed in the Registration Statement and as may be disclosed in the International Prospectus or such as individually or in the aggregate do not have a material adverse effect upon the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as a whole). No real property owned, leased, licensed, or used by the Company or by a Material Subsidiary lies in an area that is, or to the best knowledge of the Company or any Material Subsidiary will be, subject to zoning, use, or building code restrictions that

would prohibit, and no state of facts relating to the actions or inaction of another person or entity or his, her or its ownership, leasing, licensing, or use of any real or personal property exists that would prevent, the continued effective ownership, leasing, licensing, or use of such real property in the business of the Company or such subsidiary as presently conducted or as the International Prospectus indicates it contemplates conducting (except as may be described in the International Prospectus or such as individually or in the aggregate do not have a material adverse effect upon the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as whole).

(o) All material patents, patent applications, trademarks, trademark applications, trade names, service marks, copyrights, franchises, and other intangible properties and assets (all of the foregoing being herein called "Intangibles") that the Company or any subsidiary owns or has pending, or under which it is licensed, are in good standing, are, to the knowledge of the Company and any subsidiary, uncontested. Neither the Company nor any subsidiary has received notice of infringement with respect to asserted Intangibles of others. To the knowledge of the Company and any subsidiary, there is no infringement by others of Intangibles of the Company or any subsidiary that has had or may in the future have a materially adverse effect on the financial condition, results of operations, operations, business, properties, assets or liabilities of the Company and its subsidiaries taken as a whole.

(p) To the Company's knowledge, neither the Company or any subsidiary, nor any director, officer or employee of the Company or any subsidiary has, directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment, or other unlawful expenses relating to political activity; made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds; violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or made any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment.

(q) No person has the right by contract or otherwise to require registration under the Act of shares of Common Stock or other securities of the Company because of the filing or effectiveness of the Registration Statement.

(r) Neither the Company nor any of its officers, directors or affiliates (as defined in the Regulations) has taken or will take, directly or indirectly, prior to the termination of the underwriting contemplated by this Agreement, any action designed to stabilize or manipulate the price of any security of the Company, or that has caused or resulted in, or that might reasonably be expected to cause or result in, stabilization or manipulation of the price of any security of the Company, to facilitate the sale or resale of any of the Shares.

(s) Neither the Company nor any of its subsidiaries is, or intends to conduct its business in such a manner that it would become, an "investment company" or a company "controlled" by an "investment company" as defined in the Investment Company Act of 1940, as amended (the "Investment Company Act").

(t) Except as may be set forth in the International Prospectus, the Company has not incurred any liability for a fee, commission, or other compensation on account of the employment of a broker or finder in connection with the transactions contemplated by this Agreement.

(u) The Company and each of its Material Subsidiaries maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets; (iii) the access to the respective assets of the Company and each such Material Subsidiary, as the case may be, is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(v) Other than as disclosed in the Registration Statement and as shall be disclosed in the International Prospectus, no labor dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of management of the Company, is imminent that, singly or in the aggregate, is or is reasonably likely to be materially adverse to the Company and its subsidiaries taken as a whole, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that

reasonably can be expected to have a material adverse effect on the financial condition, results of operations, operations or business of the Company and its subsidiaries taken as a whole.

(w) (i) All United States Federal income tax returns of the Company and each of its subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed that are due and payable have been paid, except assessments against which appeals have been or will be promptly taken and (ii) the Company and its subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable law of all other jurisdictions, except, as to each of the foregoing clauses (i) and (ii), insofar as the failure to file such returns, individually and in the aggregate, would not have a material adverse effect on the financial condition, results of operations, operations or business of the Company and its subsidiaries taken as a whole, and the Company and its subsidiaries have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Company or its subsidiaries, except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with generally accepted accounting principles or if the failure to make any or all such payments, singly or in the aggregate, would not be material to the Company and its subsidiaries, taken as a whole. The charges, accruals and reserves on the consolidated books of the Company in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined, except to the extent of any inadequacy that would not have a material adverse effect on the financial condition, results of operations, operations or business of the Company and its subsidiaries taken as whole.

4. PURCHASE, SALE AND DELIVERY OF THE INTERNATIONAL SHARES.

(a)(i) On the basis of the representations, warranties, covenants and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Firm International Shares to the respective Managers, and each Manager agrees, severally and not jointly, to purchase from the Company the number of Firm International Shares set forth opposite the name of such Manager in Schedule I hereto, all at the price per share set forth in the International Pricing Agreement.

(ii) If the International Pricing Agreement has not been executed by the close of business on the fourth full business day following the date on which the Registration Statement becomes effective, this Agreement shall terminate forthwith, without liability of any party to any other party except that Sections 7, 9, 10 and 11 shall remain in effect.

(iii) Delivery of the Firm International Shares and payment of the purchase price therefor shall be made at the offices of Bear, Stearns & Co. Inc. at 245 Park Avenue, New York, New York 10167, or such other location in the New York City metropolitan area you shall determine and advise the Company upon at least two full business days' notice in writing. Such delivery and payment shall be made at 10:00 A.M., New York City time, on the fifth full business day following the date of execution of the International Pricing Agreement, or at such other time as may be agreed upon by you and the Company. The time and date of such delivery and payment are herein called the "Closing Date." Delivery of the Firm International Shares shall be made to you or upon your order, for the respective accounts of the Managers, against payment by you, on behalf of the respective Managers, to the Company of the aggregate purchase price therefor by certified or official bank check payable in New York Clearing House funds to the order of the Company; provided, however, that such payment shall be made by wire
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transfer to the account of the Company of immediately available funds if the Company provides a written request therefor to Bear, Stearns International Limited ("Bear, Stearns") at least three business days prior to the Closing Date. If such payment is made in immediately available funds, the Company shall reimburse Bear, Stearns for the incremental cost thereof at the then prevailing federal funds effective rate plus 137.5 basis points plus any applicable bank charges incurred by Bear, Stearns.

(iv) Certificates for the Firm International Shares shall be registered in such name or names and in such authorized denominations as you may request in writing at least two full business days prior to the Closing Date, provided that, if so specified by you, the Firm International Shares may be represented by a global certificate registered in the name of Cede & Co., as nominee of the Depositary Trust Company ("Cede"). The Company shall permit you to examine and package such certificates for delivery at least one full business day prior to the Closing Date, unless the Firm International Shares are to be represented by a global certificate.

(b)(i) The Company hereby grants to the Managers an option (the "International Option") to purchase from the Company up to an aggregate of 150,000 Additional International Shares at the same price per share as is applicable to the sale of the Firm International Shares to the Managers, for the sole purpose of covering over-allotments in the offering of the Firm International Shares by the Managers. The International Option shall be exercisable by you on one occasion only, at any time before the expiration of 30 days from the date of the International Pricing Agreement, for the purchase of all or part of the Additional International Shares, such exercise to be made by notice, given by you to the Company in the manner specified in Section 14 hereof, which notice shall set forth the aggregate number of Additional International Shares with respect to which the International Option is being exercised, the denominations and the name or names in which certificates evidencing the Additional International Shares so purchased are to be registered, and the date and time of delivery of such Additional International Shares, which date may be at or subsequent to the Closing Date and shall not be less than two nor more than ten days after such notice. The aggregate number of Additional International Shares to be purchased from the Company by each Manager (as adjusted by you to eliminate fractions) shall be determined by multiplying the total number of Additional International Shares to be sold by the Company by a fraction (x) the numerator of which is the number of Firm International Shares set forth opposite the name of such Manager in Schedule I annexed hereto and (y) the denominator of which is the total number of Firm International Shares.

(ii) Delivery of the Additional International Shares so purchased and payment of the purchase price therefor shall be made at the offices of Bear, Stearns & Co. Inc. at 245 Park Avenue, New York, New York 10167, or such other location in the New York City metropolitan area as you shall determine and advise the Company upon at least two full business days' notice in writing. Such delivery and payment shall be made at 10:00 A.M., New York City time, on the date designated in such notice or at such other time and date as may be agreed upon by you and the Company. The time and date of such delivery and payment are herein called the "Additional Closing Date." Delivery of the Additional International Shares shall be made to you or upon your order, for the respective accounts of the Managers, against payment by you, on behalf of the respective Managers, to the Company of the aggregate purchase price therefor, by certified or official bank check payable in New York Clearing House funds to the order of the Company; provided,
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however, that if the Additional Closing Date is the same date as the Closing
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Date and the Company is to receive payment for the Firm International Shares in immediately available funds in accordance with Section 4(a)(iii), payment to the Company for the Additional International Shares shall also be made in immediately available funds, in which event the Company shall reimburse Bear, Stearns for the incremental cost thereof as provided in Section 4(a)(iii).

(iii) Certificates for the Additional International Shares purchased by the Managers, when delivered to or upon your order, shall be registered in such name or names and in such authorized denominations as you shall have requested in the notice of exercise of the International Option, provided that, if so specified by you, such Additional International Shares may be represented by a global certificate registered in the name of Cede. The Company shall permit you to examine and package such certificates for delivery at least one full business day prior to the Additional Closing Date, unless the Additional International Shares are to be represented by a global certificate.

(c) The Managers shall not be obligated to purchase any Firm International Shares from the Company except upon tender to the Managers by the Company of all of the Firm International Shares and the Managers shall not be obligated to purchase any Additional International Shares from the Company except upon tender to the Managers by the Company of all of the Additional International Shares specified in the notice of exercise of the International Option. The Company shall not be obligated to sell or deliver any Firm International Shares or Additional International Shares except upon tender of payment by the Managers for all the Firm International Shares or the Additional International Shares, as the case may be, agreed to be purchased by the Managers hereunder.

5. OFFERING. It is understood that as soon after the International Pricing Agreement has been executed and delivered as you deem it advisable to do so, the Managers shall offer the International Shares for sale as set forth in the International Prospectus.

6. COVENANTS OF THE COMPANY.

The Company covenants and agrees with each Manager that:

(a) The Company shall use its best efforts to cause the Registration Statement to become effective. If the Registration Statement has become or becomes effective pursuant to Rule 430A of the Regulations, or filing of the International Prospectus with the Commission is otherwise required under Rule 424(b) of the Regulations, the Company shall file the International Prospectus, properly completed, with the Commission pursuant to Rule 424(b) of the Regulations within the time period therein prescribed and shall provide evidence satisfactory to you of such timely filing. The Company shall promptly advise you, and confirm such advice in writing, (1) when the Registration Statement or any post-effective amendment thereto has become effective, (2) of the initiation or threatening of any proceedings for, or receipt by the Company of any notice with respect to, the suspension of the qualification of the Shares for sale in any jurisdiction or the issuance by the Commission of any order suspending the effectiveness of the Registration Statement and (3) of receipt by the Company or any representative or attorney of the Company of any other communications from the Commission relating to the Company, the Registration Statement, any International Preliminary Prospectus, the International Prospectus or the transactions contemplated by this Agreement. The Company shall make every reasonable effort to prevent the issuance of an order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and, if any such order is issued, to obtain its lifting as soon as possible. The Company shall not file any amendment to the Registration Statement or any amendment of or supplement to the International Prospectus before or after the Effective Date to which you shall reasonably object in writing after being timely furnished in advance a copy thereof unless the Company shall conclude, upon the advice of counsel, that any such amendment must be filed at a time prior to obtaining such consent.

(b) If, at any time when a prospectus relating to the Shares is required to be delivered under the Act, any event shall occur as a result of which the International Prospectus as then amended or supplemented includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary at any time to amend the Registration Statement or supplement the International Prospectus to comply with the Act and the Regulations, the Company shall notify you promptly and prepare and file with the Commission an appropriate post-effective amendment or

supplement (in form and substance reasonably satisfactory to you) that will correct such statement or omission and shall use its best efforts to have any such post-effective amendment to the Registration Statement declared effective as soon as possible.

(c) The Company shall promptly deliver to you five manually-signed copies of the Registration Statement, including exhibits and all documents incorporated by reference therein and all amendments thereto, and to those persons (including you) whom you identify to the Company, such number of conformed copies of the Registration Statement, each International Preliminary Prospectus, the International Prospectus, all amendments of and supplements to such documents, if any, and all documents incorporated by reference in the Registration Statement and the International Prospectus or any amendment thereof or supplement thereto, without exhibits, as you may reasonably request.

(d) The Company shall cooperate with the Managers and Weil, Gotshal & Manges ("Underwriters' Counsel") in connection with their efforts to qualify or register the Shares for sale under the securities (or "Blue Sky") laws of such jurisdictions as you shall request, shall execute such applications and documents and furnish such information as may be reasonably required for such purpose and shall comply with such laws so as to continue such qualification in effect for so long as may be required to complete the distribution of the Shares; provided, however, that the Company shall not be required to qualify as
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a foreign corporation in any jurisdiction or to file a consent to service of process in any jurisdiction in any action other than one arising out of the offering or sale of the Shares in such jurisdiction.

(e) The Company shall make generally available (within the meaning of Section 11(a) of the Act) to its security holders and to you, in such numbers as you may reasonably request for distribution to the Managers, as soon as practicable, an earnings statement, covering a period of at least twelve consecutive full calendar months commencing after the effective date of the Registration Statement, that satisfies the provisions of Section 11(a) of the Act and Rule 158 of the Regulations.

(f) During a period of 90 days from the date of this Agreement, the Company shall not, without the prior written consent of Bear, Stearns, (A) issue, sell, offer or agree to sell, or otherwise dispose of, directly or indirectly, any

Common Stock or Class B Common Stock of the Company, par value $.10 per share (the "Class B Common Stock") (or any securities convertible into, exercisable for or exchangeable for Common Stock or Class B Common Stock) other than the (i) Company's issuance and sale of Shares hereunder, (ii) the Company's issuance of shares of Common Stock upon the conversion of the Company's presently outstanding Class B Common Stock, or (iii) the issuance of Common Stock under the Company's employee benefit plans, or (B) acquire, agree or commit to acquire or publicly announce its intention to acquire, directly or through a subsidiary, assets or securities of any other person, firm or corporation in a transaction or series of related transactions that would be material to the Company and its subsidiaries, taken as a whole. In addition, the Company has obtained and shall deliver to you on the date hereof a written undertaking from each of Dr. Felix Zandman and Mrs. Luella B. Slaner, in her individual capacity and in her capacity as Trustee of the Trust for the benefit of Mr. Alfred P. Slaner, that, without the prior written consent of Bear, Stearns, such person will not sell, offer or agree to sell, or otherwise dispose of, directly or indirectly, any Common Stock or Class B Common Stock (or any securities convertible into, exercisable for or exchangeable for Common Stock or Class B Common Stock).

(g) During the three years following the Effective Date, the Company shall furnish to you, in such numbers as you may reasonably request for distribution to the Managers, copies of (i) all reports to its shareholders and (ii) all reports, financial statements, and proxy or information statements filed by the Company with the Commission or any national securities exchange.

(h) The Company shall apply the proceeds from the sale of the Shares hereunder in the manner set forth under "Use of Proceeds" in the International Prospectus.

(i) The Common Stock currently outstanding is listed on the NYSE and the Shares have been duly authorized for listing on the NYSE, subject only to official notice of issuance. The Company shall use its best efforts promptly to cause the Shares to be listed on the NYSE.

(j) The Company shall comply with all registration, filing, and reporting requirements of the Exchange Act, which may from time to time be applicable to the Company.

(k) The Company shall comply with all provisions of all undertakings contained in the Registration Statement.

(l) Prior to the Closing Date or the Additional Closing Date, as the case may be, the Company shall issue no press release or other communication directly or indirectly and hold no press conference with respect to the Company, any subsidiary, the financial condition, results of operations, operations, business properties, assets, liabilities, or prospects of any of them, or this offering, without your prior consent, which shall not be unreasonably withheld, unless the Company shall conclude upon the advice of counsel that such press release or other communication must be issued at a time prior to obtaining such consent.

7. PAYMENT OF EXPENSES. Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company agrees to pay all costs and expenses incident to the performance of its obligations hereunder, including those in connection with (i) preparing, printing, duplicating, filing and distributing the Registration Statement (including all amendments thereof and exhibits thereto), any Preliminary Prospectuses, the Prospectuses and any supplements thereto, the underwriting documents (including this Agreement, the U.S. Underwriting Agreement, the U.S. and International Pricing Agreements and any agreements with selected securities dealers) and all other documents relating to the public offering of the Shares (including those supplied to the Managers in quantities as hereinabove stated and those supplied to the U.S. Underwriters in quantities as stated in the U.S. Underwriting Agreement), (ii) the issuance, transfer and delivery of the Shares to the U.S. Underwriters and the Managers, including any transfer or other taxes payable thereon, (iii) the qualification, if any, of the Shares under state securities laws, including the costs of preparing, printing and distributing to the U.S. Underwriters a preliminary and final Blue Sky Memorandum and the reasonable fees and disbursements of Underwriters' Counsel in connection therewith, (iv) the listing of the Shares on the NYSE and (v) the review of the terms of the public offering of the Shares by the National Association of Securities Dealers, Inc. (the "NASD") and the reasonable fees and disbursements of Underwriters' Counsel in connection therewith.

8. CONDITIONS OF THE MANAGERS' OBLIGATIONS. The obligations of the several Managers to purchase and pay for the International Shares, as provided herein, shall be subject to the accuracy of the representations and warranties of the Company herein contained, as of the date hereof, as of the Closing Date and, with respect to the Additional International Shares, the accuracy of the representations and warranties of the Company as of the Additional Closing Date, to the absence from any certificates, opinions, written statements or letters furnished

pursuant to this Section 8 to you or to Underwriters' Counsel of any qualification or limitation not previously approved in writing by you to the performance by the Company of its obligations hereunder, and to the following additional conditions:

(a) The Registration Statement shall have become effective not later than 5:00 P.M., New York time, on the date of this Agreement or at such later time and date as shall have been consented to in writing by the Representatives, and no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereof shall have been issued by the Commission or any state securities commission and no proceedings therefor shall have been initiated or threatened by the Commission or any state securities commission.

(b) At the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received the opinion of Avi Eden, Esq., general counsel for the Company, dated the date of its delivery, addressed to the U.S. Underwriters and the Managers, and in form and scope satisfactory to Underwriters' Counsel, to the effect that:

(i) The Company and each of its domestic subsidiaries listed in Schedule II hereto (the "Material Domestic Subsidiaries") (x) has been duly organized and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation and is duly qualified and in good standing as a foreign corporation in each jurisdiction in which the character or location of its properties (owned, leased or licensed) or the nature or conduct of its business makes such qualification necessary, except for those failures to be so qualified or in good standing that, in the aggregate, will not have a material adverse effect on the Company and its subsidiaries taken as a whole and (y) has all requisite corporate authority to own, lease and license its respective properties and conduct its business as now being conducted and as described in the Registration Statement and the Prospectuses. All of the issued and outstanding capital stock of each Material Domestic Subsidiary of the Company has been duly and validly issued and is fully paid and nonassessable and free of preemptive rights and, except for immaterial numbers of shares of certain of those subsidiaries that are owned by directors or employees of those subsidiaries, is owned by the Company or a subsidiary thereof, free and

clear of any lien, adverse claim or security interest and, to the knowledge of such counsel, restriction on transfer, shareholders' agreement, voting trust or other defect of title whatsoever, except as otherwise described in the Registration Statement and as may be disclosed in the Prospectuses.

(ii) The authorized capital stock of the Company is as set forth in the Registration Statement and the Prospectuses. All of the outstanding shares of such capital stock have been duly authorized and validly issued, are fully paid and nonassessable and were not issued in violation of or subject to any preemptive rights. The Shares have been duly authorized for issuance and sale to the U.S. Underwriters and the Managers, respectively, pursuant to the Underwriting Agreements and, when so sold and delivered to the U.S. Underwriters and the Managers, respectively, will be validly issued, fully paid and nonassessable and will not have been issued in violation of or subject to any preemptive rights. To the best knowledge of such counsel after due inquiry, there is no outstanding option, warrant or other right calling for the issuance of any share of capital stock of the Company or of any Material Domestic Subsidiary of any security or other instrument that by its terms is convertible into, exercisable for or exchangeable for capital stock of the Company or any Material Domestic Subsidiary, except as may be described in the Prospectuses. Upon delivery of and payment for the Shares to be sold by the Company to each U.S. Underwriter and Manager pursuant to the Underwriting Agreements, each U.S. Underwriter and each Manager (assuming that it acquires such Shares without notice of any adverse claim, as such term is used in Section 8-302 of the Uniform Commercial Code in effect in the State of New York) will acquire good and marketable title to the Shares so sold and delivered to it, free and clear of all liens, pledges, charges, claims, security interests, restrictions on transfer, agreements or other defects of title whatsoever (other than those resulting from any action taken by such U.S. Underwriter or such Manager). The Common Stock conforms in all material respects to the description thereof contained in the Registration Statement and the Prospectuses.

(iii) The Common Stock currently outstanding is listed on the NYSE and the Shares have been duly authorized for listing on the NYSE, subject only to official notice of issuance.

(iv) The Company has all requisite legal corporate right, power and authority to execute, deliver and perform the Underwriting Agreements and the Pricing Agreements and to consummate the transactions contemplated thereby. The Underwriting Agreements and the Pricing Agreements and the transactions contemplated thereby have been duly and validly authorized, executed and delivered by the Company, and the Underwriting Agreements constitute valid and binding obligations of the Company, except to the extent (A) that rights to indemnity and/or contribution thereunder may be limited by federal or state securities laws or the public policy underlying such laws, (B) that such enforcement may be subject to bankruptcy, insolvency, reorganization or other similar laws now or hereafter in effect relating to creditors' rights generally and (C) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(v) To the best of such counsel's knowledge, there is no litigation or governmental or other action, suit, proceeding or investigation before any court or before or by any public, regulatory or governmental agency or body pending or threatened against, or involving the properties or business of, the Company or any of its subsidiaries, that, if resolved against the Company or such subsidiary, individually or, to the extent involving related claims or issues, in the aggregate, is of a character required to be disclosed in the Registration Statement and the Prospectuses that has not been properly disclosed therein; and to such counsel's knowledge, there is no contract or document concerning the Company or any of its subsidiaries of a character required to be described in the Registration Statement and the Prospectuses or to be filed as an exhibit to the Registration Statement, that is not so described or filed.

(vi) To such counsel's knowledge, no order directed to any Incorporated Document has been issued by the Commission and no challenge has been made by the Commission to the accuracy or adequacy of any such Incorporated Document.

(vii) The execution, delivery, and performance by the Company of the Underwriting Agreements and the consummation of the transactions contemplated thereby

do not and will not when such performance is required pursuant to the terms hereof (A) conflict with or result in a breach of any of the terms and provisions of, or constitute a default (or an event that with notice or lapse of time, or both, would constitute a default) or require consent under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to the terms of any agreement, instrument, franchise, license or permit known to such counsel to which the Company or any of its subsidiaries is a party or by which any of such corporations or their respective properties or assets are or may be bound and that is material to the Company and its subsidiaries taken as a whole (other than those conflicts, breaches and defaults as to which requisite waivers or consents have been obtained by the Company and those that, individually or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries taken as a whole), (B) violate or conflict with any provision of the certificate of incorporation or by-laws or equivalent instruments of the Company or any of its subsidiaries that are organized under the laws of any state or other jurisdiction in the United States, or (C) to the best knowledge of such counsel, violate or conflict with any judgment, decree, order, statute, rule or regulation of any court or any public, governmental or regulatory agency or body having jurisdiction over the Company or any of its Material Domestic Subsidiaries or any of their respective properties or assets, except for those violations or conflicts that, singly or in the aggregate, would not have a material adverse effect on the Company and its subsidiaries taken as a whole. To the knowledge of such counsel, no consent, approval, authorization, order, registration, filing, qualification, license or permit of or with any court or any public, governmental, or regulatory agency or body having jurisdiction over the Company or any of its Material Domestic Subsidiaries or any of their respective properties or assets is required for the execution, delivery and performance of the Underwriting Agreements by the Company and the consummation of the transactions contemplated thereby, including, without limitation, the issuance, sale and delivery of the Shares, except for (1) such as may be required under state securities laws in connection with the purchase and distribution of the Shares by the Managers (as to which such counsel need express no opinion) and (2)

such as have been made or obtained under the Act or the rules of the NYSE.

(viii) No consent of any party to any material contract, agreement, instrument, lease or license known to such counsel to which the Company or any subsidiary thereof is a party, or to which any of their respective properties or assets are subject, is required for the execution, delivery, or performance of this Agreement, or the sale or delivery of the International Shares.

(ix) Insofar as statements in the Prospectuses purport to summarize the status of litigation or the provisions of laws, rules, regulations, orders, judgments, decrees, contracts, agreements, instruments, leases, or licenses, such statements are correct in all material respects and, to the best knowledge of such counsel, the statements accurately reflect the status of such litigation.

(x) The Company is not an "investment company" or a company "controlled" by an "investment company" as defined in the Investment Company Act.

(xi) To such counsel's knowledge, no person or entity has the right, by contract or otherwise, to require registration under the Act of shares of Common Stock or other securities of the Company solely because of the filing or effectiveness of the Registration Statement.

(xii) Such counsel has received no stop order suspending the effectiveness of the Registration Statement or any post-effective amendment thereto and to the best knowledge of such counsel, no proceedings therefore have been initiated or threatened by the Commission.

In addition, such counsel shall state that he has participated in conferences with officers and other representatives of the Company and its subsidiaries, representatives of the independent certified public accountants of the Company, representatives of the U.S. Underwriters and the Managers and Underwriters' Counsel at which the contents of the Registration Statement, the Prospectuses and any amendments thereof or supplements thereto and related matters were discussed and, although such counsel has not undertaken to investigate or verify independently, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements

contained in the Registration Statement or the Prospectuses or any amendments thereof or supplements thereto (except as to matters referred to in the last sentence of clause (ii) above), on the basis of the foregoing (relying as to materiality to a large extent upon the opinions of officers and other representatives of the Company) nothing has caused such counsel to believe that the Registration Statement at the time it became effective (or any post-effective amendment thereof as of the date of such amendment) contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectuses as of the date thereof and as of the date of such opinion contained an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading (it being understood that such counsel need express no view with respect to the financial statements and schedules and other financial, accounting and statistical data included therein, or with respect to the exhibits to the Registration Statement or with respect to any information furnished by or on behalf of the U.S. Underwriters or the Managers for use in the Registration Statement).

In rendering such opinion, such counsel may rely (A) as to matters involving the application of laws other than the laws of the United States, the Commonwealth of Pennsylvania and Delaware corporate law, to the extent such counsel deems proper and to the extent specified in such opinion, if at all, upon an opinion or opinions (in form and substance reasonably satisfactory to Underwriters' Counsel) of other counsel reasonably acceptable to Underwriters' Counsel, familiar with the applicable laws; and (B) as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and certificates or other written statements of officers of departments of various jurisdictions having custody of documents respecting the corporate existence or good standing of the Company and its subsidiaries. The opinion of counsel for the Company shall state that the opinion of any such other counsel is in form and substance satisfactory to such counsel and, in his opinion, he and you are justified in relying thereon.

(c) On the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received the opinion of Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, special counsel for the Company, dated the date of its delivery, addressed to the U.S.

Underwriters and the Managers and in form and scope satisfactory to Underwriters' Counsel, to the effect that:

(i) The Registration Statement and Prospectuses (other than the financial statements and schedules and other financial and statistical data included or incorporated by reference therein, as to which no opinion need be expressed) comply as to form in all material respects with the requirements of the Act and the Regulations. The Incorporated Documents (other than the financial statements and schedules and other financial and statistical data included or incorporated by reference therein, as to which no opinion need be expressed) complied as to form in all material respects with the Exchange Act and the rules and regulations of the Commission thereunder as of the respective dates filed with the Commission; and

(ii) The Registration Statement has become effective under the Act, and such counsel is not aware of any stop order suspending the effectiveness of the Registration Statement and to the knowledge of such counsel no proceedings therefor have been initiated or threatened by the Commission.

In addition, you shall have received the opinion of such counsel to the effect set forth in clauses (ii) (other than the second sentence thereof), (iv), (v) and (vii) of Section 8(b) hereof. You also shall have received a statement from such counsel to the effect of the penultimate paragraph of Section 8(b) hereof. In rendering such opinion, such counsel may state that their opinion is limited to matters of Federal, Delaware corporate and New York law and such counsel may rely as to matters of fact, to the extent they deem proper, on certificates of responsible officers of the Company and upon certificates of public officials.

(d) On the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received (i) the favorable opinion of Melissa Palmer as to the French subsidiary of the Company listed in Schedule II hereto, (ii) the favorable opinion of Peltzer & Riesenkampff as to the German subsidiaries of the Company listed in Schedule II hereto, (iii) the favorable opinion of Moret, Ernst & Young as to the Netherlands subsidiary of the Company listed on Schedule II hereto and (iv) the favorable opinion of Israel Baron, Esq. as to the Israeli subsidiary of the Company listed in Schedule II hereto, each dated the date of its delivery, addressed to the U.S. Underwriters and

the Managers and in form and scope satisfactory to Underwriters' Counsel, in each case as to the absence of any pending or threatened litigation that might result in a judgment or decree having a material adverse effect on the condition (financial or other), earnings business or properties of each subsidiary that is the subject of the opinion (collectively, the "Subject Subsidiaries"), the due incorporation and continuing existence in good standing under the laws of its jurisdiction of incorporation of each such Subject Subsidiary, the due qualification in and continuing good standing of each such Subject Subsidiary under the laws of each foreign jurisdiction in which it owns or leases material properties or conducts material business and where such qualification is required by law, the due authorization and valid issuance of the outstanding capital stock of each such Subject Subsidiary and the ownership thereof directly or indirectly by the Company free and clear of any liens, claims, security interests, except for security interests in favor of certain named banks as disclosed in the Registration Statement, the absence (to such counsel's knowledge) of any outstanding options, warrants or other rights to acquire, by purchase, exchange or conversion, shares of the capital stock of each such Subject Subsidiary and the absence (to such counsel's knowledge) of any violation, breach or default on the part of each such Subject Subsidiary of or under any agreement, lease or license that is material to the Company and its subsidiaries taken as a whole.

(e) At the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received a certificate of the Chief Financial Officer of the Company, dated the date of its delivery, to the effect that the conditions set forth in subsection (a) of this Section 8 have been satisfied, that as of the date of such certificate the representations and warranties of the Company set forth in Section 3 hereof are accurate and the obligations of the Company to be performed hereunder on or prior thereto have been duly performed.

(f) At the time this Agreement is executed and at the Closing Date (and, with respect to the Additional Shares, the Additional Closing Date), you shall have received a letter, from Ernst & Young, dated the date of its delivery, addressed to the U.S. Underwriters and the Managers and in form and substance reasonably satisfactory to you, to the effect that: (i) they are independent public accountants with respect to the Company within the meaning of the Act and the Regulations and stating that the answer to Item 10 of the Registration Statement is correct insofar as it

relates to them; (ii) in their opinion, the financial statements and schedules of the Company included or incorporated by reference in the Registration Statement and the Prospectuses and covered by their opinion incorporated by reference therein comply as to form in all material respects with the applicable accounting requirements of the Act and the Exchange Act and the applicable published rules and regulations of the Commission thereunder; (iii) on the basis of procedures (but not an examination made in accordance with generally accepted auditing standards) consisting of a reading of the latest available unaudited interim consolidated financial statements of the Company and its subsidiaries, a reading of the minutes of meetings and consents of the shareholders and boards of directors of the Company and its subsidiaries and the committees of such boards subsequent to December 31, 1994, inquiries of officers and other employees of the Company and its subsidiaries who have responsibility for financial and accounting matters of the Company and its subsidiaries with respect to transactions and events subsequent to December 31, 1994, reading the unaudited consolidated condensed financial statements of the Company and its subsidiaries for the six months ended June 30, 1995 and 1994, respectively, and other specified procedures and inquiries to a date not more than six days prior to the date of such letter, nothing has come to their attention that would cause them to believe that: (A) the unaudited pro forma condensed consolidated financial statements contained in the Registration Statement and the Prospectuses do not comply as to form in all material respects with the applicable accounting requirements of the Act and the Regulations or the pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements, (B) the unaudited historical consolidated condensed financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement and the Prospectuses do not comply as to form in all material respects with the applicable accounting requirements of the Act, the Exchange Act and the regulations or that such unaudited condensed consolidated financial statements are not presented in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the audited consolidated financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement and the Prospectuses, (C) with respect to the period subsequent to June 30, 1995 there were, as of the date of the most recent available monthly consolidated financial statements of the Company and its subsidiaries, if any, and as of a specified date not more than six days prior to the date of

such letter, any changes in the capital stock or long-term indebtedness of the Company or any decrease in stockholders' equity of the Company, in each case as compared with the amounts shown in the most recent balance sheet included or incorporated by reference in the Registration Statement and the Prospectuses, except for changes or decreases that the Registration Statement and the Prospectuses disclose have occurred or may occur; or (D) that during the period from June 30, 1995 to the date of the most recent available monthly consolidated financial statements of the Company and its subsidiaries, if any, and to a specified date not more than six days prior to the date of such letter, there was any decrease, as compared with the corresponding period in the prior fiscal year, in total revenues, or total or per share net income, except for decreases that the Prospectuses disclose have occurred or may occur; and (iv) stating that they have compared specific numbers of shares, percentages of revenues and earnings, and other financial information pertaining to the Company and its subsidiaries set forth in the Prospectuses, which have been specified by you prior to the date of this Agreement, to the extent that such numbers, percentages, and information may be derived from the general accounting and financial records of the Company and its subsidiaries or from schedules furnished by the Company, and excluding

any questions requiring an interpretation by legal counsel, with the results obtained from the application of specified readings, inquiries, and other appropriate procedures specified by you (which procedures do not constitute an examination in accordance with generally accepted auditing standards) set forth in such letter, and found them to be in agreement.

(g) All proceedings taken in connection with the sale of the Shares as contemplated by the Underwriting Agreements shall be reasonably satisfactory in form and substance to you and to Underwriters' Counsel, and you shall have received from Underwriters' Counsel an opinion, dated as of the Closing Date and addressed to the U.S. Underwriters and the Managers, with respect to the sale of the Firm Shares, and dated as of the Additional Closing Date with respect to the sale of the Additional Shares, as to such matters as you reasonably may require, and the Company shall have furnished to Underwriters' Counsel such documents as Underwriters' Counsel may request for the purpose of enabling Underwriters' Counsel to pass upon such matters.

(h) The NASD, upon review of the terms of the underwriting arrangements for the public offering of the Shares, shall have raised no objections thereto.

(i) The Shares shall have commenced trading on the NYSE on a when-issued basis.

(j) At the time this Agreement is executed, the Company shall have furnished to you the written undertakings referred to in the last sentence of Section 6(f) hereof, in form and substance satisfactory to Underwriters' Counsel.

(k) Prior to the Closing Date and the Additional Closing Date, the Company shall have furnished to you such further information, certificates and documents as you may reasonably request.

(l) The closing of the purchase of the U.S. Shares pursuant to the U.S. Underwriting Agreement shall occur concurrently with (x) the closing described in Section 4(a)(iii) hereof, in the case of the Firm International Shares, and (y) the closing described in Section 4(b)(ii) hereof, in the case of the Additional International Shares.

If any of the conditions specified in this Section 8 shall not have been fulfilled when and as required by this Agreement, or if any of the certificates, opinions, written statements, or letters furnished to you or to Underwriters' Counsel pursuant to this Section 8 shall not be in all material respects reasonably satisfactory in form and substance to you and to Underwriters' Counsel, all obligations of the Managers hereunder not theretofore discharged may be canceled by you at, or at any time prior to, the Closing Date and with respect to the Additional International Shares, the Additional Closing Date. Notice of such cancellation shall be given to the Company in writing, or by telephone, telex or telegraph, confirmed in writing.

9. INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless each Manager and each person, if any, who controls any Manager within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against any and all losses, liabilities, claims, damages and expenses whatsoever (including but not limited to attorneys' fees and any and all expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation, provided that such settlement was effected with the Company's written consent in accordance with Section 9(c) hereof), joint or several, to which they or any of them may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses

(or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the International Prospectus or any International Preliminary Prospectus, or in any supplement thereto or amendment thereof, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the International Prospectus, in light of the circumstances under which they were made) not misleading; provided, however, that the Company shall not be liable under this subsection 9(a) to any Manager in any such case to the extent but only to the extent that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by or on your behalf with respect to the Managers; and provided further, that with respect to any International Preliminary Prospectus, such indemnity shall not inure to the benefit of any Manager (or the benefit of any person controlling such Manager) if the person asserting any such losses, liabilities, claims, damages or expenses purchased the Shares that are the subject thereof from such Manager and if such person was not sent or given a copy of the International Prospectus, excluding documents incorporated therein by reference, at or prior to confirmation of the sale of such Shares to such person in any case where such sending or giving is required by the Act and the untrue statement or omission of a material fact contained in such International Preliminary Prospectus was corrected in the International Prospectus. This indemnity agreement will be in addition to any liability that the Company may otherwise have, including under this Agreement.

(b) Each Manager, severally and not jointly, agrees to indemnify and hold harmless the Company, each of the directors of the Company, each of the officers of the Company who shall have signed the Registration Statement, and each other person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, against any losses, liabilities, claims, damages and expenses whatsoever (including but not limited to attorneys' fees and any and all expenses reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation, provided that such settlement was effected with such Manager's written consent in accordance with Section 9(c) hereof), joint or several, to which they or any of them may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon

any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or the International Prospectus or any International Preliminary Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of the International Prospectus, in light of the circumstances under which they were made) not misleading, in each case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with written information furnished to the Company by or on your behalf with respect to such Manager expressly for use in the Registration Statement or International Prospectus; provided, however, that in no case shall
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such Manager be liable or responsible for any amount in excess of the aggregate public offering price of the International Shares underwritten by it and distributed to the public. This indemnity will be in addition to any liability that the Manager may otherwise have including under this Agreement. The Company acknowledges that the statements set forth in the last paragraph of the cover page and in the first ten paragraphs under the caption "Underwriting" in the International Prospectus constitute the only information furnished in writing by or on behalf of any Manager expressly for use in the Registration Statement, any related International Preliminary Prospectus and the International Prospectus.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the assertion of any claim, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement thereof (but the failure so to notify an indemnifying party shall not relieve it from any liability that it may have under this Section 9 except to the extent that it has been prejudiced in any material respect by such failure or from any liability that it may have otherwise). In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless

(i) the employment of such counsel shall have been authorized in writing by one of the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties with respect to such different defenses), in any of which events such fees and expenses shall be borne by the indemnifying parties. The indemnifying party under subsection (a) or (b) above shall only be liable for the legal expenses of one counsel for all indemnified parties in each jurisdiction in which any claim or action is brought; provided, however, that the indemnifying party shall be
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liable for separate counsel for any indemnified party in a jurisdiction, if counsel to the indemnified parties shall have reasonably concluded that there may be defenses available to such indemnified party that are different from or additional to those available to one or more of the other indemnified parties and that separate counsel for such indemnified party is prudent under the circumstances. Anything in this subsection to the contrary notwithstanding, an indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent; provided, however, that such written
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consent was not unreasonably withheld.

10. CONTRIBUTION. In order to provide for contribution in circumstances in which the indemnification provided for in Section 9(a) hereof is for any reason held to be unavailable from the Company or is insufficient to hold harmless a party indemnified thereunder, the Company and the Managers shall contribute to the aggregate losses, claims, damages, liabilities and expenses of the nature contemplated by such indemnification provisions (including any investigation, legal and other expenses reasonably incurred in connection with, and any amount paid in settlement of, any action, suit or proceeding or any claims asserted, but after deducting in the case of losses, claims, damages, liabilities and expenses suffered by the Company, any contribution received by the Company from persons, other than one or more of the Managers, who may also be liable for contribution, including persons who control the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, officers of the Company who signed the Registration Statement and directors of the Company) to which the Company and one or more of the Managers may be subject, in such proportions as are appropriate to reflect the relative benefits received by the Company, on the one hand, and the Managers, on

the other hand, from the offering of the International Shares or, if such allocation is not permitted by applicable law or indemnification is not available as a result of the indemnifying party not having received notice as provided in Section 9 hereof, in such proportion as is appropriate to reflect not only the relative benefits referred to above but also the relative fault of the Company, on the one hand, and the Managers, on the other hand, in connection with the statements or omissions that resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Managers, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the offering (net of underwriting discounts and commissions but before deducting expenses) received by the Company and (y) the underwriting discounts received by the Managers, respectively, in each case as set forth in the table on the cover page of the International Prospectus. The relative fault of the Company, on the one hand, and of the Managers, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Managers on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Managers agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this Section 10, (i) in no case shall any Manager be required to contribute any amount in excess of the amount by which the aggregate public offering price of the International Shares underwritten by it and distributed to the public exceeds the amount of any damages that such Manager has otherwise been required to pay by reason of such untrue or alleged untrue statement or such omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 10, each person, if any, who controls any Manager within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act shall have the same rights to contribution as such Manager and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20(a) of the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to clauses (i) and (ii) of this Section 10. Any party entitled to contribution

shall, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this Section 10, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation

it or they may have under this Section 10 or otherwise. No party shall be liable for contribution with respect to any action or claim settled without its written consent; provided, however, that such written consent was not
unreasonably withheld.

11. SURVIVAL OF REPRESENTATIONS AND AGREEMENTS. All representations and warranties, covenants and agreements of the Managers and the Company contained in this Agreement, including without limitation the agreements contained in Sections 6 and 7, the indemnity agreements contained in Section 9 and the contribution agreements contained in Section 10, shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Managers or any controlling person of any Manager or by or on behalf of the Company, any of its officers and directors, and shall survive delivery of the International Shares to and payment for the International Shares by the Managers. The representations contained in Section 3 and the agreements contained in Sections 6, 7, 9, 10 and 13(d) hereof shall survive the termination of this Agreement including pursuant to Section 13 hereof.

12. DEFAULT BY A MANAGER.

(a) If any Manager or Managers shall default in its or their obligation to purchase Firm International Shares or Additional International Shares hereunder, and if the Firm International Shares or Additional International Shares with respect to which such default relates do not (after giving effect to arrangements, if any, made pursuant to subsection (b) below) exceed in the aggregate 10% of the number of shares of Firm International Shares or Additional International Shares, as the case may be, that all Managers have agreed to purchase hereunder, then such Firm International Shares or Additional International Shares to which the default relates shall be purchased by the non-defaulting Managers in proportion to the respective proportions that the numbers of Firm International Shares set forth opposite their respective names in Schedule I hereto bear to the aggregate number of Firm International Shares set forth opposite the names of the non-defaulting Managers.

(b) If such default relates to more than 10% of the Firm International Shares or Additional International Shares, as the case may be, you may, in your discretion, arrange for another

party or parties (including any non-defaulting Manager or Managers who so agree) to purchase such Firm International Shares or Additional International Shares, as the case may be, to which such default relates on the terms contained herein. If within five (5) calendar days after such a default you do not arrange for the purchase of the Firm International Shares or Additional International Shares, as the case may be, to which such default relates as provided in this Section 12, this Agreement (or, in the case of a default with respect to the Additional International Shares, the obligations of the Managers to purchase and of the Company to sell the Additional International Shares) shall thereupon terminate, without liability on the part of the Company with respect thereto (except in each case as provided in Sections 7, 9(a) and 10 hereof) or the several non-defaulting Managers (except as provided in Sections 9(b) and 10 hereof), but nothing in this Agreement shall relieve a defaulting Manager or Managers of its or their liability, if any, to the other several Managers and the Company for damages occasioned by its or their default hereunder.

(c) If the Firm International Shares or Additional International Shares to which the default relates are to be purchased by the non-defaulting Managers, or are to be purchased by another party or parties as aforesaid, you or the Company shall have the right to postpone the Closing Date or Additional Closing Date, as the case may be, for a period not exceeding five (5) business days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the International Prospectus or in any other documents and arrangements, and the Company agrees to file promptly any amendment or supplement to the Registration Statement or the International Prospectus that, in the opinion of Underwriters' Counsel, may thereby be made necessary or advisable. The term "Manager" as used in this Agreement shall include any party substituted under this Section 12 with like effect as if it had originally been a party to this Agreement with respect to such Firm International Shares and Additional International Shares.

13. EFFECTIVE DATE OF AGREEMENT; TERMINATION.

(a) This Agreement shall become effective when you and the Company shall have received notification of the effectiveness of the Registration Statement. Until this Agreement becomes effective as aforesaid, and in addition to the termination provisions of Section 4(a)(ii), this Agreement may be terminated by the Company by notifying you or by you by notifying the Company without any liability of any party to any party hereunder. Notwithstanding the foregoing, the provisions of this Section 13 and of Sections 7, 9, 10 and 11 hereof shall at all times be in full force and effect.

(b) This Agreement and the obligations of the Managers hereunder may be terminated by you by written notice to the Company at any time at or prior to the Closing Date (and, with respect to the Additional International Shares, the Additional Closing Date), without liability (other than with respect to Sections 9 and 10) on the part of any Manager to the Company if, on or prior to such date, (i) the Company shall have failed, refused or been unable to perform in any material respect any agreement on its part to be performed hereunder, (ii) any other condition to the obligations of the Managers set forth in Section 8 hereof is not fulfilled when and as required in any material respect, (iii) trading in securities generally on the NYSE or the American Stock Exchange or in the over-the-counter market shall have been suspended or materially limited, or minimum prices shall have been established on either exchange or such market by the Commission, or by either exchange or other regulatory body or governmental authority having jurisdiction, (iv) a general banking moratorium shall have been declared by Federal or New York State authorities, (v) there shall have occurred any outbreak or escalation of armed hostilities involving the United States on or after the date hereof, or if there has been a declaration by the United States of a national emergency or war, the effect of which shall be, in your judgment, to make it inadvisable or impracticable to proceed with the sale and delivery of the International Shares on the terms and in the manner contemplated in the International Prospectus, (vi) in your reasonable opinion any material adverse change shall have occurred since the respective dates as of which information is given in the Registration Statement or the Prospectuses in the condition (financial or other) of the Company and its subsidiaries taken as a whole, whether or not arising in the ordinary course of business other than as set forth in the Prospectuses or contemplated thereby, or (vii) there shall have occurred such a material adverse change in the financial markets in the United States such as, in your judgment, makes it inadvisable or impracticable to proceed with the sale and delivery of the International Shares on the terms and in the manner contemplated in the International Prospectus. Your right to terminate this Agreement will not be waived or otherwise relinquished by their failure to give notice of termination prior to the time that the event giving rise to the right to terminate shall have ceased to exist, provided that notice is given prior to the Closing Date (and, with respect to the Additional International Shares, the Additional Closing Date).

(c) Any notice of termination pursuant to this Section 13 shall be by telephone, telex, telephonic facsimile, or telegraph, confirmed in writing by letter.

(d) If this Agreement shall be terminated pursuant to any of the provisions hereof (otherwise than pursuant to notification by you, as provided in subsection 13(a) or 13(b) hereof), or if the sale of the International Shares provided for herein is not consummated because any condition to the obligations of the Managers set forth herein is not satisfied (other than with respect to Section 8(m) hereof as a result of a default by the U.S. Underwriters in the purchase of the U.S. Shares) or because of any refusal, inability or failure on the part of the Company to perform any agreement herein or to comply with any provision hereof (other than by reason of a default of the Managers), the Company agrees, subject to demand by you, to reimburse the Managers for all reasonable out-of-pocket expenses (including the reasonable fees and expenses of Underwriters' Counsel), incurred by the Managers in connection herewith.

14. NOTICES. All communications hereunder, except as may be otherwise specifically provided herein, shall be in writing and, if sent to any one or more of the Managers, shall be hand delivered, telexed, telegraphed or faxed to Bear, Stearns International Limited, One Canada Square, London E14 5AD, England, Attention: Corporate Finance Department (Fax No. 011-44-71-512-4090) with a copy in like manner to Bear, Stearns & Co. Inc., 245 Park Avenue, New York, New York 10167, Attention: Corporate Finance Department (Fax No. 212-272-3092); if sent to the Company, shall be hand delivered, telexed, telegraphed or faxed and confirmed in writing, to the Company, 63 Lincoln Highway, Malvern, Pennsylvania 19355, Attention: Chief Financial Officer (Fax No. 215-296-0657).

15. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument.

16. PARTIES. The Company shall be entitled to act and rely upon any request, notice, consent, waiver or agreement purportedly given by the Managers or you when the same shall have been given and signed by Bear, Stearns. This Agreement shall inure solely to the benefit of, and shall be binding upon, each of the Managers and the Company and the controlling persons, directors, officers, employees and agents referred to in Sections 9 and 10, and their respective successors and assigns, and no other person shall have or be construed to have any legal or equitable right, remedy or claim under or in respect of or by virtue of this Agreement or any provision herein contained. The term "successors and assigns" shall not include a purchaser, in its capacity as such, of International Shares from the Managers.

17. CONSTRUCTION. This Agreement shall be construed in accordance with the internal laws of the State of New York.

If the foregoing correctly sets forth the complete agreement between the Managers, on the one hand, and the Company, on the other hand, please so indicate in the space provided below for that purpose, whereupon this letter shall constitute a binding agreement among us.

Very truly yours,

VISHAY INTERTECHNOLOGY, INC.

By:
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Name:
Title:

Accepted as of the date first above written.

BEAR, STEARNS INTERNATIONAL LIMITED
Acting on its own behalf and as a representative of the several Managers named in Schedule I annexed hereto.

By:
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Name:
Title:

MERRILL LYNCH INTERNATIONAL LIMITED
Acting on its own behalf and as a representative of the several Managers named in Schedule I annexed hereto.

By:
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Name:
Title:

DONALDSON, LUFKIN & JENRETTE SECURITIES CORPORATION
Acting on its own behalf and as a representative of the several Managers named in Schedule I annexed hereto.

By:
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Name:
Title:

LEHMAN BROTHERS INTERNATIONAL (EUROPE)
Acting on its own behalf and as a representative of the several Managers named in Schedule I annexed hereto.

By:
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Name:
Title:

SCHEDULE I

| Name of Manager | Number of Firm International Shares to be Purchased |
|---|---|
| Bear, Stearns International Limited ..... | |
| Donaldson, Lufkin & Jenrette Securities Corporation ..... | |
| Lehman Brothers International (Europe) ..... | |
| Merrill Lynch International Limited ..... | |
| TOTAL | |

SCHEDULE II

MATERIAL SUBSIDIARIES

| NAME | JURISDICTION OF INCORPORATION |
| --- | --- |
| Dale Holdings, Inc. | Delaware |
| Dale Electronics, Inc. | Delaware |
| Measurements Group, Inc. | Delaware |
| Vishay Acquisition Holdings Corp. | Delaware |
| Vitramon, Incorporated | Delaware |
| Vishay Sprague Holdings Corp. | Delaware |
| Draloric Electronic GmbH | Germany |
| Roederstein GmbH | Germany |
| Vishay Europe GmbH | Germany |
| Sfernice S.A. | France |
| Vilna Equities Holding, B.V. | Netherlands |
| Vishay Israel Limited | Israel |

SCHEDULE III

COMPANY SUBSIDIARIES

| Name | Jurisdiction | Percent of Equity |
|---|---|---|
| Nikkohm Co. Ltd. | Japan | 49% |
| Nippon Vishay, K.K. | Japan | 100% |
| Vishay F.S.C., Inc. | U.S. Virgin Islands | 100% |
| VSH Holdings, Inc. | Delaware | 100% |
| Roederstein Electronics, Inc. | Delaware | 100% |
| Measurements Group, Inc. | Delaware | 100% |
| Vishay MicroMeasures SA | France | 100% |
| Measurements Group GmbH | Germany | 100% |
| Grupo Da Medidas Iberica S.L. | Spain | 100% |
| Vishay Israel Limited | Israel | 100% |
| Z.T.R. Electronics Ltd. | Israel | 100% |
| Vishay International Trade Ltd. | Israel | 100% |
| Dale Israel Electronics Industries Ltd. | Israel | 100% |
| Draloric Israel Ltd. | Israel | 100% |
| V.I.E.C. Ltd. | Israel | 100% |
| Vilna Equities Holding, B.V. | Netherlands | 100% |
| Visra Electronics Financing B.V. | Netherlands | 100% |
| Measurements Group (U.K.) Ltd. | England & Wales | 100% |
| Vishay Europe GmbH | Germany | 65.70% by Vishay Israel<br>27.30% by Vishay<br>5.50% by Vilna<br>1.50% by Dale |
| Roederstein GmbH | Germany | 100% |
| Roederstein-Produktionsgesell-schaft GmbH | Germany | 100% |
| Roederstein Electronics Portugal Lda. | Portugal | 95% |
| Vishay Bauelemente Vertrieb GmbH | Germany | 78% |
| Vishay Bauelemente Vertrieb A.G. | Switzerland | 96% |
| Roederstein Vertrieb Elektronischer Bauelemente & Co. | Austria | 77.78% |
| Vishay Vertrieb Elektronischer Bauelemente Ges. mbH | Austria | 100% |
| Klevestav-Roederstein Festigheter AB | Sweden | 50% |
| Vishay Components, S.A. | Spain | 100% |

Note: Names of Subsidiaries are indented under name of Parent

| Name | Jurisdiction | Percent of Equity |
|---|---|---|
| Dzie Roederstein Electronische Onderdelen B.V. | Netherlands | 40% |
| N.V. Roederstein Electronics Components S.A. | Belgium | 100% |
| Fabrin Roederstein A.S. | Denmark | 40% |
| OY Roederstein AB | Finland | 40% |
| Okab Roederstein Finland OY | Finland | 44.4% |
| Rogin Electronic S.A. | France | 33% |
| Roederstein Norge AS | Norway | 40% |
| Roederstein-Hilfe-GmbH | Germany | 100% |
| Draloric Electronics GmbH | Germany | 100% |
| Draloric Electronic SPOL S RO | Czech Republic | 100% |
| Sfernice S.A. | France | 99.8% |
| Vishay Composants Electroniques S.A.R.L. | France | 100% |
| Nicolitch S.A. | France | 100% |
| Gravures Industrielles Mulhousiennes S.A. | France | 100% |
| Sfernice Ltd. | England & Wales | 100% |
| Aztronic Societe Nouvelle S.A. | France | 100% |
| Ultronix, Inc. | Delaware | 100% |
| Ohmtek, Inc. | New York | 100% |
| Techno Components Corp. | Delaware | 100% |
| Vitramon France, S.A. | France | 100% |
| E-Sil Components Ltd. | England & Wales | 100% |
| Vishay Components (U.K.) Ltd. | England & Wales | 100% |
| Grued Corporation Inc. | Delaware | 100% |
| Con-Gro, Corp. | Delaware | 100% |
| Gro-Con, Inc. | Delaware | 100% |
| Angstrohm Precision, Inc. | Delaware | 100% |
| Angstrohm Holdings, Inc. | Delaware | |
| Alma Components Ltd. | Guernsey | 100% |
| Vishay Resistor Products (U.K.) Ltd. | England & Wales | 100% |
| Heavybarter, Unlimited | England & Wales | 100% |
| Vishay-Mann Limited | England & Wales | 100% |
| Vitramon, Ltd. | England & Wales | 100% |
| Dale Holdings, Inc. | Delaware | 100% |
| Dale Electronics, Inc. | Delaware | 100% |
| Componentes Dale de Mexico S.A. de C.V. | Mexico | 100% |
| Electronica Dale de Mexico S.A. de C.V. | Mexico | 100% |

Note: Names of Subsidiaries are indented under name of Parent

| Name | Jurisdiction | Percent of Equity |
|---|---|---|
| Vishay Electronic Components Asia Pte., Ltd. | Singapore | 100% |
| Jefel de Mexico S.A. de C.V. | Mexico | 100% |
| The Colber Corporation | New Jersey | 100% |
| Dale Test Laboratories, Inc. | South Dakota | 100% |
| Angstrohm Precision, Inc. (Maryland) | Maryland | 100% |
| Bradford Electronics, Inc. | Delaware | 100% |
| Vishay Sprague Holdings Corp. | Delaware | 100% |
| Sprague North Adams, Inc. | Massachusetts | 100% |
| Sprague Sanford, Inc. | Maine | 100% |
| Vishay Sprague, Inc. | Delaware | 100% |
| Vishay Sprague Canada Holdings Inc. | Canada | 100% |
| Sprague Electric of Canada Limited | Canada | 100% |
| Sprague France S.A. | France | 100% |
| Sprague Palm Beach, Inc. | Delaware | 100% |
| Vishay Acquisition Holdings Corp. | Delaware | 100% |
| Vitramon, Incorporated | Delaware | 100% |
| Vitramon Pty. Limited | Australia | 100% |
| Vitramon Japan Limited | Japan | 100% |
| Vitramon do Brasil Ltda. | Brazil | 100% |
| Vitramon Far East Pte Ltd. | Singapore | 100% |

Note: Names of Subsidiaries are indented under name of Parent

EXHIBIT A

1,000,000 Shares

VISHAY INTERTECHNOLOGY, INC.

Common Stock

FORM OF INTERNATIONAL PRICING AGREEMENT

_____

_____, 1995

Bear, Stearns International Limited
Merrill Lynch International Limited
Donaldson, Lufkin & Jenrette
 Securities Corporation
Lehman Brothers International (Europe)
 as Representatives of the
 several Managers named
 in the International Underwriting Agreement
c/o Bear, Stearns International Limited
One Canada Square
London E14 5AD, England

Ladies and Gentlemen:

Reference is made to the International Underwriting Agreement dated _____, 1995 (the "International Underwriting Agreement") among Vishay Intertechnology, Inc. (the "Company") and the several Managers named therein (the "Managers"), for whom you are acting as representatives. The International Underwriting Agreement provides for the purchase by the Managers from the Company, subject to the terms and conditions set forth therein, of an aggregate of 1,000,000 shares (the "Firm International Shares") of the Company's common stock, par value $.10 per share. This Agreement is the International Pricing Agreement referred to in the International Underwriting Agreement.

Pursuant to Section 4 of the International Underwriting Agreement, the Company agrees with each Manager as follows:

1. The public offering price per share for the Firm International Shares, determined as provided in said Section 4, shall be $_____.

2. The purchase price per share for the Firm International Shares to be paid by the several Managers shall be $_____, such price being an amount equal to the public offering price set forth above less $_____ per share.

The Company represents and warrants to each of the Managers that the representations and warranties of the Company set forth in Section 3 of the International Underwriting Agreement are accurate as though expressly made at and as of the date hereof.

This Agreement shall be governed by the laws of the State of New York.

If the foregoing is in accordance with our understanding of the International Underwriting Agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the Managers and the Company in accordance with its terms and the terms of the International Underwriting Agreement.

Very truly yours,

VISHAY INTERTECHNOLOGY, INC.

By:
---
Name:
Title:

Confirmed and accepted as of
the date first above written:

BEAR, STEARNS INTERNATIONAL LIMITED
MERRILL LYNCH INTERNATIONAL LIMITED
DONALDSON, LUFKIN & JENRETTE
SECURITIES CORPORATION
LEHMAN BROTHERS INTERNATIONAL (EUROPE)
Acting on their own behalf and as
representatives of the other Managers
named in the International Underwriting Agreement.

By: BEAR, STEARNS INTERNATIONAL LIMITED

By:
---
Name:
Title:

EXHIBIT 23

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Vishay Intertechnology, Inc. for the registration of 5,000,000 shares of its common stock and to the incorporation by reference therein of our report dated February 8, 1995 (except for Note 13, as to which the date is March 3, 1995), with respect to the consolidated financial statements of Vishay Intertechnology, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 1994, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP
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Ernst & Young LLP

Philadelphia, Pennsylvania
August 25, 1995