

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1994

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

For the transaction period from to

Commission File Number 1-7416

VISHAY INTERTECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

38-1686453

(State or other jurisdiction (I.R.S. Employer Identification
of incorporation or organization) Number)

63 Lincoln Highway, Malvern, Pennsylvania 19355
(Address of principal executive offices) (Zip Code)

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

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

As of May 10, 1994 registrant had 17,656,340 shares of its Common Stock and 3,574,973 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q

MARCH 31, 1994

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

ASSETS	March 31 1994	December 31 1993
	-----	-----
CURRENT ASSETS		
Cash and cash equivalents	\$19,155,000	\$10,931,000
Accounts receivable	151,297,000	125,284,000
Inventories:		
Finished goods	80,706,000	85,783,000
Raw materials and work in process	145,762,000	138,872,000
Prepaid expenses and other current assets	38,241,000	33,365,000
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TOTAL CURRENT ASSETS	435,161,000	394,235,000
PROPERTY AND EQUIPMENT - AT COST		
Land	34,819,000	33,791,000
Buildings and improvements	140,677,000	136,432,000
Machinery and equipment	418,230,000	398,885,000
Allowance for depreciation	(160,158,000)	(149,004,000)
	-----	-----
	433,568,000	420,104,000
GOODWILL		
	120,695,000	118,286,000
OTHER ASSETS		
	14,266,000	15,481,000
	-----	-----
	\$1,003,690,000	\$948,106,000
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31 1994	December 31 1993
	-----	-----
CURRENT LIABILITIES		
Notes payable to banks	\$36,506,000	\$22,695,000
Trade accounts payable	49,696,000	48,404,000
Payroll and related expenses	34,135,000	28,942,000
Other accrued expenses	52,609,000	54,112,000
Income taxes	4,866,000	3,740,000
Current portion of long-term debt	30,543,000	30,536,000
	-----	-----
TOTAL CURRENT LIABILITIES	208,355,000	188,429,000
LONG-TERM DEBT	285,475,000	266,999,000
DEFERRED INCOME TAXES	25,053,000	26,080,000
OTHER LIABILITIES	21,384,000	24,081,000
ACCRUED RETIREMENT COSTS	70,285,000	66,014,000
STOCKHOLDERS' EQUITY		
Common stock	1,764,000	1,763,000
Class B common stock	359,000	359,000
Capital in excess of par value	289,050,000	288,980,000
Retained earnings	118,507,000	105,849,000
Foreign currency translation adjustment	(9,173,000)	(13,109,000)
Unearned compensation	(90,000)	(60,000)
Pension adjustment	(7,279,000)	(7,279,000)
	-----	-----
	393,138,000	376,503,000
	-----	-----
	\$1,003,690,000	\$948,106,000
	=====	=====

See notes to consolidated condensed financial statements.

VISHAY INTERTECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Unaudited)

	Three Months Ended March 31	
	1994	1993
Net sales	\$226,015,000	\$227,500,000
Costs of products sold	175,215,000	177,566,000
GROSS PROFIT	50,800,000	49,934,000
Selling, general, and administrative expenses	30,176,000	30,608,000
Restructuring expense	-	1,510,000
Unusual item	-	(2,000,000)
OPERATING INCOME	20,624,000	19,816,000
Other income (expense):		
Interest expense	(5,040,000)	(5,885,000)
Other	468,000	(22,000)
Amortization of goodwill	(801,000)	(610,000)
	(5,373,000)	(6,517,000)
EARNINGS BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF ACCOUNTING CHANGE	15,251,000	13,299,000
Income taxes	2,593,000	2,261,000
EARNINGS BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	12,658,000	11,038,000
Cumulative effect of accounting change for income taxes	-	1,427,000
NET EARNINGS	\$12,658,000	\$12,465,000
Earnings per share:		
Before cumulative effect of accounting change	\$0.60	\$0.52
Accounting change for income taxes	-	\$0.07
Net earnings	\$0.60	\$0.59
Weighted average shares outstanding	21,230,000	21,226,000

See notes to consolidated condensed financial statements.

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

	Three Months Ended March 31	
	1994	1993
OPERATING ACTIVITIES	-----	-----
Net earnings	\$12,658,000	\$12,465,000
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	12,997,000	12,129,000
Other, including cumulative effect of accounting change	(3,139,000)	(1,052,000)
Changes in operating assets and liabilities	(21,941,000)	(16,131,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	----- 575,000	----- 7,411,000
INVESTING ACTIVITIES		
Purchases of property and equipment-net	(18,534,000)	(16,909,000)
Purchase of businesses, net of cash acquired	-	(1,646,000)
NET CASH USED IN INVESTING ACTIVITIES	----- (18,534,000)	----- (18,555,000)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	51,521,000	148,426,000
Payments on long-term borrowings	(37,348,000)	(132,405,000)
Net increase in short-term borrowings	12,054,000	13,053,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	----- 26,227,000	----- 29,074,000
Effect of exchange rate changes on cash	(44,000)	50,000
INCREASE IN CASH AND CASH EQUIVALENTS	----- 8,224,000	----- 17,980,000
Cash and cash equivalents at beginning of period	10,931,000	15,977,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	----- \$19,155,000 =====	----- \$33,957,000 =====

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)
March 31, 1994

Note 1: Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for presentation of financial position, results of operations, and cash flows required by generally accepted accounting principles for complete financial statements. The information furnished reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair summary of the financial position, results of operations and cash flows for the interim periods presented. The financial statements should be read in conjunction with the financial statements and notes thereto filed with Form 10-K for the year ended December 31, 1993.

Note 2: Earnings Per Share

Earnings per share amounts for all periods presented reflect a 5% stock dividend paid on June 11, 1993.

Note 3: Restructuring Charge and Unusual Item

The operating results for the quarter ended March 31, 1993 include restructuring expense of \$1,510,000 relating to the downsizing of the Company's French operations and income from unusual item of \$2,000,000 for a business interruption insurance recovery.

Note 4: Income Taxes

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 No. 109 as of January 1, 1993 was to increase net earnings by \$1,427,000, or \$.07 per share.

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

Results of Operations

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Net sales for the quarter ended March 31, 1994 decreased by \$1,485,000 or .7% from the comparable period of the prior year. The strengthening of the U.S. dollar against foreign currencies in comparison to the prior year first quarter resulted in a decrease of \$5,400,000 in reported sales for the quarter ended March 31, 1994. Management believes that the U.S. and European economies are showing signs of recovery. Net bookings for the quarter ended March 31, 1994 increased by 5% over the comparable period of the prior year.

Costs of products sold for the quarter ended March 31, 1994 were 77.5% of net sales as compared to 78.1% for the comparable period of the prior year. Costs of products sold have been reduced by government grants of \$1,821,000 and \$296,000 for the quarters ended March 31, 1994 and 1993, respectively. Exclusive of government grants, costs of products sold were comparable at 78.3% and 78.2% of sales for the quarters ended March 31, 1994 and 1993, respectively.

Selling, general, and administrative expenses for the quarter ended March 31, 1994 were 13.4% of net sales compared to 13.5% for the comparable period of the prior year. While we believe these percentages to be acceptable, we are continuing to explore additional cost saving opportunities.

A restructuring charge of \$1,510,000 incurred during the quarter ended March 31, 1993 related to the Company's decision to downsize its French operations as a result of that country's business climate. The Company recognized as income during the quarter ended March 31, 1993 an insurance recovery of \$2,000,000 for lost profits from a business interruption insurance claim. Such recoveries ultimately amounted to \$7,221,000 for the entire 1993 calendar year.

Interest costs decreased by \$845,000 for the quarter ended March 31, 1994 as a result of a lower average borrowing rate resulting from a change in the Company's mix of borrowings throughout the U.S. and Europe as compared to the prior year's first quarter.

Other income for the quarter ended March 31, 1994 increased by \$490,000 over the comparable period of the prior year. The increase was largely due to foreign currency gains, which were \$317,000 for the quarter ended March 31, 1994 as compared to foreign currency losses of \$660,000 for the prior year quarter.

The effective tax rate for the quarters ended March 31, 1994 and 1993 was 17.0%. The effective tax rate for calendar year 1993, exclusive of the effect of nontaxable insurance proceeds, was 18.6%. The estimated 1994 rate anticipates the effect of doing increased business in lower tax rate jurisdictions (especially Israel).

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

Financial Condition

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Cash flows from operations were \$575,000 for the quarter ended March 31, 1994 compared to \$7,411,000 for the prior year's quarter. The decrease in net cash provided by operating activities in comparison to the prior year first quarter results primarily from \$6,500,000 of cash payments made in the first quarter of 1994 for restructuring. Purchases of property and equipment were \$18,534,000 compared to \$16,909,000 in the prior year first quarter. The Company is continuing to add equipment to meet increased customer demand for surface mount components. Net cash provided by financing activities of \$26,227,000 for the quarter ended March 31, 1994 was used primarily to finance the additions to property and equipment.

The Company's financial condition at March 31, 1994 is strong, with

a current ratio of 2.1 to 1. The Company's ratio of long-term debt to stockholders' equity was .7 to 1 at March 31, 1994 and December 31, 1993.

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

Inflation

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Normally, inflation does not have a significant impact on the Company's operations. The Company's products are not generally sold on long-term contracts. Consequently, selling prices, to the extent permitted by competition, can be adjusted to reflect cost increases caused by inflation.

VISHAY INTERTECHNOLOGY, INC.
PART II - OTHER INFORMATION

- Item 1. Legal Proceedings
Not applicable
- Item 2. Changes in Securities
Not applicable
- Item 3. Defaults Upon Senior Securities
Not applicable
- Item 4. Submission of Matters to a Vote of Security Holders
Not applicable
- Item 5. Other Information
Not applicable
- Item 6. Exhibits and Reports on Form 8-K
 - (a) Exhibits
Not applicable
 - (b) Reports on Form 8-K
Not applicable

SIGNATURES

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

VISHAY INTERTECHNOLOGY, INC.

/s/Robert A. Freece

Robert A. Freece
Vice President, Treasurer
(Duly Authorized and Chief Financial
Officer)

Date: May 11, 1994
