SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from ___________ to ___________

COMMISSION FILE NUMBER 1-7416

VISHAY INTERTECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	38-1686453
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification no.)
63 LINCOLN HIGHWAY MALVERN, PENNSYLVANIA	19355-2120
(Address of principal executive offices)	(Zip code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
COMMON STOCK, $.10 PAR VALUE	NEW YORK STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act: NONE

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

The aggregate market value of the Common Stock held by non-affiliates of the registrant as of March 25, 1997, assuming conversion of all its Class B Common Stock held by non-affiliates into Common Stock of the registrant was $1,193,526,000.

As of March 25, 1997, registrant had 53,728,304 shares of its Common Stock and 7,563,720 shares of its Class B Common Stock outstanding.

Portions of the registrant's definitive proxy statement, which will be filed within 120 days of December 31, 1996, are incorporated by reference into Part III.

PART I.

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL

Vishay Intertechnology, Inc. (together with its consolidated subsidiaries, "Vishay" or the "Company") 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 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 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 eleven 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.

As part of a restructuring plan implemented in 1996, the Company consolidated its Vishay Electronic Components operations in the United States, Europe and Asia into one entity. The Company's intention is to (i) create a single worldwide organization under one management team, (ii) create further opportunities for synergies among its divisions and (iii) position the Company for stronger growth by creating for Vishay a more streamlined ability to penetrate and create new markets.

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

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, multi- layer ceramic chip ("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 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 bypass of electronic signals or 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. 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 and arrays, 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. 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.

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, 1996, approximately 41% of the Company's net sales was attributable to customers in the United States, while the remainder was attributable to sales primarily 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 that make sales directly to OEMs and provide technical and sales support for independent manufacturers' representatives throughout the United States, Mexico and Canada. In addition, the Company uses independent distributors to resell its products. 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. 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. In addition, to maximize production efficiencies, the Company seeks whenever practicable to establish manufacturing facilities in those regions, such as Israel, Mexico, Portugal and the Czech Republic, where it can take advantage of lower labor costs and available tax and other government-sponsored incentives.

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 has qualified certain products under various military specifications, approved and monitored by the United States Defense Electronic Supply Center ("DESC"), and under certain European military specifications. Classification levels have been established by DESC based upon the rate of failure of products to meet specifications (the "Classification Level"). In order to maintain the Classification Level of a product, tests must be continuously performed, and the results of these tests must be reported to DESC. If the product fails to meet the requirements for the applicable Classification Level, the product's classification may be reduced to a less stringent level. Various United States manufacturing facilities from time to time experience a product Classification Level modification. During the time that such level is reduced for any specific product, net sales and earnings derived from such product may be adversely affected.

The Company is aggressively undertaking to have the quality systems at most of its major manufacturing facilities approved under the ISO 9000 international quality control standard.

ISO 9000 is a comprehensive set of quality program standards developed by the International Standards Organization. A majority 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 sales for the year ended December 31, 1996.

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, Evry) and Israel (Dimona, Migdal Ha-emek). 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 manufacturing techniques. This decentralized system encourages individual product development at individual manufacturing facilities that occasionally have applications at other facilities. Company research and development costs were approximately $10.4 million for 1996 and 1995, respectively, and $7.2 million for 1994. These amounts do not include substantial expenditures for the development and manufacturing of machinery and equipment for new processes and for cost reduction measures. See "Competition".

SOURCES OF SUPPLIES

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 capacitors. It is purchased in powder and wire 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.

In an attempt to address this concern, the Company has begun to implement a multifaceted plan to develop a tantalum mine, refinery and capacitor production facilities in China. In May 1996, the Company, along with its joint venture partner, United Development Incorporated, Ltd., an affiliate of the Eisenberg Group of Companies ("UDI"), signed a Cooperation Agreement with the Chinese National Non-Ferrous Metals Industry Corp., a Chinese government agency ("CNNC"), that calls for the comprehensive development of the tantalum industry in China. The agreement contemplates mining and refining tantalum ore and producing tantalum capacitors in China through several joint ventures. In furtherance of the Cooperation Agreement, in July, 1996, the Vishay/UDI joint venture signed a letter of intent with the mining facility located in Yichun, Jiangxi Province, China to create a joint venture to increase the capacity and concentration of tantalum, niobium and other metals mined from the site. In August 1996, the Vishay/UDI joint venture signed a letter of intent with the refinery and smeltering facility located in Ningxia Province, China to increase the quantity and improve the quality and product selection of tantalum and niobium ore processed at the facility, and in November 1996, the Vishay/UDI joint venture signed a letter of intent with CNNC to construct a tantalum capacitor manufacturing plant in Nanchung, Jiangxi Province, China. The Company is now negotiating definitive agreements for each of these projects. The Company believes that if it is able to consummate these joint ventures with the CNNC, the Company will have access to a long term, stable supply of low cost tantalum material, thus reducing its cost to produce tantalum capacitors and making the Company more competitive in the worldwide market for these products, and will at the same time be in the position to significantly expand its presence in China and the Pacific Rim.

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 $120 to $145 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 Vishay 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 $237.7 million, $339.2 million and $305.7 million, respectively, at December 31, 1996, 1995 and 1994. The decrease in backlog at December 31, 1996 reflects a worldwide slowdown in demand for tantalum and multi-layer ceramic chip capacitors, the economic downturn in Germany, where a significant portion of the Company's products are sold, and the abrupt worldwide decline in demand for passive electronic components by personal computer and telecommunications manufacturers.

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 Corporation, AVX Corporation and NEC Electronics Inc.; for MLCC capacitors, competitors are KEMET, AVX, Murata and TDK Corp. For thick film chip resistors, competitors are Rohm Corp., Koa Speer Electronics Inc. and Yageo Corporation. For wirewound and metal film resistors, competitors are I.R.C. Inc., Rohm Corp. and Ohmite Manufacturing Company.

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.

A number of the Company's customers are contractors or subcontractors on various United States and foreign government contracts. Under certain United States Government contracts, retroactive adjustments can be made to contract prices affecting the profit margin on such contracts. The Company believes that its profits are not excessive and, accordingly, no provision has been made for any such adjustment.

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.

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 United States, Germany, France and the United Kingdom. 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 tax relief.

At December 31, 1996, approximately 40% of the Company's identifiable assets were located in the United States, approximately 37% were located in Europe, approximately 22% were located in Israel and approximately 1% 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, New Hampshire and Florida. In Europe, the Company's main manufacturing facilities are located in Selb, Landshut and Backnang, Germany and Nice, France. In Israel, manufacturing facilities are located in Holon, Dimona and Migdal Ha-emek. The Company also maintains major manufacturing facilities in Juarez, Mexico and the Czech Republic. Over the past several years, the Company has invested substantial resources to increase capacity and to maximize automation in its plants, which it believes will further reduce production costs.

The Company has expanded, and plans to continue to expand, its manufacturing operations in Israel, where it benefits from the government's employment and tax incentive programs designed to increase employment, 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, the government has recently scaled back or discontinued some of its incentive programs. Accordingly, there can be no assurance that in the future the Israeli government will continue to offer new incentive programs applicable to the Company or that, if it does, such programs will provide the same level of benefits the Company has historically received or that the Company will continue to be eligible to take advantage of them. Although the Company might be materially adversely affected if these incentive programs were no longer available to the Company for new projects, because a majority of the Company's projects in Israel already benefit from government incentive programs, the Company does not anticipate that any cutbacks in the incentive programs would have an adverse impact on its earnings and operations for at least several years. 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 27 years of production there, in spite of several Middle East crises, including wars. For the year ended December 31, 1996, sales of products manufactured in Israel accounted for approximately 23% of the Company's net sales.

Due to a strategic shift in manufacturing emphasis to higher automation and the relocation of some production to regions with lower labor costs, the Company incurred restructuring costs in the year ended December 31, 1996 associated with the downsizing and closing of manufacturing facilities in North America and Europe. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

ENVIRONMENT

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 which would require curtailment of its operations. However, the Company is involved in various legal actions concerning 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 $5,000,000 in fiscal 1997 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 or have knowledge of past occurrences on sites currently occupied by the Company. 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, the Company establishes reserves for specifically identified potential environmental liabilities. 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 material 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 material adverse impact on its operations.

EMPLOYEES

As of December 31, 1996, the Company employed approximately 14,900 full time employees of whom approximately 9,400 were located outside the United States. Some of the Company's foreign employees are members of trade unions. In connection with the Company's restructuring program in 1996, including the downsizing or closing of manufacturing facilities in North America and Europe, the Company dismissed approximately 2,600 employees in its worldwide workforce. No assurance can be given that if the Company continues to restructure its operations in response to changing economic conditions that labor unrest or strikes (especially at European facilities) will not occur.

ITEM 2. PROPERTIES

The Company maintains approximately 52 manufacturing facilities. The principal locations of such facilities, along with available space including administrative offices, are:

Owned Locations	Approx. Available Space (Square Feet)
United States	
Columbus and Norfolk, NE*	336,000
Malvern and Bradford, PA*	215,000
Sanford, ME	225,000
Wendell and Statesville, NC*	193,000
Concord, NH	120,000
Roanoke, VA	120,000
Monroe, CT	91,000

* two locations

Foreign	
Germany (10 locations)	954,000
France (7 locations)	560,000
Israel (4 locations)	950,000
Portugal	299,000

Vishay owns an additional 272,000 square feet of manufacturing facilities located in Colorado, Maryland, New York, South Dakota and Florida.

Available leased facilities in the United States include 171,000 square feet of space located in California, South Dakota and Massachusetts. Foreign leased facilities consist of 121,000 square feet in Mexico, 188,000 square feet in France, 127,000 square feet in England, 37,000 square feet in Canada and 198,000 square feet in Germany. The Company also has facilities in Japan and the Czech Republic.

To alleviate capacity restraints over the past several years, the Company constructed a 250,000 square foot plant in Migdal Ha-emek, Israel and is in the process of completing a 270,000 square foot facility in Beersheba, Israel.

In the opinion of management, the Company's properties and equipment generally are in good operating condition and are adequate for its present needs. The Company does not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

ITEM 3. LEGAL PROCEEDINGS

The Company from time to time is involved in routine litigation incidental to its business. Management believes that such matters, either individually or in the aggregate, should not have a material adverse effect on the Company's business or financial condition.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

During the fourth quarter of the fiscal year covered by this report, no matter was submitted to a vote of security holders of the Company.

ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

The following table sets forth certain information regarding the executive officers of the Company as of March 25, 1997. This information reflects the implementation of certain management changes that took place in August and November, 1996 in order to consolidate certain operations in the U.S., Europe and Asia.

Name	Age	Positions Held
Felix Zandman*	68	Chairman of the Board, President, Chief Executive Officer and Director
Avi D. Eden*	49	Vice-Chairman of the Board, Executive Vice President and Director
Gerald Paul*	48	Chief Operating Officer, Executive Vice President and Director
Richard N. Grubb*	50	Executive Vice President, Treasurer, Chief Financial Officer and Director
Donald G. Alfson*	51	Executive Vice President, Chief Business Development Officer and Director
Robert A. Freece*	56	Senior Vice President and Director
Abraham Inbar	68	Senior Vice President; President -- Vishay Israel Ltd., a subsidiary of Vishay

Henry V. Landau	50	Vice President; President -- Measurements Group, Inc., a subsidiary of Vishay
William J. Spires	55	Vice President and Secretary

* Member of the Executive Committee of the Board of Directors.

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.

Avi D. Eden has been a Director and General Counsel of the Company since June 1988, and has been Vice Chairman of the Board and Executive Vice President of the Company since August 1996.

Gerald Paul has served as a Director of the Company since May 1993 and has been Chief Operating Officer and Executive Vice President of the Company since August 1996. He was President of Vishay Electronic Components, Europe from January 1994 to August 1996. Dr. Paul has been Managing Director of Draloric Electronic GmbH since January 1991. Dr. Paul has been employed by Draloric since February 1978.

Richard N. Grubb has been a Director, Vice President, Treasurer and Chief Financial Officer of the Company since May 1994, and has been Executive Vice President of the Company since August 1996. Mr. Grubb has been associated with the Company in various capacities since 1972. He is a Certified Public Accountant who was previously engaged in private practice.

Donald G. Alfson has been a Director of the Company since May 1992 and has been Executive Vice President, Chief Business Development Officer and Senior Vice President of Marketing and Sales of the Company since August 1996. He was President of Vishay Electronic Components North America and Asia from April 1992 to August 1996. Mr. Alfson served as President of Dale Electronics, Inc. from April 1992 to August 1996 and had been employed by Dale since 1972.

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

Abraham Inbar has been Senior Vice President of the Company since August 1996 and had 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 was an Executive Vice President of Measurements Group, Inc. from 1981 to 1984 and has been employed by the Company since 1972.

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.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED SECURITY HOLDER MATTERS

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 sales prices for the Company's Common Stock as reported on the New York Stock Exchange Composite Tape for the quarterly periods within the 1996 and 1995 fiscal years indicated. Stock prices have been restated to reflect stock dividends and stock splits. The Company does not currently pay cash dividends on its capital stock. Its policy is to retain earnings to support the growth of the Company's business and the Company does not intend to change this policy at the present time. In addition, the Company is restricted from paying cash dividends under the terms of the Company's revolving credit and term loan agreements (see Note 5 to the consolidated financial statements). Holders of record of the Company's Common Stock totalled approximately 2,100 at March 25, 1997.

COMMON STOCK MARKET PRICES

	Calendar 1996		Calendar 1995	
	High	Low	High	Low
First Quarter	$ 30.95	$ 22.86	$ 27.50	$ 21.89
Second Quarter	$ 32.62	$ 20.25	$ 36.08	$ 26.19
Third Quarter	$ 25.00	$ 17.38	$ 42.27	$ 31.19
Fourth Quarter	$ 23.38	$ 17.50	$ 40.12	$ 23.70

On November 27, 1995, the Company commenced a stock repurchase program pursuant to which the Company was authorized to repurchase up to 750,000 shares of its Common Stock for an aggregate amount not to exceed $30 million. The purchases of Common Stock by the Company under the repurchase program are made in accordance with the rules of the Securities and Exchange Commission and at the discretion of management. As of December 31, 1996 the Company had repurchased 110,000 shares at an approximate cost of $3,578,000. No repurchases were made in 1994 or 1996.

In addition, at March 25, 1997 the Company had outstanding 7,563,720 shares of Class B Common Stock par value $.10 per share (the "Class B Stock") each of which entitles the holder to ten votes. The Class B Stock generally is not transferable and there is no market for those shares. The Class B Stock is convertible, at the option of the holder, into Common Stock on a share for share basis. Substantially all such Class B Stock is owned by Dr. Felix Zandman, Mrs. Luella B. Slaner and trusts for the benefit of Mrs. Slaner's grandchildren (either directly or beneficially). Dr. Felix Zandman is an executive officer and director of the Company. Mrs. Luella B. Slaner is a director of the Company.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected consolidated financial information of the Company for the fiscal years ended December 31, 1996, 1995, 1994, 1993 and 1992. This table should be read in conjunction with the Consolidated Financial Statements of the Company and the related notes thereto included elsewhere in this Form 10-K.

	Year Ended December 31,				
	1996 1/	1995	1994 2/	1993 3/	1992 4/
	(in thousands except per share amounts)				
Net sales	$1,097,979	$1,224,416	$ 987,837	$856,272	$664,226
Interest expense	17,408	29,443	24,769	20,624	19,110
Earnings before income taxes and cumulative effect of accounting change	70,357	122,974	74,116	50,894	37,924
Income taxes	17,741	30,307	15,169	8,246	7,511
Earnings before cumulative effect of accounting change	52,616	92,667	58,947	42,648	30,413
Cumulative effect of accounting change for income taxes	--	--	--	1,427	--
Net earnings	52,616	92,667	58,947	44,075	30,413
Total assets	1,556,047	1,543,331	1,333,959	948,106	661,643
Long-term debt	229,885	228,610	402,337	266,999	139,540
Working capital	434,199	411,286	328,322	205,806	145,327
Stockholders' equity	945,230	907,853	565,088	376,503	346,625
Earnings per share:5/					
Before cumulative effect of accounting change	$ 0.86	$ 1.62	$ 1.14	$ 0.87	$ 0.74
Accounting change for income taxes	--	--	--	0.03	--
Net earnings	$ 0.86	$ 1.62	$ 1.14	$ 0.90	$ 0.74
Weighted average number of shares outstanding5/ ...	61,292	57,045	51,553	49,146	44,837

- ----------

1/ Includes restructuring expense of $38,030,000 ($0.43 per share).

2/ Includes the results from July 1, 1994 of Vitramon.

3/ Includes the results from January 1, 1993 of Roederstein.

4/ Includes the results from January 1, 1992 of the acquired Sprague businesses.

5/ Adjusted to reflect 2-for-1 stock split distributed June 16, 1995 and 5% stock dividends paid on June 7, 1996, March 31, 1995, June 13, 1994 and June 11, 1993.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION AND BACKGROUND

The Company's sales and net income increased significantly through 1995 primarily as a result of its acquisitions. Following each acquisition, the Company implemented programs to take advantage of distribution and operating synergies among its businesses. This implementation was reflected in increases in the Company's sales and in the decline in selling, general, and administrative expenses as a percentage of the Company's sales.

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 1995, the Company's growth was fueled not only by its acquisition of Vitramon, but also by the dramatic expansion in the electronic components industry. This resulted in Vishay's record net earnings of $92.7 million in 1995.

However, beginning with the last quarter of 1995 and continuing into the first quarter of 1997, the Company has experienced a decline in demand for its products, resulting in a decrease in revenues, earnings and backlogs. The Company believes this may be primarily a result of the worldwide slowdown in demand for tantalum and multi-layer ceramic chip capacitors, the economic downturn in Germany, where a significant portion of the Company's products are sold, and the abrupt worldwide decline in demand for passive electronic components by personal computer and telecommunications manufacturers.

In order to address the slowdown in demand, the Company implemented a restructuring program in 1996 that included the downsizing and closing of manufacturing facilities in North America and Europe. In connection with the restructuring, the Company incurred $38,030,000 of pretax charges for the year ended December 31, 1996 relating to employee termination and facility closure costs. When the restructuring program is fully implemented, the Company believes that by reducing overhead costs and improving manufacturing efficiency, it will reduce costs by approximately $38 million per year. Depending on future economic conditions, the Company may continue to downsize or close existing facilities in North America, Europe or elsewhere.

The Company's strategy contemplates 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 incentives. The Company may further reduce its costs in the face 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 49% 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 rate 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 projects in Israel since 1994. New projects are continually being introduced. In addition, the Israeli government offers certain incentive programs in the form of grants designed to increase employment in Israel. However, the Israeli government has recently scaled back or discontinued some of its incentive programs. Accordingly, there can be no assurance that in the future the Israeli government will continue to offer new incentive programs applicable to the Company or that, if it does, such programs will provide the same level of benefits the Company has historically received or that the Company will continue to be eligible to take advantage of them. Although the Company might be materially adversely affected if these incentive programs were no longer available to the Company for new projects, because a majority of the Company's projects in Israel already benefit from government incentive programs, the Company does not anticipate that any cutbacks in the incentive programs would have an adverse impact on its earnings and operations for at least several years.

Israeli government grants, recorded as a reduction of costs of products sold, were $9,449,000 for the year ended December

31, 1996, as compared to $13,243,000 for the prior year. To the extent the Israeli government continues its grant and incentive programs, future benefits 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

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

	Year Ended December 31, 1996	1995	1994
Costs of products sold	75.2%	73.7%	75.7%
Gross profit	24.8	26.3	24.3
Selling, general and administrative expenses	12.9	13.0	13.9
Operating income	7.8	12.4	9.9
Earnings before income taxes	6.4	10.0	7.5
Effective tax rate	25.2	24.6	20.5
Net earnings	4.8	7.6	6.0

YEAR ENDED DECEMBER 31, 1996 COMPARED TO
YEAR ENDED DECEMBER 31, 1995

Net sales for the year ended December 31, 1996 decreased $126,437,000 or 10.3% from the prior year. The decrease in net sales is indicative of the worldwide slowdown in the demand for tantalum and multi-layer ceramic chip capacitors, the economic downturn in Germany, where a significant portion of the Company's products are sold, and the abrupt worldwide decline in demand for passive electronic components by personal computer and telecommunications manufacturers, which started at the end of 1995.

The strengthening of the U.S. dollar against foreign currencies for the year ended December 31, 1996 in comparison to the prior year resulted in a decrease in reported sales of $20,712,000.

Net sales, exclusive of foreign currency fluctuations, decreased 8.6% over the prior year.

Costs of products sold for the year ended December 31, 1996 were 75.2% of net sales, as compared to 73.7% for the prior year. Costs of products sold for the year ended December 31, 1996 were negatively affected by, among other things, a difficult pricing environment and start-up costs of the Company's new capacitor plant in Israel.

Israeli government grants, recorded as a reduction of costs of products sold, were $9,449,000 for the year ended December 31, 1996, as compared to $13,243,000 for the prior year. To the extent the Israeli government continues these grant and incentive programs, future benefits offered to the Company by the Israeli government will likely depend on the Company's continuing to increase capital investment and the number of the Company's employees in Israel. Deferred income at December 31, 1996 relating to Israeli government grants was $58,570,000 as compared to $30,849,000 at December 31, 1995.

Selling, general and administrative expenses for the year ended December 31, 1996 were 12.9% of net sales, as compared to 13.0% for the prior year. Selling, general and administrative expenses have decreased by $17,056,000, as compared to the prior year, as a result of a cost reduction program instituted in the fourth quarter 1995, lower sales and a reduction in management incentives.

The Company incurred a pretax restructuring charge of $38,030,000 for the year ended December 31, 1996. Approximately $28,953,000 of those charges relate to employee termination costs covering approximately 2,600 technical, production, administrative and support employees located in the United States, Canada, France and Germany. As of December 31, 1996, approximately 1,939 employees had been terminated and $12,822,000 of the termination costs were paid. The remaining $9,077,000 of restructuring expense relates to facility closure costs in North America and Europe. The restructuring plan is expected to be completed by the end of 1997. The Company has sufficient lines of credit to fund these payments. Depending on future economic conditions, the Company may continue to downsize or close existing facilities in North America, Europe or elsewhere.

When fully implemented, the restructuring is expected to reduce the Company's costs by approximately $38,000,000 annually.

Interest costs decreased by $12,025,000 for the year ended December 31, 1996 from the prior year primarily as a result of the net proceeds of $230,279,000 from a common stock offering completed in September 1995 which were used, in large part, to prepay bank indebtedness.

Other income (expense) increased by $1,950,000 for the year ended December 31, 1996, as compared to the prior year. The increase is primarily due to foreign exchange gains of $371,000 for the year ended December 31, 1996 as compared to foreign exchange losses of $2,022,000 for the year ended December 31, 1995.

The effective tax rate for the year ended December 31, 1996 was 25.2% as compared to 24.6% for the prior year. The continuing effect of low tax rates in Israel (as compared to the statutory rate in the United States) has been to increase net earnings by $10,109,000 and $19,183,000 for the years ended December 31, 1996 and 1995, respectively. The more favorable Israeli tax rates are applied to specific approved projects and normally continue to be available for a period of ten years. The Israeli tax effect benefit was more pronounced in 1995 primarily as a result of increased proportional earnings in Israel. See "Description of Business--Manufacturing Operations".

YEAR ENDED DECEMBER 31, 1995 COMPARED TO
YEAR ENDED DECEMBER 31, 1994

Net sales for the year ended December 31, 1995 increased $236,579,000 or 23.9% from the prior year. The increase reflects the strong performance of Vitramon, acquired July 1, 1994, and Vishay's other surface mount components businesses. Net sales for the year ended December 31, 1995 includes $87,753,000 of net sales relating to Vitramon for the first six months of 1995.

The weakening of the U.S. dollar against foreign currencies for the year ended December 31, 1995 in comparison to the prior year resulted in an increase in reported sales of $57,128,000.

Net sales, exclusive of foreign currency fluctuations, increased 18.2% over the prior year. Net sales, exclusive of foreign currency fluctuations and Vitramon sales for the first six months, increased 9.3% over the prior year. Net bookings for the year ended December 31, 1995 increased 7.8% over the prior year.

Costs of products sold for the year ended December 31, 1995 were 73.7%, of net sales, as compared to 75.7% for the prior year. The factors contributing to this decrease included: (i) the effect of the Mexican peso devaluation, which contributed approximately $4,100,000 to gross profit for 1995, (ii) the fact that gross profits for Vitramon were higher than Vishay's other operating companies, (iii) Israeli government grants of $13,243,000 for the year ended December 31, 1995, as compared to $10,999,000 for the prior year, and (iv) an increase in production in Israel where labor costs are lower than in most other regions in which Vishay manufactures. The increase in Israeli government grants resulted from a significant increase in the Company's manufacturing operations in Israel. Deferred income at December 31, 1995 relating to Israeli government grants was $30,849,000.

Selling, general, and administrative expenses, for the year ended December 31, 1995 were 13.0% of net sales, as compared to 13.9% for the prior year. Management continues to explore additional cost-saving opportunities.

Restructuring expenses of $4,200,000 in 1995 resulted from downsizing of some of the Company's European operations and represent employee termination benefits covering approximately 276 technical, production, administrative and support employees located primarily in France and Germany. This downsizing was completed during the year ended December 31, 1996.

Interest costs increased by $4,664,000 for the year ended December 31, 1995 over the prior year as a result of an increase in average debt outstanding resulting from the acquisition of Vitramon in July 1994 and purchases of property and equipment.

The effective tax rate for the year ended December 31, 1995 was 24.6% compared to 20.5% for the prior year. The higher effective tax rate for 1995 reflects increased earnings in higher tax rate countries.

The effect of low tax rates in Israel (as compared to the statutory rate in the United States) has been to increase net earnings by $19,183,000 and $15,291,000 for the years ended December 31, 1995 and 1994, respectively. The Israeli tax effect was more pronounced in 1995 primarily as a result of increased earnings for the Israeli operations as a result of increased production. See "Description of Business--Manufacturing Operations".

FINANCIAL CONDITION AND LIQUIDITY

Cash flows from operations were $122,186,000 for the year ended December 31, 1996 compared to $115,511,000 for the prior year. Net purchases of property and equipment for the year ended December 31, 1996 were $123,984,000 compared to $165,699,000 in the prior year. Capital expenditures of $105.0 million in 1996 related principally to construction of new facilities in Israel and the purchase of equipment to increase capacity and maximize automation in the Company's plants. The Company has substantially completed its current restructuring/expansion program. Net cash provided by financing activities was $4,018,000 for the year ended December 31, 1996.

See Note 5 to the Company's Consolidated Financial Statements elsewhere herein for additional information with respect to Vishay's loan agreements, long-term debt and available short-term credit lines.

The Company's financial condition at December 31, 1996 is strong, with a current ratio of 3.30 to 1. The Company's ratio of long-term debt (less current portion) to stockholders' equity was .24 to 1 at December 31, 1996 and .25 to 1 at December 31, 1995.

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

INFLATION

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

SAFE HARBOR STATEMENT

From time to time, information provided by the Company, including but not limited to statements in this report, or other statements made by or on behalf of the Company, may contain "forward-looking" information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements involve a number of risks and uncertainties. The Company's actual results could differ materially from those discussed in the forward-looking statements. The cautionary statements set forth below identify important factors that could cause actual results to differ materially from those in any forward-looking statements made by or on behalf of the Company.

The Company offers a broad variety of products and services to its customers. Changes in demand for, or in the mix of, products and services comprising revenues could cause actual operating results to vary from those expected.

The Company's future operating results are dependent, in part, on its ability to develop, produce and market new and innovative products, to convert existing products to surface mount devices and to customize certain products to meet customer requirements. There are numerous risks inherent in this complex process, including rapid technological changes and the need for the Company to timely bring to market new products and applications to meet customers' changing needs.

The Company operates in a highly competitive environment, which includes significant competitive pricing pressures and intense competition for entry into new markets.

A slowdown in demand for passive electronic components or recessionary trends in the global economy in general or in specific countries or regions where the Company sells the bulk of its products, such as the U.S., Germany, France or the Pacific Rim, could adversely impact the Company's results of operations.

Many of the orders in the Company's backlog may be canceled by its customers without penalty. Customers may on occasion double and triple order components from multiple sources to insure timely delivery when backlog is particularly long. The Company's results of operations may be adversely impacted if customers were to cancel a material portion of such orders.

Approximately 49% of the Company's revenues are derived from operations and sales outside the United States. As a result, currency exchange rate fluctuations, inflation, changes in monetary policy and tariffs, potential changes in laws and regulations affecting the Company's business in foreign jurisdictions, trade restrictions or prohibitions, intergovernmental disputes, increased labor costs and reduction or cancellation of government grants, tax benefits or other incentives could impact the Company's results of operations.

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

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

When the Company restructures its operations in response to changing economic conditions, particularly in Europe, labor unrest or strikes may occur, which could have an adverse effect on the Company.

The Company's results of operations may be adversely impacted by (i) difficulties in obtaining raw materials, supplies, power, natural resources and any other items needed for the production of the Company's products; (ii) the effects of quality deviations in raw materials, particularly tantalum powder, palladium and ceramic dielectric materials; and (iii) the effects of significant price increases for tantalum or palladium, or an inability to obtain adequate supplies of tantalum or palladium from the limited number of suppliers.

The Company's historic growth in revenues and net earnings have resulted in large part from its strategy to expand through acquisitions. However, there is no assurance that the Company will find or consummate transactions with suitable acquisition candidates in the future. From time to time, when the Company is in the process of pursuing a strategic acquisition, the Company or the acquisition target may feel compelled for securities and other legal reasons to announce the potential acquisition or the Company's desire to enter into a certain market prior to entering into formal agreements. As a result, there can be no assurance that the Company will consummate any such acquisition.

The Company's strategy also focuses on the reduction of selling, general and administrative expenses through the integration or elimination of redundant sales offices and administrative functions at acquired companies and achievement of significant production cost savings through the transfer and expansion of manufacturing operations to lower cost regions such as Israel, Mexico, Portugal and the Czech Republic. The Company's inability to achieve any of these goals could have an adverse effect on the Company's results of operations.

The Company may be adversely affected by the costs and other effects associated with (i) legal and administrative cases and proceedings (whether civil, such as environmental and product-related, or criminal); (ii) settlements, investigations, claims, and changes in those items; (iii) developments or assertions by or against the Company relating to intellectual property rights and intellectual property licenses; and (iv) adoption of new, or changes in, accounting policies and practices and the application of such policies and practices.

The Company's results of operations may also be affected by (i) changes within the Company's organization, particularly at the executive officer level, or in compensation and benefit plans; and (ii) the amount, type and cost of the financing which the Company maintains, and any changes to the financing.

The inherent risk of environmental liability and remediation costs associated with the Company's manufacturing operations may result in large and unforeseen liabilities.

The Company's operations may be adversely impacted by (i) the effects of war or severe weather or other acts of God on the Company's operations, including disruptions at manufacturing facilities; (ii) the effects of a disruption in the Company's computerized ordering systems; and (iii) the effects of a disruption in the Company's communications systems.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following Consolidated Financial Statements of the Company and its subsidiaries, together with the report of independent auditors thereon, are presented under Item 14 of this report:

Report of Independent Auditors

Consolidated Balance Sheets -- December 31, 1996 and 1995.

Consolidated Statements of Operations -- for the years ended December 31, 1996, 1995 and 1994.

Consolidated Statements of Cash Flows -- for the years ended December 31, 1996, 1995 and 1994.

Consolidated Statements of Stockholders' Equity -- for the years ended December 31, 1996, 1995 and 1994.

Notes to Consolidated Financial Statements -- December 31, 1996.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Information with respect to Items 10, 11, 12 and 13 on Form 10-K is set forth in the Company's definitive proxy statement, which will be filed within 120 days of December 31, 1996, the Company's most recent fiscal year. Such information is incorporated herein by reference, except that information with respect to Executive Officers of Registrant is set forth in Part I, Item 4A hereof under the caption, "Executive Officers of the Registrant".

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) All Consolidated Financial Statements of the Company and its subsidiaries for the year ended December 31, 1996 are filed herewith. See Item 8 of this Report for a list of such financial statements.

(2) All financial statement schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(3) Exhibits -- See response to paragraph (c) below.

(b) Reports on Form 8-K

None

(c) Exhibits:

2.1 Stock Purchase Agreement, dated July 12, 1994, between Thomas & Betts Corporation and Vishay Intertechnology, Inc. Incorporated by reference to Exhibit (2.1) to the Current Report on 8-K dated July 18, 1994.

3.1 Composite Amended and Restated Certificate of Incorporation of the Company dated August 3, 1995. Incorporated by reference to Exhibit 3.1 to Form 10-Q for the quarter ended June 30, 1995 (the "1995 Form 10- Q").

3.2 Amended and Restated Bylaws of Registrant. Incorporated by reference to Exhibit 3.2 to Registration Statement No. 33-13833 of Registrant on Form S-2 under the Securities Act of 1933 (the "Form S-2") and Amendment No. 1 to Amended and Restated Bylaws of Registrant Incorporated by reference to Exhibit 3.2 to Form 10-K file number 1-7416 for fiscal year ended December 31, 1993 (the "1993 Form 10-K").

10.1 Performance-Based Compensation Plan for Chief Executive Officer of Registrant. Incorporated by reference to Exhibit 10.1 to the 1993 Form 10-K.

10.2 The First Amendment dated June 27, 1995, to the Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term 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"), and the Vishay Intertechnology, Inc. $200,000,000 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 1995 Form 10-Q.

10.3 The First Amendment, dated June 27, 1995, to the Amended and Restated Vishay Europe GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July 18, 1994 by and among the Banks, the Agent and Vishay Europe GmbH ("VEG"), and the Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement dated as of July 18, 1994 by and among the Banks, the Agent and VEG. Incorporated by reference to Exhibit 10.5 to the 1995 Form 10-Q.

10.4 Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term Loan Agreement, dated as of July 18, 1994, by and among the Banks and Vishay, Inc. ("Vishay"). Incorporated by reference to Exhibit (10.1) to the Current Report on Form 8-K dated July 18, 1994 (the "July 1994 8-K").

10.5 Amended and Restated Vishay Beteiligungs GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement, dated as of July 18, 1994, by and among the Former Banks, the Agent and Vishay Beteiligungs GmbH ("VBG"). Incorporated by reference to Exhibit (10.2) to the July 1994 8-K.

10.6 Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement, dated as of July 18, 1994, by and among the Former Banks, the Agent, Vishay and VBG. Incorporated by reference to Exhibit (10.3) to the July 1994 8-K.

10.7 Vishay Intertechnology, Inc. $200,000,000 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 July 1994 8-K.

10.8 Amended and Restated Guaranty by Vishay to the Banks, dated July 18, 1994. Incorporated by reference to Exhibit (10.5) to the July 1994 8-K.

10.9 Employment Agreement, dated as of March 15, 1985, between the Company and Dr. Felix Zandman. Incorporated by reference to Exhibit (10.12) to the Form S-2.

10.10 Vishay Intertechnology 1995 Stock Option Program. Incorporated by reference to the Company's Registration Statement on Form S-8 (No. 33-59609).

10.11 1986 Employee Stock Plan of the Company. Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (No. 33-7850).

10.12 1986 Employee Stock Plan of Dale Electronics, Inc. Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (No. 33-7851).

10.13 Money Purchase Plan Agreement of Measurements Group, Inc. Incorporated by reference to Exhibit 10(a)(6) to Amendment No. 1 to the Company's Registration Statement on Form S-7 (No. 2-69970).

21. Subsidiaries of the Registrant.

23. Consent of Independent Auditors.

27. Financial Data Schedule.

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) 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.

March 25, 1997	/s/Felix Zandman ---------------- Felix Zandman, Director, Chairman of the Board, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated below.

March 25, 1997	/s/Felix Zandman ---------------- Felix Zandman, Director, Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)
March 25, 1997	/s/Avi D. Eden -------------- Avi D. Eden, Director, Vice-Chairman of the Board and Executive Vice President
March 25, 1997	/s/Gerald Paul -------------- Gerald Paul, Director, Chief Operating Officer and Executive Vice President
March 25, 1997	/s/Richard N. Grubb ------------------- Richard N. Grubb, Director, Executive Vice President, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)
March 25, 1997	/s/Donald G. Alfson -------------------- Donald G. Alfson, Director, Executive Vice President and Chief Business Development Officer

March 25, 1997	/s/Robert A. Freece -------------------- Robert A. Freece, Director, Senior Vice President
March 25, 1997	/s/Eli Hurvitz -------------- Eli Hurvitz, Director
March 25, 1997	/s/Edward B. Shils ------------------ Edward B. Shils, Director
March 25, 1997	/s/Luella B. Slaner ------------------- Luella B. Slaner, Director
March 25, 1997	/s/Mark I. Solomon ------------------ Mark I. Solomon, Director
March 25, 1997	/s/Jean-Claude Tine ------------------- Jean-Claude Tine, Director

Report of Independent Auditors

Board of Directors and Stockholders
Vishay Intertechnology, Inc.

We have audited the accompanying consolidated balance sheets of Vishay Intertechnology, Inc. as of December 31, 1996 and 1995, and the related consolidated statements of operations, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Vishay Intertechnology, Inc. at December 31, 1996 and 1995, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

Philadelphia, Pennsylvania
February 5, 1997

Vishay Intertechnology, Inc.

Consolidated Balance Sheets

(In thousands, except per share and share amounts)

	December 31 1996	December 31 1995
Assets		
Current assets:		
Cash and cash equivalents	$ 20,945	$ 19,584
Accounts receivable, less allowances of $7,561 and $6,915	163,164	180,383
Inventories:		
Finished goods	182,722	148,846
Work in process	73,606	92,166
Raw materials	100,418	112,572
Prepaid expenses and other current assets	82,310	86,647
Total current assets	623,165	640,198
Property and equipment--at cost:		
Land	43,705	46,073
Buildings and improvements	222,743	197,164
Machinery and equipment	695,084	603,175
Construction in progress	57,891	76,564
	1,019,423	922,976
Less allowances for depreciation	(308,761)	(253,748)
	710,662	669,228
Goodwill	201,574	218,102
Other assets	20,646	15,803
	$ 1,556,047	$ 1,543,331

	December 31 1996	1995
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to banks	$ 31,212	$ 22,174
Trade accounts payable	33,930	66,942
Payroll and related expenses	35,973	43,790
Other accrued expenses	55,381	51,102
Income taxes	7,076	7,083
Current portion of long-term debt	25,394	37,821
Total current liabilities	188,966	228,912
Long-term debt--less current portion	229,885	228,610
Deferred income taxes	33,113	42,044
Deferred income	58,570	30,849
Other liabilities	30,534	29,017
Accrued pension costs	69,749	76,046
Stockholders' equity:		
Preferred Stock, par value $1.00 a share: Authorized--1,000,000 shares; none issued		
Common Stock, par value $.10 a share: Authorized--65,000,000 shares; 53,727,874 and 51,139,826 shares outstanding after deducting 13,248 and 209,881 shares in treasury	5,373	5,114
Class B convertible Common Stock, par value $.10 a share: Authorized--15,000,000 shares; 7,563,720 and 7,222,035 shares outstanding after deducting 221,809 and 229,518 shares in treasury	756	722
Capital in excess of par value	825,949	734,316
Retained earnings	107,762	146,370
Foreign currency translation adjustment	9,106	28,487
Unearned compensation	(370)	(364)
Pension adjustment	(3,346)	(6,792)
	945,230	907,853
	$ 1,556,047	1,543,331

See accompanying notes.

Vishay Intertechnology, Inc.

Consolidated Statements of Operations

(In thousands, except per share and share amounts)

	Year ended December 31 1996	1995	1994
Net sales	$ 1,097,979	$ 1,224,416	$ 987,837
Costs of products sold	825,866	902,518	748,135
Gross profit	272,113	321,898	239,702
Selling, general, and administrative expenses	141,765	158,821	137,124
Amortization of goodwill	6,494	6,461	4,609
Restructuring expense	38,030	4,200	--
	85,824	152,416	97,969
Other income (expense):			
Interest expense	(17,408)	(29,433)	(24,769)
Other	1,941	(9)	916
	(15,467)	(29,442)	(23,853)
Earnings before income taxes	70,357	122,974	74,116
Income taxes	17,741	30,307	15,169
Net earnings	$ 52,616	$ 92,667	$ 58,947
Earnings per share	$ 0.86	$ 1.62	$ 1.14
Weighted average shares outstanding	61,292,000	57,045,000	51,553,000

See accompanying notes.

Vishay Intertechnology, Inc.

Consolidated Statements of Cash Flows

(In thousands)

	Year ended December 31		
	1996	1995	1994
Operating activities			
Net earnings	$ 52,616	$ 92,667	$ 58,947
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	77,247	69,547	57,742
Changes in operating assets and liabilities:			
Accounts receivable	12,541	(8,147)	(12,921)
Inventories	(11,575)	(48,123)	(44,195)
Prepaid expenses and other current assets	3,438	(14,023)	(23,119)
Accounts payable	(31,573)	998	3,023
Other current liabilities	(942)	(7,442)	(12,420)
Other	20,434	30,034	19,410
Net cash provided by operating activities	122,186	115,511	46,467
Investing activities			
Purchases of property and equipment	(123,984)	(165,699)	(91,571)
Purchases of businesses, net of cash acquired	--	--	(179,847)
Net cash used in investing activities	(123,984)	(165,699)	(271,418)
Financing activities			
Proceeds from long-term borrowings	3,476	245	186,271
Principal payments on long-term debt	(86,026)	(118,226)	(142,961)
Net proceeds (payments) on revolving credit lines	76,502	(59,800)	83,300
Net changes in short-term borrowings	10,066	(7,188)	3,879
Purchases of common stock	--	(3,578)	--
Proceeds from sale of common stock	--	230,279	109,738
Net cash provided by financing activities	4,018	41,732	240,227
Effect of exchange rate changes on cash	(859)	1,183	650
Increase (decrease) in cash and cash equivalents	1,361	(7,273)	15,926
Cash and cash equivalents at beginning of year	19,584	26,857	10,931
Cash and cash equivalents at end of year	$ 20,945	$ 19,584	$ 26,857

See accompanying notes.

Vishay Intertechnology, Inc.

Consolidated Statements of Stockholders' Equity

(In thousands, except share amounts)

	Year ended December 31 1996	1995	1994
Common Stock:			
Beginning balance	$ 5,114	$ 2,257	$ 1,763
Shares issued (10,556; 5,777,300; and 5,602,500 shares)	1	576	280
Stock dividends (2,558,069; 1,091; and 3,915,440 shares)	256	--	196
Stock split	--	2,275	--
Shares repurchased (110,000 shares)	--	(11)	--
Conversions from Class B (19,423; 325,509; and 349,824 shares)	2	17	18
Ending balance	5,373	5,114	2,257
Class B convertible Common Stock:			
Beginning balance	722	377	359
Stock dividends (361,108 and 716,904 shares)	36	--	36
Stock split	--	362	--
Conversions to Common (19,423; 325,509; and 349,824 shares)	(2)	(17)	(18)
Ending balance	756	722	377
Capital in excess of par value:			
Beginning balance	734,316	509,966	288,980
Shares issued	618	230,534	110,012
Stock dividends	90,932	--	110,830
Stock split	--	(2,637)	--
Shares repurchased	--	(3,567)	--
Tax effects relating to stock plan	83	20	144
Ending balance	825,949	734,316	509,966
Retained earnings:			
Beginning balance	146,370	53,734	105,849
Net earnings	52,616	92,667	58,947
Stock dividends	(91,224)	(31)	(111,062)
Ending balance	107,762	146,370	53,734
Foreign currency translation adjustment:			
Beginning balance	28,487	4,584	(13,109)
Translation adjustment for the year	(19,381)	23,903	17,693
Ending balance	9,106	28,487	4,584
Unearned compensation:			
Beginning balance	(364)	(20)	(60)
Shares issued under stock plans (10,556; 27,300; and 4,000 shares)	(262)	(519)	(70)
Amounts expensed during the year	256	175	110
Ending balance	(370)	(364)	(20)
Pension adjustment:			
Beginning balance	(6,792)	(5,810)	(7,279)
Pension adjustment for the year	3,446	(982)	1,469
Ending balance	(3,346)	(6,792)	(5,810)
Total stockholders' equity	$ 945,230	$ 907,853	$ 565,088

See accompanying notes.

Vishay Intertechnology, Inc. is a leading international manufacturer and supplier of passive electronic components, particularly resistors, capacitors and inductors, offering its customers 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 electronic circuits. 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.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Vishay Intertechnology, Inc. include the accounts of the Company and its subsidiaries, after elimination of all significant intercompany transactions, accounts, and profits.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Inventories

Inventories are stated at the lower of cost, determined by the first-in, first-out method, or market.

Depreciation

Depreciation is computed principally by the straight-line method based upon the estimated useful lives of the assets. Depreciation of capital lease assets is included in total depreciation expense. Depreciation expense was $68,688,000, $60,155,000, and $51,301,000, for the years ended December 31, 1996, 1995, and 1994, respectively.

1. Summary of Significant Accounting Policies (continued)

Construction in Progress

The estimated cost to complete construction in progress at December 31, 1996 is $34,178,000.

Goodwill

Goodwill, representing the excess of purchase price over net assets of businesses acquired, is being amortized on a straight-line basis over 40 years. Accumulated amortization amounted to $29,726,000 and $23,737,000 at December 31, 1996 and 1995, respectively. The recoverability of goodwill is evaluated at the operating unit level by an analysis of operating results and consideration of other significant events or changes in the business environment. If an operating unit has current operating losses and based upon projections there is a likelihood that such operating losses will continue, the Company will determine whether impairment exists on the basis of undiscounted expected future cash flows from operations before interest for the remaining amortization period. If impairment exists, goodwill will be reduced by the estimated shortfall of cash flows.

Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers demand deposits and all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Research and Development Expenses

The amount charged to expense aggregated $10,429,000, $10,430,000, and $7,205,000, for the years ended December 31, 1996, 1995, and 1994, respectively. The Company spends additional amounts for the development of machinery and equipment for new processes and for cost reduction measures.

Grants

Grants received from governments by certain foreign subsidiaries, primarily in Israel, are recognized as income in accordance with the purpose of the specific contract and in the period in which the related expense is incurred. Grants received from the government of Israel and recognized as a reduction of costs of products sold were $9,449,000

1. Summary of Significant Accounting Policies (continued)

Grants (continued)

$13,243,000, and $10,999,000 for the years ended December 31, 1996, 1995, and 1994, respectively. Grants receivable of $23,163,000 and $20,585,000 are included in other current assets at December 31, 1996 and 1995, respectively. Deferred grant income is $58,570,000 and $30,849,000 at December 31, 1996 and 1995, respectively. The grants are subject to conditions, including maintaining specified levels of employment for periods up to ten years. Noncompliance with such conditions could result in repayment of grants, however, management expects that the Company will comply with all terms and conditions of grants.

Share and Per Share Amounts

All numbers of common shares and per share amounts have been adjusted to give retroactive effect to a 2-for-1 stock split distributed on June 16, 1995.

Earnings per share is based on the weighted average number of common shares outstanding during the period. No material dilution of earnings per share would result if it were assumed that all outstanding stock options were exercised. Earnings per share amounts for all periods presented reflect the 1995 2-for-1 stock split and 5% stock dividends paid on June 7, 1996, March 31, 1995, and June 13, 1994. Earnings per share reflect the weighted effect of the issuance of 5,750,000 shares of Common Stock in September 1995 and the issuance of 5,576,000 shares of Common Stock in August 1994.

Stock Options

In October 1995, the FASB issued Statement No. 123, "Accounting for Stock- Based Compensation" (FAS 123). This Statement establishes a fair value method of accounting for stock-based compensation plans. As permitted by FAS 123, the Company has elected to continue to account for stock-based compensation plans according to the provisions of Accounting Principles Board Statement No. 25, "Accounting for Stock Issued to Employees" (APB 25). The effect of applying the fair value method of FAS 123 results in net income and earnings per share that are not materially different from amounts reported.

Reclassifications

Certain prior-year amounts have been reclassified to conform with the current presentation.

2. Acquisitions

In July 1994, the Company purchased all of the capital stock of Vitramon, Incorporated and Vitramon Limited, U.K. (collectively, "Vitramon") for $184,000,000 in cash. Vitramon is a leading producer of multilayer ceramic chip capacitors with manufacturing facilities primarily in the United States, France, Germany, and the United Kingdom. In connection with the acquisition of Vitramon, the Company borrowed an aggregate of $200,000,000 from a group of banks, of which $100,000,000 was a bridge facility that was subsequently paid off with proceeds from an equity offering completed in August 1994 and $100,000,000 was a nonamortizing term loan which has been paid off as of December 31, 1996.

The acquisition was accounted for under the purchase method of accounting. The operating results of Vitramon are included in the Company's consolidated results of operations from July 1, 1994. Excess of cost over the fair value of net assets acquired ($104,582,000) is being amortized on a straight-line basis over forty years.

Had the Vitramon acquisition been made at the beginning of 1994, the Company's pro forma unaudited results for the year ended December 31, 1994 would have been (in thousands, except per share amount):

Net sales	$	1,056,520
Net earnings		64,573
Earnings per share	$	1.17

The unaudited pro forma results are not necessarily indicative of the results that would have been attained had the acquisition occurred at the beginning of 1994 or of future results.

3. Restructuring Expense

Restructuring expense of $38,030,000 in 1996 results from a downsizing of the Company's worldwide operations. Approximately $28,953,000 of these expenses relate to employee termination costs covering approximately 2,600 technical, production, administrative, and support employees located in the United States, Canada, France, and Germany. Approximately 1,939 employees had been terminated and $12,822,000 of the termination costs paid as of December 31, 1996. The remaining $9,077,000 of restructuring expense relates to facilities closure costs in North America and Europe. The restructuring plan is expected to be completed by the end of 1997. At December 31, 1996, $21,931,000 of restructuring costs are included in other accrued expenses.

3. Restructuring Expense (continued)

Restructuring expense of $4,200,000 in 1995 resulted from the downsizing of some of the Company's European operations and represented employee termination costs covering 276 technical, production, administrative, and support employees located primarily in France and Germany. This downsizing was completed during the year ended December 31, 1996.

4. Income Taxes

Earnings before income taxes consists of the following components (in thousands):

	1996	1995	1994
Domestic	$ 42,406	$ 34,926	$ 19,650
Foreign	27,951	88,048	54,466
	$ 70,357	$122,974	$ 74,116

Significant components of income taxes are as follows (in thousands):

	Year ended December 31		
	1996	1995	1994
Current:			
U.S. Federal	$ 13,836	$ 10,578	$ 5,187
Foreign	8,098	10,927	3,251
State	1,586	1,082	882
	23,520	22,587	9,320
Deferred:			
U.S. Federal	1,632	2,247	1,889
Foreign	(7,793)	5,082	3,858
State	382	391	102
	(5,779)	7,720	5,849
	$ 17,741	$ 30,307	$ 15,169

4. Income Taxes (continued)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts for income tax purposes. Significant components of the Company's deferred tax liabilities and assets are as follows (in thousands):

	December 31	
	1996	1995
Deferred tax liabilities:		
Tax over book depreciation	$ 77,402	$ 71,060
Other--net	7,325	7,640
Total deferred tax liabilities	84,727	78,700
Deferred tax assets:		
Pension and other retiree obligations	25,358	25,461
Net operating loss carryforwards	84,574	53,638
Restructuring reserves	7,698	3,631
Other accruals and reserves	16,120	16,368
Total deferred tax assets	133,750	99,098
Valuation allowance for deferred tax assets	(59,021)	(45,700)
Net deferred tax assets	74,729	53,398
Net deferred tax liabilities	$ 9,998	$ 25,302

A reconciliation of income tax expense at the U.S. federal statutory income tax rate to actual income tax expense is as follows (in thousands):

	Year ended December 31		
	1996	1995	1994
Tax at statutory rate	$ 24,625	$ 43,041	$ 25,941
State income taxes, net of U.S. federal tax benefit	1,413	1,094	684
Effect of foreign income tax rates	(9,717)	(13,801)	(13,194)
Benefit of net operating loss carryforwards	(817)	(2,054)	--
Other	2,237	2,027	1,738
	$ 17,741	$ 30,307	$ 15,169

4. Income Taxes (continued)

At December 31, 1996, the Company has net operating loss carryforwards for tax purposes of $134,055,000 in Germany (no expiration date), $26,823,000 in France (expire December 31, 2001), and $10,021,000 in Portugal (expire December 31, 2001). Approximately $80,224,000 of the carryforward in Germany, and $5,054,000 of the carryforward in Portugal, resulted from the Company's acquisition of Roederstein. For financial reporting purposes, the deferred tax asset for net operating losses increased due primarily to a reorganization in Germany which resulted in a local tax loss and a higher effective tax rate in Germany. Valuation allowances of $59,021,000 and $45,700,000 have been recognized at December 31, 1996 and 1995, respectively, for deferred tax assets related to foreign net operating loss carryforwards. In 1996, tax benefits recognized through reductions of the valuation allowance had the effect of reducing goodwill of acquired companies by $5,723,000. If additional tax benefits are recognized in the future through further reduction of the valuation allowance, $38,187,000 of such benefits will reduce goodwill.

At December 31, 1996, no provision has been made for U.S. federal and state income taxes on approximately $302,475,000 of foreign earnings which are expected to be reinvested indefinitely. Upon distribution of those earnings in the form of dividends or otherwise, the Company would be subject to U.S. income taxes (subject to an adjustment for foreign tax credits) and withholding taxes payable to the various foreign countries. Determination of the amount of unrecognized deferred U.S. income tax liability is not practicable because of the complexities associated with its hypothetical calculation.

Income taxes paid were $22,141,000, $30,272,000, and $11,125,000 for the years ended December 31, 1996, 1995, and 1994, respectively.

5. Long-Term Debt

Long-term debt consisted of the following (in thousands):

	December 31	
	1996	1995
Multicurrency Revolving Credit Loan	$121,039	$ 29,722
Term Loan	77,500	87,500
Term Loan II	--	50,000
Deutsche Mark Revolving Credit Loan	25,974	27,778
Deutsche Mark Term Loan	9,426	35,775
Other Debt and Capital Lease Obligations	21,340	35,656
	255,279	266,431
Less current portion	25,394	37,821
	$229,885	$228,610

5. Long-Term Debt (continued)

As of December 31, 1996, four facilities were available under the Company's amended and restated Revolving Credit and Term Loan and Deutsche Mark Revolving Credit and Term Loan agreements with a group of banks; a multicurrency revolving credit loan (interest 5.89% on U.S. dollar borrowings and 3.60% on Deutsche Mark borrowings at December 31, 1996), a U.S. term loan (interest 5.99% at December 31, 1996), a Deutsche Mark revolving credit loan (interest 3.60% at December 31, 1996), and a Deutsche Mark term loan (interest 3.70% at December 31, 1996). The terms of the four facilities are summarized below. The first facility is a $400,000,000 multicurrency revolving credit facility which is available to the Company until December 31, 2001. The Company had outstanding $110,000,000 and DM 17,000,000 ($11,039,000) under the multicurrency revolving credit loan at December 31, 1996. The Company can request one-year extensions of the facility annually from 1997 through 2002. Each extension granted by the banks extends the maturity of the facility by one year. Interest is payable at prime or at other interest rate options. The Company is required to pay certain commitment and facility fees on the used and unused portion of this credit facility. The second facility is a $77,500,000 term loan, with interest payable at prime or at other interest rate options. Principal payments are due as follows: 1997--$15,000,000; 1998--$20,000,000; 1999--$20,000,000; 2000-- $22,500,000. Additional principal payments may be required based on excess cash flow as defined in the agreement. The loan agreements also provide a German subsidiary of the Company with two Deutsche Mark ("DM") facilities. The first DM facility is a DM 40,000,000 ($25,974,000) revolving credit facility which is available until December 31, 2001. The Company can request one-year extensions of the facility annually from 1997 through 2002. Each extension granted by the banks extends the maturity of the facility by one year. Interest is based on DM market rates. The Company is required to pay certain commitment and facility fees on the used and unused portion of this credit facility. The second DM facility is a DM 14,516,000 ($9,426,000) term loan. Interest is based on DM market rates. A principal payment of DM 14,516,000 ($9,426,000) is due on or before December 31, 1997.

Under the loan agreements, the Company is restricted from paying cash dividends and must comply with other covenants, including the maintenance of specific ratios. The Company is in compliance with the restrictions and limitations under the terms of loan agreements, as amended.

Other debt and capital lease obligations include borrowings under short-term credit lines of $3,120,000 and $30,254,000 at December 31, 1996 and 1995, respectively, which are classified as long-term based on the Company's intention and ability to refinance the obligations on a long-term basis.

5. Long-Term Debt (continued)

Aggregate annual maturities of long-term debt, excluding payments which may be required based on excess cash flow, are as follows: 1997--$25,394,000; 1998--$22,269,000; 1999--$21,305,000; 2000--$22,896,000; 2001--$162,257,000; thereafter--$1,158,000.

At December 31, 1996, the Company has committed and uncommitted short-term credit lines with various U.S. and foreign banks aggregating $170,733,000, of which $136,401,000 was unused. The weighted average interest rate on short-term borrowings outstanding as of December 31, 1996 and 1995 was 5.60% and 6.31%, respectively.

Interest paid was $17,736,000, $29,459,000, and $24,150,000 for the years ended December 31, 1996, 1995, and 1994, respectively.

6. Stockholders' Equity

On May 19, 1995, the Company's shareholders approved an increase in the number of shares of Common Stock, $.10 par value, which the Company is authorized to issue, from 35,000,000 shares to 65,000,000 shares.

The Company's Class B Stock carries ten votes per share while the Common Stock carries one vote per share. Class B shares are transferable only to certain permitted transferees while the Common Stock is freely transferable. Class B shares are convertible on a one-for-one basis at any time to Common Stock.

Unearned compensation relating to Common Stock issued under employee stock plans is being amortized over periods ranging from three to five years. At December 31, 1996, 237,677 shares are available for issuance under stock plans.

In 1995, certain key executives of the Company were granted options to purchase 1,104,700 shares of the Company's Common Stock, all of which remain outstanding at December 31, 1996. These options expire March 1, 2000, with one-third exercisable at $25.23, one-third exercisable at $31.74, and one-third exercisable at $45.35.

7. Other Income

Other income (expense) consists of the following (in thousands):

	Year ended December 31 1996	1995	1994
Foreign exchange gains (losses)	$ 371	$(2,022)	$ 440
Investment income	1,586	1,529	229
Other	(16)	484	247
	$ 1,941	$ (9)	$ 916

8. Employee Retirement Plans

The Company maintains various defined benefit pension plans covering substantially all full-time U.S. employees. The benefits under these plans are based on the employees' compensation during all years of participation. Participants in these plans, other than U.S. employees of Vitramon, are required to contribute an amount based on annual earnings. The Company's funding policy is to contribute annually amounts that satisfy the funding standard account requirements of ERISA. The assets of these plans are invested primarily in mutual funds and guaranteed investment contracts issued by an insurance company.

Net pension cost for the Plans included the following components (in thousands):

	Year ended December 31 1996	1995	1994
Annual service cost--benefits earned for the period	$ 5,091	$ 3,613	$2,547
Less: Employee contributions	1,842	1,459	1,142
Net service cost	3,249	2,154	1,405
Interest cost on projected benefit obligation	6,014	5,702	5,153
Actual return on Plan assets	(10,737)	(11,892)	(1,702)
Net amortization and deferral	4,213	7,211	(3,349)
Net pension cost	$ 2,739	$ 3,175	$1,507

The expected long-term rate of return on assets was 8.5% - 9.5%.

8. Employee Retirement Plans (continued)

The following table sets forth the funded status of the Plans and amounts recognized in the Company's financial statements (in thousands):

	December 31 1996	1995
Accumulated benefit obligation, including vested benefits of $80,046 and $75,636	$ 80,343	$ 75,949
Actuarial present value of projected benefit obligations	$(87,740)	$(82,105)
Plan assets at fair value	87,369	78,686
Projected benefit obligations in excess of Plan assets	(371)	(3,419)
Unrecognized (gain) loss	(238)	3,043
Unrecognized prior service cost	601	834
Unrecognized net obligation at transition date, being recognized over 15 years	246	356
Accrued pension liability	$ 238	$ 814

The following assumptions have been used in the actuarial determinations of the Plans:

	1996	1995
Discount rate	7.50%	7.25%
Rate of increase in compensation levels	4.5%-5.0%	4.5% - 5.0%

Many of the Company's U.S. employees are eligible to participate in 401(k) Savings Plans, some of which provide for Company matching under various formulas. The Company's matching expense for the plans was $2,250,000, $2,314,000, and $2,282,000 for the years ended December 31, 1996, 1995, and 1994, respectively.

The Company provides pension and similar benefits to employees of certain foreign subsidiaries consistent with local practices. German subsidiaries of the Company have

8. Employee Retirement Plans (continued)

noncontributory defined benefit pension plans covering management and employees. Pension benefits are based on years of service. Net pension cost for the German Plans included the following components (in thousands):

	Year ended December 31		
	1996	1995	1994
Annual service cost--benefits earned for the period	$ 126	$ 164	$ 138
Interest cost on projected benefit obligation	5,082	5,267	4,496
Actual return on plan assets	(1,174)	(854)	(1,039)
Net amortization and deferral	133	(220)	83
Net pension cost	$ 4,167	$ 4,357	$ 3,678

The expected long-term rate of return on assets was 2.0%.

The following table sets forth the funded status of the German Plans and amounts recognized in the Company's financial statements (in thousands):

	December 31	
	1996	1995
Accumulated benefit obligation, including vested benefits of $69,477 and $76,556	$ 70,122	$ 77,445
Actuarial present value of projected benefit obligations	$(70,398)	$(77,791)
Plan assets at fair value	15,508	15,331
Projected benefit obligations in excess of plan assets	(54,890)	(62,460)
Unrecognized loss	4,155	4,935
Unrecognized prior service cost	414	571
Unrecognized net asset at transition date, being recognized over 15 years	(29)	(36)
Additional minimum liability, recognized as a reduction of stockholders' equity	(3,346)	(6,792)
Accrued pension liability	$(53,696)	$(63,782)

The following assumptions have been used in the actuarial determinations of the German Plans:

	1996	1995
Discount rate	7.0%	7.0%
Rate of increase in compensation levels	2.5%	3.0%

9. Postretirement Medical Benefits

The Company pays limited health care premiums for certain eligible retired U.S. employees. Net postretirement benefit cost included the following components (in thousands):

	December 31		
	1996	1995	1994
Service cost	$236	$215	$214
Interest cost	485	497	453
Net amortization and deferral	264	245	230
Net postretirement benefit cost	$985	$957	$897

The status of the plan and amounts recognized in the Company's consolidated balance sheet were as follows (in thousands):

	December 31	
	1996	1995
Accumulated postretirement benefit obligation:		
Retirees	$(2,313)	$(2,075)
Actives eligible to retire	(1,519)	(1,402)
Other actives	(3,145)	(3,712)
Total	(6,977)	(7,189)
Unrecognized loss	925	1,440
Unrecognized transition obligation, being amortized over 20 years	3,421	3,635
Accrued postretirement benefit liability	$(2,631)	$(2,114)

9. Postretirement Medical Benefits (continued)

The discount rates used in the calculations were 7.50% and 7.25% for 1996 and 1995, respectively.

10. Leases

Total rental expense under operating leases was $9,679,000, $9,984,000, and $8,871,000, for the years ended December 31, 1996, 1995, and 1994, respectively.

Future minimum lease payments for operating leases with initial or remaining noncancelable lease terms in excess of one year are as follows: 1997--$7,289,000; 1998--$5,441,000; 1999--$3,751,000; 2000--$3,233,000; 2001--$2,885,000; thereafter--$9,915,000.

11. Financial Instruments

Financial instruments with potential credit risk consist principally of accounts receivable. Concentrations of credit risk with respect to receivables are limited due to the Company's large number of customers and their dispersion across many countries and industries. At December 31, 1996 and 1995, the Company had no significant concentrations of credit risk. The amounts reported in the balance sheet for cash and cash equivalents and for short-term and long-term debt approximate fair value.

12. Current Vulnerability Due to Certain Concentrations

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

12. Current Vulnerability Due to Certain Concentrations (continued)

Sources of Supply (continued)

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. In an attempt to ensure that the Company will have access to a long-term, stable supply of low-cost tantalum, the Company is negotiating joint venture agreements for a tantalum mine, a refinery, and capacitor production facilities in China. 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. 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.

Geographic Concentration

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 in order to take advantage of that country's lower wage rates, highly skilled labor force, government-sponsored grants, as well as various tax abatement programs. These incentive programs have contributed substantially to the growth and profitability of the Company. The Company might be materially and adversely affected if these incentive programs were no longer available to the Company or if hostilities were to occur in the Middle East that materially interfere with the Company's operations in Israel.

13. Segment and Geographic Information

Vishay operates in one line of business--the manufacture of electronic components. Information about the Company's operations in different geographic areas is as follows (in thousands):

Year ended December 31, 1996	United States	Europe	Israel	Other	Elimination	Consolidated
Net sales to unaffiliated customers	$ 557,935*	$ 504,397	$ 8,118	$ 27,529	$ --	$ 1,097,979
Net sales between geographic areas	67,839	45,682	235,219	11,243	(359,983)	--
Total net sales	$ 625,774	$550,079	$243,337	$ 38,772	$(359,983)	$ 1,097,979
Operating profit	$ 60,868	$ (13,755)	$ 49,562	$ 3,854	$ --	$ 100,529
General corporate expenses						(12,764)
Interest expense						(17,408)
Earnings before income taxes						$ 70,357
Identifiable assets	$ 617,484	$570,004	$347,053	$ 21,506	$ --	$ 1,556,047

Year ended December 31, 1995	United States	Europe	Israel	Other	Elimination	Consolidated
Net sales to unaffiliated customers	$ 597,154*	$589,488	$ 5,684	$ 32,090	$ --	$ 1,224,416
Net sales between geographic areas	74,283	53,883	214,322	341	(342,829)	--
Total net sales	$ 671,437	$643,371	$220,006	$ 32,431	$(342,829)	$ 1,224,416
Operating profit	$ 59,877	$ 31,759	$ 66,640	$ 5,528	$ --	$ 163,804
General corporate expenses						(11,397)
Interest expense						(29,433)
Earnings before income taxes						$ 122,974
Identifiable assets	$ 610,106	$653,395	$255,268	$ 24,562	$ --	$ 1,543,331

13. Segment and Geographic Information (continued)

	United States	Europe	Israel	Other	Elimination	Consolidated
Yea						
Year ended December 31, 1994						
S>						
Net sales to unaffiliated customers	$ 495,004*	$ 466,552	$ 3,687	$ 22,594	$ --	$ 987,837
Net sales between geographic areas	25,339	65,705	139,615	--	(230,659)	--
Total net sales	$ 520,343	$ 532,257	$ 143,302	$ 22,594	$(230,659)	$ 987,837
Operating profit	$ 43,889	$ 15,129	$ 45,091	$ 4,842	$ --	$ 108,951
General corporate expenses						(10,066)
Interest expense						(24,769)
Earnings before income taxes						$ 74,116
Identifiable assets	$ 555,418	$ 614,998	$ 152,329	$ 22,325	$	$ 1,345,070

* Includes export sales of $112,402, $123,387, $107,196 for the years ended December 31, 1996, 1995, and 1994, respectively.

Sales between geographic areas are priced to result in operating profit that would be achieved on sales to unaffiliated customers. Operating profit is total revenue less operating expenses. In computing operating profit, general corporate expenses, interest expense, and income taxes were not deducted.

14. Summary of Quarterly Financial Information (Unaudited)

Quarterly financial information for the years ended December 31, 1996 and 1995 is as follows:

(In thousands, except per share amounts)

	First Quarter		Second Quarter		Third Quarter		Fourth Quarter		Total Year	
	1996	1995	1996	1995	1996	1995	1996	1995	1996	1995
Net sales	$310,660	$310,284	$273,502	$315,461	$259,889	$300,629	$253,928	$298,042	$1,097,979	$1,224,416
Gross profit	85,081	79,265	71,864	83,526	61,177	79,265	53,991	79,842	272,113	321,898
Net earnings (1)	28,041	22,034	3,783	24,724	14,484	22,332	6,308	23,577	52,616	92,667
Earnings per share (1), (2):										
Net earnings	$.46	$.40	$.06	$.45	$.24	$.40	$.10	$.38	$.86	$1.62

(1) Includes restructuring expense of $24,826,000 ($.26 per share) and $13,204,000 ($.17 per share) in the second and fourth quarters of 1996, respectively, and restructuring expense of $800,000 ($.01 per share) and $3,400,000 ($.04 per share) in the third and fourth quarters of 1995, respectively.

(2) Adjusted to give retroactive effect to 5% stock dividend in June 1996 and the 2-for-1 stock split distributed on June 16, 1995.

EXHIBIT INDEX

Exhibit No.	Description	Page Number in sequentially Numbered Copy
2.1	Stock Purchase Agreement, dated July 12, 1994, between Thomas & Betts Corporation and Vishay Intertechnology, Inc. Incorporated by reference to Exhibit (2.1) to the Current Report on 8-K dated July 18, 1994.	
3.1	Composite Amended and Restated Certificate of Incorporation of the Company dated August 3, 1995. Incorporated by reference to Exhibit 3.1 to Form 10-Q for the quarter ended June 30, 1995 (the "1995 Form 10-Q").	
3.2	Amended and Restated Bylaws of Registrant. Incorporated by reference to Exhibit 3.2 to Registration Statement No. 33-13833 of Registrant on Form S-2 under the Securities Act of 1933 (the "Form S-2") and Amendment No. 1 to Amended and Restated Bylaws of Registrant Incorporated by reference to Exhibit 3.2 to Form 10-K file number 1-7416 for fiscal year ended December 31, 1993 (the "1993 Form 10-K").	
10.1	Performance-Based Compensation Plan for Chief Executive Officer of Registrant. Incorporated by reference to Exhibit 10.1 to the 1993 Form 10-K.	

10.2 The First Amendment dated June 27, 1995, to the Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term 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"), and the Vishay Intertechnology, Inc. $200,000,000 Acquisition Loan Agreement dated as of July 18, 1994 by and among the Banks, the Agent and Vishay. Incorporated by references to Exhibit 10.4 to the 1995 Form 10-Q.

10.3 The First Amendment, dated June 27, 1995, to the Amended and Restated Vishay Europe GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement dated as of July 18, 1994 by and among the Banks, the Agent and Vishay Europe GmbH ("VEG"), and the Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement dated as of July 18, 1994 by and among the Banks, the Agent and VEG. Incorporated by references to Exhibit 10.5 to the 1995 Form 10-Q.

10.4	Amended and Restated Vishay Intertechnology, Inc. $302,500,000 Revolving Credit and Term Loan Agreement, dated as of July 18, 1994, by and among Comerica Bank, NationsBank of North Carolina, N.A., Berliner Handelsund 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 "Former Banks"), Comerica Bank, as agent for the Former Banks (the "Agent"), and Vishay Intertechnology, Inc. ("Vishay"). Incorporated by reference to Exhibit (10.1) to the Current Report on Form 8-K dated July 18, 1994.
10.5	Amended and Restated Vishay Beteiligungs GmbH DM 40,000,000 Revolving Credit and DM 9,506,000 Term Loan Agreement, dated as of July 18, 1994, by and among the Former Banks, the Agent and Vishay Beteiligungs GmbH ("VBG"). Incorporated by reference to Exhibit (10.2) to the Current Report on Form 8-K dated July 18, 1994.
10.6	Amended and Restated Roederstein DM 104,315,990.20 Term Loan Agreement, dated as of July 18, 1994, by and among the Former Banks, the Agent, Vishay and VBG. Incorporated by reference to Exhibit (10.3) to the Current Report on Form 8-K dated July 18, 1994.
10.7	Vishay Intertechnology, Inc. $200,000,000 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 Current Report on Form 8-K dated July 18, 1994.

10.8	Amended and Restated Guaranty by Vishay to the Banks, dated July 18, 1994. Incorporated by reference to Exhibit (10.5) to the Current Report on Form 8-K dated July 18, 1994.
10.9	Employment Agreement, dated as of March 15, 1985, between the Company and Dr. Felix Zandman. Incorporated by reference to Exhibit (10.12) to the Form S-2.
10.10	Vishay Intertechnology 1995 Stock Option Program. Incorporated by reference to the Company's Registration Statement on Form S-8 (No. 33-59609).
10.11	1986 Employee Stock Plan of the Company. Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (No. 33-7850).
10.12	1986 Employee Stock Plan of Dale Electronics, Inc. Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (No. 33-7851).
10.13	Money Purchase Plan Agreement of Measurements Group, Inc. Incorporated by reference to Exhibit 10(a)(6) to Amendment No. 1 to the Company's Registration Statement on Form S-7 (No. 2-69970).
21.	Subsidiaries of the Registrant.
23.	Consent of Independent Auditors.
27.	Financial Data Schedule

EXHIBIT 21

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 MicroMesures 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	66.6% by Vishay Israel 27.2% by Vishay 3.8% by Vilna 2.4% by Dale

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Note: Names of Subsidiaries are indented under name of Parent.

* Certain Directors' or other shares required by statute in foreign jurisdictions and totalling less than 1% of equity are omitted.

Vishay Electronic GmbH	Germany	100%
Roederstein Electronics Portugal Lda.	Portugal	100%
Vishay Bauelemente Vertrieb GmbH	Germany	78%
Vishay Bauelemente Vertrieb A.G.	Switzerland	100%
Vishay Vertrieb Elektronischer Bauelemente Ges. mbH	Austria	100%
Klevestav-Roederstein Festigheter AB	Sweden	50%
Vishay Compenents, S.A.	Spain	100%
Vishay Components Nederland BV	Netherlands	100%
Vishay Benelux	Belgium	100%
Fabrin Roederstein, S.A.	Denmark	40%
Vishay Components OY	Finland	100%
Okab Roederstein Finland OY	Finland	44.4%
Rogin Electronic S.A.	Spain	33%
Roederstein Norge AS	Norway	40%
Roederstein-Hilfe-GmbH	Germany	100%
Draloric Electronic SPOL S RO	Czech Republic	100%
Vishay S.A.	France	99.8%
Nicolitch S.A.	France	100%
Gravures Industrielles Mulhousiennes S.A.	France	100%
Sfernice Ltd.	England & Wales	100%
Ultronix, Inc.	Delaware	100%
Vishay Thin Film, Inc.	New York	100%
Techno Components Corp.	Delaware	100%
E-Sil Components Ltd.	England & Wales	100%
Vishay Components (U.K.) Ltd.	England & Wales	100%
Grued Corporation	Delaware	100%
Con-Gro Corp.	Delaware	100%
Gro-Con, Inc.	Delaware	100%
Angstrohm Precision, Inc.	Delaware	100%
Angstrohm Holdings, Inc.	Delaware	100%
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%

Note: Names of Subsidiaries are indented under name of Parent.

* Certain Directors' or other shares required by statute in foreign jurisdictions and totalling less than 1% of equity are omitted.

Dale Holdings, Inc.	Delaware	100%
Dale Electronics, Inc.	Delaware	100%
Components Dale de Mexico S.A. de C.V.	Mexico	100%
Electronica Dale de Mexico S.A. de C.V.	Mexico	100%
Vishay Electronic Components Asia Pte., Ltd	Singapore	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 Far East Pte. Ltd.	Singapore	100%

Note: Names of Subsidiaries are indented under name of Parent.

* Certain Directors' or other shares required by statute in foreign jurisdictions and totalling less than 1% of equity are omitted.

Exhibit 23

Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in the Registration Statements on Form S-8 of Vishay Intertechnology, Inc. and in the related Prospectuses of our report dated February 5, 1997, 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, 1996.

Registration Statement Number	Description
33-7850	1986 Employee Stock Plan of Vishay Intertechnology, Inc.
33-7851	1986 Employee Stock Plan of Dale Electronics, Inc.
33-59609	Vishay Intertechnology, Inc. 1995 Stock Option Program

Philadelphia, Pennsylvania
March 25, 1997

/s/ Ernst & Young LLP

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YEAR
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JAN-01-1996
DEC-31-1996
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