SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2000

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

For the transition period from_______________ to_______

Commission File Number 1-7416

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

Delaware	38-1686453
(State or other jurisdiction of incorporation or organization)	(IRS employer identification no.)

63 Lincoln Highway
Malvern, Pennsylvania 19355-2120
(Address of principal executive offices)

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

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

As of May 12, 2000 registrant had 75,776,677 shares of its Common Stock and 10,369,931 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q

MARCH 31, 2000

CONTENTS

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

ASSETS	March 31 2000	December 31 1999
CURRENT ASSETS		
Cash and cash equivalents	$ 124,877	$ 105,193
Accounts receivable	385,136	320,978
Inventories:		
Finished goods	150,252	144,645
Work in process	129,889	131,951
Raw materials	126,617	121,704
Deferred income taxes	42,028	35,119
Prepaid expenses and other current assets	72,524	67,159
TOTAL CURRENT ASSETS	1,031,323	926,749
PROPERTY AND EQUIPMENT - AT COST		
Land	50,489	51,453
Buildings and improvements	258,469	261,528
Machinery and equipment	1,073,125	1,073,556
Construction in progress	76,498	61,881
Allowance for depreciation	(539,649)	(517,873)
	918,932	930,545
GOODWILL	393,833	399,970
OTHER ASSETS	60,654	66,517
	$2,404,742	$2,323,781

	March 31 2000	December 31 1999
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable to banks	$ 35,629	$ 26,790
Trade accounts payable	105,918	101,613
Payroll and related expenses	74,883	77,209
Other accrued expenses	114,707	107,724
Income taxes	46,383	27,418
Current portion of long-term debt	4,356	4,445
TOTAL CURRENT LIABILITIES	381,876	345,199
LONG-TERM DEBT	607,276	656,943
DEFERRED INCOME TAXES	63,043	62,712
DEFERRED INCOME	48,560	50,462
MINORITY INTEREST	67,544	61,637
OTHER LIABILITIES	23,882	24,715
ACCRUED PENSION COSTS	104,810	108,521
STOCKHOLDERS' EQUITY		
Common Stock	7,575	7,431
Class B Common Stock	1,038	1,038
Capital in excess of par value	1,023,633	989,627
Retained earnings	171,862	97,591
Accumulated other comprehensive loss	(94,786)	(81,009)
Unearned compensation	(1,571)	(1,086)
	1,107,751	1,013,592
	$2,404,742	$2,323,781

See notes to consolidated condensed financial statements.

VISHAY INTERTECHNOLOGY, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Unaudited - In thousands except earnings per share)

	Three Months Ended March 31,	
	2000	1999
Net sales	$538,894	$423,058
Costs of products sold	351,178	323,168
GROSS PROFIT	187,716	99,890
Selling, general, and administrative expenses	67,944	62,497
Amortization of goodwill	3,136	3,292
OPERATING INCOME	116,636	34,101
Other income (expense):		
Interest expense	(12,515)	(12,880)
Loss on disposal of subsidiary	-	(10,073)
Other	(174)	1,232
	(12,689)	(21,721)
EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	103,947	12,380
Income taxes	23,454	9,043
Minority interest	6,222	2,519
NET EARNINGS	$74,271	$818
Basic earnings per share	$0.86	$0.01
Diluted earnings per share	$0.84	$0.01
Weighted average shares outstanding - basic	86,692	84,448
Weighted average shares outstanding - diluted	88,495	84,663

See notes to consolidated condensed financial statements.

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

	Three Months Ended March 31 2000	Three Months Ended March 31 1999
OPERATING ACTIVITIES		
Net earnings	$ 74,271	$ 818
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	38,219	35,735
Loss on sale of subsidiary	-	10,073
Loss on disposal of property and equipment	100	36
Minority interest in net earnings of consolidated subsidiaries	6,222	2,519
Other	16,455	(9,853)
Changes in operating assets and liabilities	(68,032)	(31,068)
NET CASH PROVIDED BY OPERATING ACTIVITIES	67,235	8,260
INVESTING ACTIVITIES		
Purchases of property and equipment	(40,326)	(25,026)
Proceeds from sale of subsidiary	-	9,118
Proceeds from sale of property and equipment	2,270	723
NET CASH USED IN INVESTING ACTIVITIES	(38,056)	(15,185)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	-	296
Principal payments on long-term debt	(1,170)	(1,978)
Net payments on revolving credit lines	(48,617)	(16,735)
Net changes in short-term borrowings	8,497	6,689
Proceeds from stock options exercised	33,466	-
NET CASH USED IN FINANCING ACTIVITIES	(7,824)	(11,728)
Effect of exchange rate changes on cash	(1,671)	(3,268)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,684	(21,921)
Cash and cash equivalents at beginning of period	105,193	113,729
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$124,877	$ 91,808

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)
March 31, 2000

Note 1: Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for presentation of financial position, results of operations, and cash flows required by generally accepted accounting principles for complete financial statements. The information furnished reflects all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair summary of the financial position, results of operations and cash flows for the interim period presented. The financial statements should be read in conjunction with the financial statements and notes thereto filed with Form 10-K for the year ended December 31, 1999.

Note 2: Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except earnings per share):

	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
Numerator:		
Net income	$ 74,271	$ 818
Denominator:		
Denominator for basic earnings per share - weighted average shares	86,692	84,448
Effect of dilutive securities:		
Stock appreciation rights	386	-
Employee stock options	1,295	155
Other	122	60
Dilutive potential common shares	1,803	215
Denominator for diluted earnings per share - adjusted weighted average shares	88,495	84,663
Basic earnings per share	$ 0.86	$ 0.01
Diluted earnings per share	$ 0.84	$ 0.01

Earnings per share amounts for all periods presented reflect the five-for-four stock split paid on June 22, 1999.

In connection with the acquisition of LPSC, the Company issued stock appreciation rights (SARs) to the former owners of LPSC. The SARs represent the right to receive, in stock, the increase in value on the equivalent of 2,133,000 shares of the Company's stock above $17.52 per share. On January 24, 2000, the Company exercised its right to call the SARs. Based on the call price of $39.64 per share and the average closing price of Vishay shares for thirty days prior to January 24, 2000, the Company would have to issue 1,529,000 shares of Vishay Common Stock to settle the SARs. For the quarter ended March 31, 2000, 1,143,000 shares were included in the calculation of basic earnings per share and 1,529,000 shares were included in the calculation of diluted earnings per share. See Note 6 with respect to the proposed sale of the Company's interest in LPSC for consideration including transfer to the Company of the rights under the SARs.

Note 3: Business Segment Information

The Company designs, manufactures, and markets electronic components that cover a wide range of products and technologies. The Company has two reportable segments: Passive Electronic Components (Passives) and Active Electronic Components (Actives). The Company evaluates performance and allocates resources based on several factors, of which the primary financial measure is the computation of business segment operating income excluding amortization of intangibles. The corporate component of operating income represents corporate selling, general, and administrative expenses.

	Three Months Ended March 31,	
	2000	1999
Business Segment Information (in thousands)		
Net Sales:		
Passives	$ 325,510	$ 251,532
Actives	213,384	171,526
	$ 538,894	$ 423,058
Operating Income:		
Passives	$ 77,974	$ 16,619
Actives	48,666	23,338
Corporate	(6,868)	(2,564)
Amortization of Goodwill	(3,136)	(3,292)
	$ 116,636	$ 34,101

Note 4: Comprehensive Income

Total comprehensive income (loss) includes the following components (in thousands):

	Three Months Ended March 31, 2000	Three Months Ended March 31, 1999
Net Income	$ 74,271	$ 818
Other comprehensive income (loss):		
Foreign currency translation adjustment	(14,007)	(42,149)
Pension liability adjustment, net of tax	231	534
Total other comprehensive loss	(13,776)	(41,615)
Comprehensive income (loss)	$60,495	$ (40,797)

Note 5: Income Taxes

The effective tax rate for the first quarter of 2000 was 22.6% as compared to 73.0% for the first quarter of 1999. The unusual effective tax rate for the first quarter of 1999 was due to the following: (i) the non tax deductibility of the pretax loss on the sale of Nicolitch, S.A. ($10,073,000); (ii) the tax expense recorded on the sale of Nicolitch, S.A.($1,416,000); and (iii) the change in the tax rate in Germany ($1,939,000). Exclusive of these items, the effective tax rate for the first quarter of 1999 would have been 25.3%.

Note 6: Sale of Subsidiary

On March 15, 2000, the Company and Lite-On JV Corporation ("Lite-On Group") entered into a Memorandum of Understanding for the sale of the Company's 65% interest in LPSC to the Lite-On Group for consideration consisting of cash and the assignment or transfer to Vishay of the Lite-On Group's rights under the SARs (see Note 2). The Lite-On Group currently owns the remaining 35% interest in LPSC. The actual effect on earnings from the disposition of LPSC will depend on the value of the Company's stock at the time the parties execute final documentation. The closing is expected to occur before September 30, 2000. During the time prior to the closing, the parties will prepare additional documentation relating to the transaction, and the Lite-On Group will arrange its financing for the cash portion of the purchase price. The Company and the Lite-On Group have agreed to defer the actual redemption of the SARs pending the execution of certain documentation relating to the sale of the Company's interest in LPSC to the Lite-On Group. No effects of these transactions are reflected in the Company's financial statements for the quarter ended March 31, 2000.

On March 26, 1999, the Company finalized the sale of Nicolitch, S.A., its French manufacturer of printed circuit boards, to Leonische Drahtwerke AG. In connection with the sale, the Company received proceeds of $9,118,000 and recorded a non-cash book loss of $11,489,000, including tax expense of $1,416,000.

Note 7: Subsequent Event

On May 15, 2000, the Company sold 5,895,000 shares of its common stock in an underwritten public offering at a price of $73.50 per share, including 95,000 shares to cover over-allotments. Of the shares being offered, 5,595,000 shares were offered by the Company and 300,000 shares were offered by selling stockholders. The Company has granted the underwriters options to purchase up to 775,000 additional shares of common stock at the public offering price to cover additional over-allotments, if any. The total net proceeds to the Company from the offering, after deducting the underwriters discount and estimated expenses, were $395.2 million. The Company did not receive any proceeds from the sale of common stock by the selling stockholders. However, the Company received approximately $5.0 million representing the aggregate exercise price of the stock options through which the selling stockholders acquired their shares. The Company intends to use the net proceeds it received from the offering to repay a portion of the debt outstanding under its long-term revolving credit facility.

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

Results of Operations

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

	Three Months ended March 31, 2000	1999
Costs of products sold	65.2 %	76.4 %
Gross profit	34.8	23.6
Selling, general, and administrative expenses	12.6	14.8
Operating income	21.6	8.1
Earnings before income taxes and minority interest	19.3	2.9
Effective tax rate	22.6	73.0
Net earnings	13.8	0.2

Net Sales

First quarter net sales increased $115,836,000 or 27.4% from the first quarter of 1999. Both the passive and active components businesses contributed to this increase. The passive components business net sales were $325,510,000 for the first quarter as compared to $251,532,000 for the first quarter of 1999; a 29.4% increase. The active components business first quarter net sales were $213,384,000 as compared to $171,526,000 for the first quarter of 1999; a 24.4% increase. This sales growth reflects the strong demand for the Company's products, particularly in telecommunication, automotive, and computer applications markets. The sales increase for the first quarter of 2000 was offset by $22,873,000 on account of the strengthening of the U.S. dollar against foreign currencies during the quarter, in comparison to the first quarter of the prior year.

Costs of Products Sold

Costs of products sold for the first quarter were 65.2% of net sales, as compared to 76.4% for the first quarter of 1999. Gross profit, as a percentage of net sales increased to 34.8% compared to 23.6% for the first quarter of 1999, with both the active and passive components businesses contributing to the increase.

The active components business gross margins were 37.1% as compared to 30.1% for the first quarter of 1999. The Siliconix operation was primarily responsible for this increase. The gross profit margin for Siliconix was 48.0% for the quarter ended March 31, 2000. This was due to increased manufacturing efficiencies, an improved product mix, and continued cost reduction efforts.

The passive components business gross profit margins were 33.4% as compared to 19.8% for the first quarter of 1999. This increase was mainly a result of increased demand for the passive products, particularly resistors, tantalum capacitors, and multi-layer ceramic chip capacitors. Average selling prices remained comparable with the first quarter of 1999.

Israeli government grants, recorded as a reduction of costs of products sold, were $3,677,000 for the first quarter of 2000, as compared to $3,464,000 for the first quarter of 1999. Future grants and other incentive programs offered to the Company by the Israeli government will likely depend on the Company's continuing to increase capital investment and the number of Company employees in Israel. Deferred income at March 31, 2000 relating to Israeli government grants was $48,560,000, as compared to $50,462,000 at December 31, 1999.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses for the first quarter of 2000 were 12.6% of net sales, as compared to 14.8% of net sales for the first quarter of 1999. The decrease in selling, general and administrative expenses, as a percentage of net sales, relates to higher net sales in 2000 as compared to the first quarter of 1999. The Company continues to implement cost reduction initiatives company-wide, with particular emphasis placed on reducing headcount in high labor cost countries.

Interest Expense

Interest costs decreased by $365,000 as compared to the first quarter of 1999. This decrease was a result of lower outstanding bank borrowings during the first quarter of 2000 as compared to the first quarter of the prior year, partially offset by higher interest rates.

Other Income

Other income for the first quarter of 2000 decreased by $1,406,000 as compared to the first quarter of 1999. This is attributable to greater foreign exchange losses partially offset by higher interest income and income recognized under the equity method.

Loss on Sale of Subsidiary

Included in the first quarter 1999 results is a pre-tax loss of $10,073,000 relating to the sale of Nicolitch S.A., a French manufacturer of printed circuit boards, to Leonische Drahtwerke AG, which was completed on March 26, 1999.

Minority Interest

Minority interest for the first quarter of 2000 increased by $3,703,000 as compared to the first quarter of 1999 primarily due to the increase in net earnings of Siliconix, of which Vishay owns 80.4%.

Income Taxes

The effective tax rate for the first quarter was 22.6% as compared to 73.0% for the first quarter of 1999. The higher tax rate for the first quarter of 1999 primarily reflects the non-tax deductibility of the loss on the sale of Nicolitch, S.A. Tax expense on the sale of Nicolitch, S.A. was $1,416,000. Also, a tax rate change in Germany resulted in a decrease in German deferred tax assets, which increased tax expense by $1,939,000. Exclusive of the effect of the sale of Nicolitch, S.A. and the tax rate change in Germany, the effective tax rate on earnings before minority interest for the first quarter of 1999 would have been 25.3%. The continuing effect of low tax rates in Israel applicable to the Company, as compared to the statutory rate in the United States, resulted in increases in net earnings of $12,853,000 and $2,998,000 for the first quarter of 2000 and 1999, respectively. The more favorable Israeli tax rates are applied to specific approved projects and are normally available for a period of ten or fifteen years.

Financial Condition and Liquidity

Cash flows from operations were $67,235,000 compared to $8,260,000 for the first quarter of 1999. The increase in cash generated from operations is attributable to an increase in net earnings from the first quarter of 1999. Net purchases of property and equipment were $40,326,000 compared to $25,026,000 in the first quarter of 1999, reflecting the Company's efforts toward increasing capacity. The Company paid down $48,617,000 on its revolving credit lines during the first quarter of 2000. These payments were partially funded by the proceeds from stock options exercised during the quarter of $33,466,000. The Company's financial condition at March 31, 2000 was strong, with a current ratio of 2.70 to 1. The Company's ratio of long-term debt, less current portion, to stockholders' equity was .55 to 1 at March 31, 2000 as compared to .82 to 1 at March 31, 1999 and .65 to 1 at December 31, 1999.

Year 2000 Compliance

In prior years, the Company discussed the nature and progress of its plans to become Year 2000 compliant. Each of the Company's divisions implemented a Year 2000 program designed to address the Year 2000 issue, of which all programs are now complete. The Company's total cost for these Year 2000 programs approximated $1,400,000. As a result of these efforts, the Company has experienced no significant disruptions in mission-critical information technology and non-information technology systems and believes those systems successfully responded to the Year 2000 date change. In addition, the Company has not experienced any adverse effects with any of its third party vendors, suppliers or customers. While the Company is not aware of, and does not expect that it will experience, any material problems related to this issue, it will continue to monitor its mission-critical computer applications and those of its suppliers, vendors and customers throughout the Year 2000 to ensure that any latent Year 2000 matters that may arise are addressed promptly.

Inflation

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

Safe Harbor Statement

From time to time, information provided by the Company, including but not limited to statements in this report, or other statements made by or on behalf of the Company, may contain "forward-looking" information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements involve a number of risks and uncertainties. The Company's actual results could differ materially from those discussed in the forward-looking statements. The Company's 1999 Annual Report on Form 10-K contains cautionary statements that 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.

Market Risk Disclosure

The Company's cash flows and earnings are subject to fluctuations resulting from changes in foreign currency exchange rates and interest rates. The Company manages its exposure to these market risks through internally established policies and procedures and, when deemed appropriate, through the use of derivative financial instruments. The Company's policy does not allow speculation in derivative instruments for profit or execution of derivative instrument contracts for which there are no underlying exposures. The Company does not use financial instruments for trading purposes and is not a party to any leveraged derivatives. The Company monitors its underlying market risk exposures on an ongoing basis and believes that it can modify or adapt its hedging strategies as needed.

The Company is exposed to changes in U.S. dollar LIBOR interest rates on its floating rate revolving credit facility. At March 31, 2000, the outstanding balance under this facility was $595,000,000. On a selective basis, the Company from time to time enters into interest rate swap or cap agreements to reduce the potential negative impact increases in interest rates could have on its outstanding variable rate debt. At March 31, 2000, a fixed rate swap was in place on $300,000,000 of the Company's revolving credit facility. The impact of interest rate instruments on the Company's results of operations was not significant.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings
Not applicable

Item 2. Changes in Securities
Not applicable

Item 3. Defaults Upon Senior Securities
Not applicable

Item 4. Submission of Matters to a Vote of Security Holders
Not applicable

Item 5. Other Information
Not applicable

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits
27 - Financial Data Schedule

(b) Not applicable

SIGNATURES

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

VISHAY INTERTECHNOLOGY, INC.

/s/ Richard N. Grubb

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

Date: May 15, 2000

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Vishay Intertechnology, Inc.
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