

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 1995

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

63 Lincoln Highway, Malvern, Pennsylvania

19355

(Address of principal executive offices)

(Zip Code)

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

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

As of November 2, 1995 registrant had 51,239,826 shares of its Common Stock and 7,232,035 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q

SEPTEMBER 30, 1995

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

ASSETS	September 30 1995	December 31 1994
	-----	-----
CURRENT ASSETS		
Cash and cash equivalents	\$33,275	\$26,857
Accounts receivable	194,771	165,188
Inventories:		
Finished goods	131,396	101,008
Work in process	90,475	94,005
Raw materials	119,569	108,594
Prepaid expenses and other current assets	65,082	64,909
	-----	-----
TOTAL CURRENT ASSETS	634,568	560,561
PROPERTY AND EQUIPMENT - AT COST		
Land	46,803	40,113
Buildings and improvements	188,992	171,689
Machinery and equipment	534,886	473,471
Construction in progress	85,859	48,689
Allowance for depreciation	(242,006)	(201,671)
	-----	-----
	614,534	532,291
GOODWILL	227,794	226,534
OTHER ASSETS	18,287	14,573
	-----	-----
	\$1,495,183	\$1,333,959
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY	September 30 1995	December 31 1994
	-----	-----
CURRENT LIABILITIES		
Notes payable to banks	\$18,203	\$28,285
Trade accounts payable	60,580	63,318
Payroll and related expenses	47,435	39,155
Other accrued expenses	58,752	64,505
Income taxes	11,964	1,849
Current portion of long-term debt	36,899	35,127
	-----	-----
TOTAL CURRENT LIABILITIES	233,833	232,239
LONG-TERM DEBT	226,159	402,337
DEFERRED INCOME TAXES	43,520	39,889
OTHER LIABILITIES	18,941	19,177
ACCRUED RETIREMENT COSTS	81,258	75,229
STOCKHOLDERS' EQUITY		
Common stock	5,124	2,257
Class B common stock	723	377
Capital in excess of par value	738,448	509,966
Retained earnings	122,793	53,734
Foreign currency translation adjustment	30,596	4,584
Unearned compensation	(402)	(20)
Pension adjustment	(5,810)	(5,810)
	-----	-----
	891,472	565,088
	-----	-----
	\$1,495,183	\$1,333,959
	=====	=====

See notes to consolidated condensed financial statements.

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

	Three Months Ended September 30,	
	1995	1994
Net sales	\$300,629	\$260,963
Costs of products sold	221,364	196,036
GROSS PROFIT	79,265	64,927
Selling, general, and administrative expenses	39,586	37,185
Amortization of goodwill	1,622	1,489
OPERATING INCOME	38,057	26,253
Other income (expense):		
Interest expense	(7,959)	(7,556)
Other	(322)	43
	(8,281)	(7,513)
EARNINGS BEFORE INCOME TAXES	29,776	18,740
Income taxes	7,444	4,179
NET EARNINGS	\$22,332	\$14,561
Net earnings per share	\$0.42	\$0.29
Weighted average shares outstanding	53,392	49,997

See notes to consolidated condensed financial statements.

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

	Nine Months Ended September 30,	
	1995	1994
Net sales	\$926,374	\$713,661
Costs of products sold	684,318	542,482
GROSS PROFIT	242,056	171,179
Selling, general, and administrative expenses	121,229	98,812
Amortization of goodwill	4,815	3,139

OPERATING INCOME	116,012	69,228
Other income (expense):		
Interest expense	(24,851)	(17,992)
Other	(640)	76
	-----	-----
	(25,491)	(17,916)
	-----	-----
EARNINGS BEFORE INCOME TAXES	90,521	51,312
Income taxes	21,431	9,867
	-----	-----
NET EARNINGS	\$69,090	\$41,445
	=====	=====
Net earnings per share	\$1.31	\$0.87
	=====	=====
Weighted average shares outstanding	52,940	47,886

See notes to consolidated condensed financial statements.

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

	Nine Months Ended September 30,	
	1995	1994
OPERATING ACTIVITIES		
Net earnings	\$69,090	\$41,445
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	51,498	40,995
Other	1,226	1,029
Changes in operating assets and liabilities	(46,500)	(53,125)
NET CASH PROVIDED BY OPERATING ACTIVITIES	75,314	30,344
INVESTING ACTIVITIES		
Purchases of property and equipment-net	(104,151)	(64,102)
Purchase of businesses, net of cash acquired	-	(179,673)
NET CASH USED IN INVESTING ACTIVITIES	(104,151)	(243,775)
FINANCING ACTIVITIES		
Proceeds from long-term borrowings	207,689	343,249
Payments on long-term borrowings	(393,484)	(230,615)
Net (payments)proceeds on short-term borrowings	(11,164)	10,809
Proceeds from sale of common stock	230,863	109,817
NET CASH PROVIDED BY FINANCING ACTIVITIES	33,904	233,260
Effect of exchange rate changes on cash	1,351	490
INCREASE IN CASH AND CASH EQUIVALENTS	6,418	20,319
Cash and cash equivalents at beginning of period	26,857	10,931
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$33,275	\$31,250

See notes to consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)
September 30, 1995

Note 1: Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes necessary for presentation of financial position, results of operations, and cash flows required by generally accepted accounting principles for complete financial statements. The information furnished reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair summary of the financial position, results of operations and cash flows for the interim periods presented. The financial statements should be read in conjunction with the financial statements and notes thereto filed with Form 10-K for the year ended December 31, 1994.

Note 2: Earnings Per Share

Earnings per share amounts for all periods reflect a 5% stock dividend paid March 31, 1995 and a 2-for-1 stock split paid on June 16, 1995. Earnings per share for the three and nine month periods ended September 30, 1995 reflect the weighted effect of the issuance of 2.79 million shares of common stock in August 1994 and of 5.75 million shares of common stock in September 1995.

Note 3: Public Stock Offering

In September 1995, the Company completed an offering of 5,750,000 shares of its common stock and received net proceeds of \$230,863,000. The proceeds were used to prepay bank indebtedness.

Note 4: Acquisition

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 multi-layer ceramic chip capacitors with manufacturing facilities primarily in the United States, France, Germany and the United Kingdom. The results of operations of Vitramon have been included in the Company's results from July 1994.

Pro forma unaudited results of operations for the nine months ended September 30, 1994, assuming consummation of the Vitramon acquisition and related financing as of January 1, 1994, is as follows (in thousands, except per share data):

	Pro Forma Nine Months Ended September 30, 1994
Net sales	\$ 782,344
Net earnings	\$ 47,528
Net earnings per share	\$ 0.90

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

Results of Operations

Net sales for the quarter and nine months ended September 30, 1995 increased \$39,966,000 or 15.2% and \$212,713,000 or 29.8%, respectively, from the comparable periods of the prior year. The increase for the quarter ended September 30, 1995 reflects the strong performance of Vitramon and Vishay's other surface mount components businesses. The increase in net sales for the nine months ended September 30, 1995 includes \$87,753,000 of net sales of Vitramon for the first six months of 1995. Vitramon was acquired effective July 1, 1994.

In addition, the weakening of the U.S. dollar against foreign currencies in the quarter and nine months ended September 30, 1995 in comparison to the prior year's period resulted in increases in reported sales of \$10,481,000 and \$46,276,000, respectively.

Net sales, exclusive of foreign currency fluctuations, increased 11.2% over the prior year quarter. Net sales, exclusive of foreign currency fluctuations and Vitramon sales for the first six months, increased 11.0% for the nine months ended September 30, 1995. Net bookings for the third quarter increased by 5.6% over the prior year quarter. Net bookings for the nine months ended September 30, 1995, exclusive of Vitramon's bookings for the first six months, increased by 17.0% over the comparable prior year period.

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

	Three Months Ended		Nine Months Ended	
	September 30	September 30	September 30	September 30
	1995	1994	1995	1994
Costs of products sold	73.6	75.1	73.9	76.0
Gross profit	26.4	24.9	26.1	24.0
Selling, general and administrative expenses	13.2	14.3	13.1	13.8
Operating income	12.7	10.1	12.5	9.7
Earnings before income taxes	9.9	7.2	9.8	7.2
Effective tax rate	25.0	22.3	23.7	19.2
Net earnings	7.4	5.6	7.5	5.8

Costs of products sold for the quarter and nine months ended September 30, 1995 were 73.6% and 73.9%, of net sales, respectively, as compared to 75.1% and 76.0%, respectively, for the comparable prior year's period. The factors contributing to this decrease included: i) the effect of the peso devaluation, which contributed approximately \$1,000,000 and \$2,800,000 to the gross profit for the quarter and nine months ended September 30, 1995, ii) the fact that gross profits for Vitramon are higher than Vishay's other operating companies, iii) Israeli government grants of \$3,693,000 and \$9,633,000, for the quarter and nine months ended September 30, 1995, respectively, as compared to \$3,033,000 and \$7,190,000, respectively, for the comparable prior year's period, 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 primarily from an increase in the Company's work force and capital investment in Israel.

Selling, general, and administrative expenses for the quarter and nine months ended September 30, 1995 were 13.2% and 13.1% of net sales, respectively, as compared to 14.3% and 13.8% for the comparable prior year periods. These decreased percentages result primarily from the increased sales volume. While management believes these percentages to be acceptable, management continues to explore additional cost saving opportunities.

Interest costs increased by \$403,000 and \$6,859,000, respectively, for the quarter and nine months ended September 30, 1995 over the comparable prior year periods as a result of increases in the floating rates of Vishay's bank indebtedness and an overall increase in debt outstanding as a result of the acquisition of Vitramon in July 1994 and purchases of property and equipment. The net proceeds of \$230,863,000 from a common stock offering completed in September 1995, were used to prepay bank indebtedness.

The effective tax rates for the quarter and nine months ended September 30, 1995 were 25.0% and 23.7%, respectively, compared to 22.3% and 19.2% for the comparable prior year's period. The effective tax rate for calendar year 1994 was 20.5%. The higher tax rates for the quarter and nine months ended September 30, 1995 reflect increased earnings in higher tax rate jurisdictions.

The continuing effect of low tax rates in Israel (as compared to the statutory rate in the United States) has been to increase net earnings by \$4,595,000 and \$3,883,000 for the quarters ended September 30, 1995 and 1994, respectively, and \$12,790,000 and \$9,825,000 for the nine month periods ended September 30, 1995 and 1994, respectively. The period to period increases are primarily a result of increased earnings for the

Israeli operations as a result of increased production. The more favorable Israeli tax rates are applied to specific approved projects and normally continue to be available for a period of ten years. New projects are continually being introduced.

Financial Condition

Cash flows from operations were \$75,314,000 for the nine months ended September 30, 1995 compared to \$30,344,000 for the prior year's period. Included in net cash provided by operating activities are cash payments of \$10,056,000 and \$9,745,000 made in the first nine months of 1995 and 1994, respectively, for accruals the Company established in connection with acquisitions. Net purchases of property and equipment for the nine months ended September 30, 1995 were \$104,151,000 compared to \$64,102,000 in the prior year's period. This increase reflects the Company's on-going program to purchase additional equipment to meet growing customer demand for surface mount components. Net cash provided by financing activities of \$33,904,000 for the nine months ended September 30, 1995 includes \$230,863,000 of net proceeds from a common stock offering which were used to prepay bank indebtedness, which had increased as a result of borrowings used primarily to finance additions to property and equipment.

The Company has established accruals relating to the Vitramon acquisition of \$12,876,000. These accruals, which are included in other accrued expenses, will not affect future earnings but will require cash expenditures.

The Company's financial condition at September 30, 1995 is strong, with a current ratio of 2.7 to 1. The Company's ratio of long-term debt (less current portion) to stockholders' equity was .25 to 1 at September 30, 1995 and .70 to 1 at December 31, 1994.

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

Inflation

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

VISHAY INTERTECHNOLOGY, INC.
PART II - OTHER INFORMATION

- Item 1. Legal Proceedings
None
- Item 2. Changes in Securities
None
- Item 3. Defaults Upon Senior Securities
None
- Item 4. Submission of Matters to a Vote of Security Holders
None
- Item 5. Other Information
None
- Item 6. Exhibits and Reports on Form 8-K
 - (a) None
 - (b) Reports on Form 8-K
None

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
Vice President, Treasurer
(Duly Authorized and Chief Financial
Officer)

Date: November 6, 1995

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