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 June 30, 1999

/_/ 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)	(I.R.S. Employer Identification 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 /x/ No /_/

As of August 12, 1999 registrant had 74,245,218 shares of its Common Stock and 10,375,246 shares of its Class B Common Stock outstanding.

VISHAY INTERTECHNOLOGY, INC.

FORM 10-Q JUNE 30, 1999

CONTENTS

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

ASSETS	June 30 1999	December 31 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 93,855	$ 113,729
Accounts receivable	298,802	276,270
Inventories:		
Finished goods	164,892	196,551
Work in process	132,111	136,393
Raw materials	122,141	113,194
Deferred income taxes	51,679	53,389
Prepaid expenses and other current assets	81,328	67,045
TOTAL CURRENT ASSETS	944,808	956,571
PROPERTY AND EQUIPMENT - AT COST		
Land	55,351	59,146
Buildings and improvements	255,232	270,095
Machinery and equipment	1,060,747	1,039,050
Construction in progress	65,910	69,534
Allowance for depreciation	(488,482)	(440,758)
	948,758	997,067
GOODWILL	412,153	432,558
OTHER ASSETS	65,008	76,548
	$ 2,370,727	$ 2,462,744

See notes to consolidated condensed financial statements

LIABILITIES AND STOCKHOLDERS' EQUITY	June 30 1999	December 31 1998
CURRENT LIABILITIES		
Notes payable to banks	$ 32,900	$ 20,253
Trade accounts payable	81,004	92,656
Payroll and related expenses	76,102	70,490
Other accrued expenses	102,712	111,420
Income taxes	18,895	17,425
Current portion of long-term debt	17,673	4,544
TOTAL CURRENT LIABILITIES	329,286	316,788
LONG-TERM DEBT	751,983	814,838
DEFERRED INCOME TAXES	66,719	68,933
DEFERRED INCOME	55,633	59,264
MINORITY INTEREST	56,581	51,858
OTHER LIABILITIES	25,356	25,174
ACCRUED PENSION COSTS	111,862	123,370
STOCKHOLDERS' EQUITY		
Common stock	7,424	5,935
Class B common stock	1,038	832
Capital in excess of par value	989,029	990,328
Retained earnings	35,353	14,354
Accumulated other comprehensive income	(58,273)	(7,799)
Unearned compensation	(1,264)	(1,131)
	973,307	1,002,519
	$ 2,370,727	$ 2,462,744

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 June 30, 1999	Three Months Ended June 30, 1998
Net sales	$ 425,323	$ 412,844
Costs of products sold	316,642	310,452
GROSS PROFIT	108,681	102,392
Selling, general, and administrative expenses	61,775	64,354
Amortization of goodwill	3,221	3,266
OPERATING INCOME	43,685	34,772
Other income (expense):		
Interest expense	(13,115)	(12,856)
Other	(2,925)	1,371
	(16,040)	(11,485)
EARNINGS BEFORE INCOME TAXES	27,645	23,287
Income taxes	7,464	6,521
NET EARNINGS	$ 20,181	$ 16,766
Basic and diluted earnings per share	$ 0.24	$ 0.20
Weighted average shares outstanding - assuming dilution	85,282	84,541

See notes to consolidated condensed financial statements

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

	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Net sales	$ 848,381	$ 761,588
Costs of products sold	639,810	573,992
GROSS PROFIT	208,571	187,596
Selling, general, and administrative expenses	124,272	110,288
Amortization of goodwill	6,513	5,539
OPERATING INCOME	77,786	71,769
Other income (expense):		
Interest expense	(25,995)	(21,084)
Loss on disposal of subsidiary	(10,073)	--
Other	(4,212)	(4,108)
	(40,280)	(25,192)
EARNINGS BEFORE INCOME TAXES	37,506	46,577
Income taxes	16,507	13,275
NET EARNINGS	$ 20,999	$ 33,302
Basic and diluted earnings per share	$ 0.25	$ 0.39
Weighted average shares outstanding - assuming dilution	85,168	84,535

See notes to consolidated condensed financial statements

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

	Six Months Ended June 30, 1999	1998
OPERATING ACTIVITIES		
Net earnings	$ 20,999	$ 33,302
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	73,009	61,971
Loss on sale of subsidiary	10,073	0
Other	13,647	(12,086)
Changes in operating assets and liabilities	(54,252)	(35,735)
NET CASH PROVIDED BY OPERATING ACTIVITIES	63,476	47,452
INVESTING ACTIVITIES		
Purchases of property and equipment	(60,504)	(60,596)
Proceeds from sale of property and equipment	1,149	3,414
Proceeds from sale of subsidiary	9,118	0
Sale of business	0	100,000
Purchase of businesses, net of cash acquired	0	(520,543)
NET CASH USED IN INVESTING ACTIVITIES	(50,237)	(477,725)
FINANCING ACTIVITIES		
Net proceeds(payments) on revolving credit lines	(40,189)	489,190
Proceeds from long-term borrowings	3,316	1,590
Payments on long-term borrowings	(5,947)	(1,611)
Net proceeds on short-term borrowings	13,488	2,550
NET CASH PROVIDED(USED) BY FINANCING ACTIVITIES	(29,332)	491,719
Effect of exchange rate changes on cash	(3,781)	(424)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(19,874)	61,022
Cash and cash equivalents at beginning of period	113,729	55,263
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 93,855	$ 116,285

See notes to consolidated condensed financial statements

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)
June 30, 1999

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, 1998.

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 June 30		Six Months Ended June 30	
	1999	1998	1999	1998
Numerator:				
Net income	$20,181	$16,766	$20,999	$33,302
Denominator:				
Denominator for basic earnings per share - weighted average shares	84,482	84,444	84,481	84,438
Effect of dilutive securities:				
Stock appreciation rights	353	--	353	--
Employee stock options	392	--	279	--
Other	55	97	55	97
Dilutive potential common shares	800	97	687	97
Denominator for diluted earnings per share - adjusted weighted average shares	85,282	84,541	85,168	84,535
Basic earnings per share	$ 0.24	$ 0.20	$ 0.25	$ 0.39
Diluted earnings per share	$ 0.24	$ 0.20	$ 0.25	$ 0.39

For the quarter and six months ended June 30, 1999, options to purchase 3,859,000 and 3,972,000 shares, respectively, at prices ranging from $18.31 to $32.91 per share were not included in the computation of diluted earnings per share because the options' exercise price were greater than the average market price of the common shares. 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. For the quarter and six months ended, June 30, 1999, 353,000 shares were included in the calculation of diluted earnings per share because the closing market price of the common shares on June 30, 1999 ($21.00) was greater than the strike price of $17.52.

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 business segment operating income excluding amortization of intangibles. The corporate component of operating income represents corporate selling, general, and administrative expenses.

Business Segment Information	Three Months Ended June 30 1999	Three Months Ended June 30 1998	Six Months Ended June 30 1999	Six Months Ended June 30 1998
	(In thousands)		(In thousands)	
Net Sales:				
Passives	$ 246,440	$ 256,263	$ 497,972	$ 536,277
Actives	178,883	156,581	350,409	225,311
	$ 425,323	$ 412,844	$ 848,381	$ 761,588
Operating Income:				
Passives	$ 23,202	$ 32,904	$ 39,821	$ 70,196
Actives	25,991	9,326	49,329	14,728
Corporate	(2,287)	(4,192)	(4,851)	(7,616)
Amortization of goodwill	(3,221)	(3,266)	(6,513)	(5,539)
	$ 43,685	$ 34,772	$ 77,786	$ 71,769

Note 4: Comprehensive Income

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

	Three Months Ended June 30		Six Months Ended June 30	
	1999	1998	1999	1998
Net Income	$ 20,181	$ 16,766	$ 20,999	$ 33,302
Other comprehensive income (loss):				
Foreign currency translation adjustment	(10,292)	4,089	(52,441)	(7,306)
Pension liability adjustment, net of tax	1,433	(84)	1,967	55
Total other comprehensive income (loss)	(8,859)	4,005	(50,474)	(7,251)
Comprehensive income (loss)	$ 11,322	$ 20,771	($29,475)	$ 26,051

Note 5: Income Taxes

The effective tax rate for the six months ended June 30, 1999 was 44.0% as compared to 28.5% for the six months ended June 30, 1998. The unusual effective tax rate for the six months ended June 30, 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 six months ended June 30, 1999 would have been 27%.

Note 6: Sale of Subsidiary

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: Other Income

For the six months ended June 30, 1998, the Company recorded a pretax loss of $6,269,000 related to a forward exchange contract entered into to set the purchase price in connection with the TEMIC acquisition.

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 June 30		Six Months Ended June 30	
	1999	1998	1999	1998
Cost of products sold	74.4%	75.2%	75.4%	75.4%
Gross profit	25.6	24.8	24.6	24.6
Selling, general and administrative expenses	14.5	15.6	14.6	14.5
Operating income	10.3	8.4	9.2	9.4
Earnings before income taxes	6.5	5.6	4.4	6.1
Effective tax rate	27.0	28.0	44.0	28.5
Net earnings	4.7	4.1	2.5	4.4

Net Sales

Net sales for the quarter and six months ended June 30, 1999 increased $12,479,000 or 3.0% and $86,793,000 or 11.4% from the comparable periods of the prior year. The increase in net sales for the quarter and six months ended June 30, 1999, as compared to the prior year's periods, relates primarily to the acquisition of TEMIC, which became effective March 1, 1998. Net sales of TEMIC for the quarter and six months ended June 30, 1999 were $161,207,000 and $315,985,000 as compared to $137,708,000 and $187,655,000, respectively, in the prior year's periods. The results of operations of TEMIC have been included in the Company's results from March 1, 1998. Exclusive of TEMIC for the six months ended June 30, 1999 and 1998, respectively, net sales would have decreased by $41,537,000 or 7.2%. The strengthening of the U.S. dollar against foreign currencies for the quarter ended June 30, 1999, in comparison to the prior year's period, resulted in a decrease in reported sales of $4,271,000. For the six months ended June 30, 1999, the impact of the U. S. dollar against foreign currencies, in comparison to the prior year's period, was immaterial. The passive components business net sales were $246,440,000 and $497,972,000 for the quarter and six months ended June 30, 1999, respectively, compared to $256,263,000 and $536,277,000, respectively, for the prior year's periods. Net sales of the passive components business were negatively affected primarily by capacity constraints for high volume, lower margin tantalum capacitor products.

Costs of Products Sold

Costs of products sold for the quarter and six months ended June 30, 1999 were 74.4% and 75.4% of net sales, respectively, as compared to 75.2% and 75.4% of net sales, for the quarter and six months ended June 30, 1998, respectively. Gross profit, as a percentage of net sales, increased to 25.6% for the quarter ended June 30, 1999 as compared to 23.6% for the quarter ended March 31, 1999.Gross profit, as a percentage of net sales, for the quarter ended June 30, 1999 increased from the prior year's period mainly due to the semiconductor components business. The semiconductor components gross margins were 30.6% and 30.4%, respectively, for the quarter and six months ended June 30, 1999 as compared to 24.9% and 24.7%, respectively, for the prior year's periods.

The increase in the gross margins of the semiconductor components business is due to the TEMIC acquisition, which recorded gross margins of 32.5% and 32.1%, respectively, for the quarter and six months ended June 30, 1999 as compared to gross margins of 26.5% and 27.0%, respectively, for the quarter and four months ended June 30, 1998. The increase in gross margins is mainly due to our Siliconix operation, where their gross margins have increased substantially as a result of stronger capacity utilization, an improved product mix and increased fab efficiencies. The passive components business gross profit margins were 21.9% and 20.8%, respectively, for the quarter and six months ended June 30, 1999 as compared to 24.7% and 24.6%, respectively, for the prior year's periods. Profitability for the passive components business was negatively affected by significant price erosion, which began in the second quarter of 1998.

Israeli government grants, recorded as a reduction of costs of products sold, were $3,544,000 and $6,966,000 for the quarter and six months ended June 30, 1999, respectively, as compared to $3,288,000 and $6,271,000 for the prior year's periods. Future grants and other incentive programs offered to the Company by the Israeli government will likely depend on the Company's continuing to increase capital investment and the number of the Company's employees in Israel. Deferred income at June 30, 1999 relating to Israeli government grants was $55,633,000 as compared to $59,264,000 at December 31, 1998.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the quarter and six months ended June 30, 1999 were 14.5% and 14.6% of net sales, as compared to 15.6% and 14.5% of net sales for the quarter and six months ended June 30, 1998, and 14.8% of net sales for the quarter ended March 31, 1999. The decrease in selling, general and administrative expenses for the quarter ended June 30, 1999 as compared to the prior year's period, was primarily due to the restructuring programs implemented at TEMIC. TEMIC's selling, general and administrative expenses were 16.6% and 16.8%, of net sales, for the quarter and six months ended June 30, 1999, as compared to 20.1% and 19.7% of net sales, respectively, for the quarter and four months ended June 30, 1998.

Interest Expense

Interest costs increased by $4,911,000 for the six months ended June 30, 1999, from the comparable prior year period, due to the increase in bank borrowings necessary to fund the TEMIC acquisition. The Company had net borrowings of $444,000,000 from a group of banks to finance the acquisition of TEMIC.

Other Income

Included in other income for the six months ended June 30, 1998 is a loss of $6,269,000 related to a forward exchange contract (entered into to set the purchase price in connection with the TEMIC acquisition). Other income also includes a charge for minority interest of $2,652,000 and $5,171,000 for the quarter and six months ended June 30, 1999, respectively, as compared to $688,000 and

$1,059,000 for the quarter and six months ended June 30, 1998, respectively. Foreign exchange gains (losses) for the quarter and six months ended June 30, 1999, were $(903,000) and $(569,000), respectively, as compared to $661,000 and $644,000 for the comparable prior year's periods.

Loss on Sale of Subsidiary

The Company recognized a pre-tax loss of $10,073,000 relating to the previously announced sale of Nicolitch, S.A., a French manufacturer of printed circuit boards to Leonische Drahwerke AG of Nuremberg, Germany, which was completed on March 26, 1999.

Income Taxes

The effective tax rate for the six months ended June 30, 1999 was 44.0% as compared to 28.5% for the comparable prior year period. The higher tax rate for the six months ended June 30,1999 was primarily due to 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 for the six months ended June 30, 1999 would have been 27.0%. The continuing effect of low tax rates in Israel, as compared to the statutory rate in the United States, resulted in increases in net earnings of $3,168,000 and $4,187,000 for the quarters ended June 30, 1999 and 1998, respectively and $6,166,000 and $7,577,000 for the six months ended June 30, 1999 and 1998, 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 or fifteen years.

Financial Condition and Liquidity

Cash flows from operations were $63,476,000 for the six months ended June 30, 1999 compared to $47,452,000 for the comparable prior year period. Net purchases of property and equipment for the six months ended June 30, 1999 were $60,504,000 compared to $60,596,000 in the prior year's period. Net cash provided by financing activities of $491,719,000 for the six months ended June 30, 1998 included approximately $550,000,000 used to finance the acquisition of TEMIC.

The Company incurred restructuring expense of $12,605,000 for the year ended December 31, 1997. Approximately $10,357,000 of this expense related to employee termination costs covering approximately 324 employees located in Germany and France. As of June 30, 1999, approximately 281 of such employees have been terminated and $9,189,000 of the termination costs has been paid. The restructuring plan is expected to be completed by December 31, 1999. The Company incurred restructuring expense of $5,694,000 for the year ended December 31, 1998. The expense consisted of employee termination costs covering approximately 182 technical, production, administrative and support employees located in Germany and the United Kingdom. As of June 30, 1999, approximately 148 employees have been terminated and $3,108,000 of this severance has been paid. The restructuring plan is expected to be completed by December 31, 1999. In connection with the acquisition of TEMIC, Vishay recorded restructuring liabilities of $30,471,000. Approximately $25,197,000 of this liability relates to employee termination costs covering approximately 498 technical, production, administrative and support employees located in the United States, Europe, and the Far East. The remaining $5,274,000 relates to provisions for certain assets, contract cancellations and other costs. As of June 30, 1999, approximately 121 of such employees have been terminated and $13,641,000 of the termination costs has been paid. The balance of $15,870,000 is reflected in the consolidated financial statements in other accrued expenses and is expected to be paid out by December 31, 1999.

The Company's financial condition at June 30, 1999 is strong, with a current ratio of 2.9 to 1. The Company's ratio of long-term debt (less current portion) to stockholders' equity was .77 at June 30, 1999 and .81 at December 31, 1998.

Year 2000

Many existing computer systems and software products, including hardware platforms and software applications used by the Company in its various divisions world-wide (a portion of which are provided by outside suppliers), accept only two digit entries in the date code field. As a result, computer programs or hardware that have date-sensitive software or embedded chips may not properly distinguish 21st century dates from the 20th century dates. This could result in system failure or miscalculations causing disruption of operations.

The Company has accorded to each of its divisions, including those in its U.S., Asian, Israeli and European facilities, responsibility for (i) assessment of each division's business information systems and related business processes used in its operations for year 2000 readiness and (ii) implementation of remediation in those areas where year 2000 issues exist. Since each of the Company's divisions has its own unique hardware and software applications, different approaches to the year 2000 issue have been required based upon the circumstances and requirements of each specific division. In some instances, for example, specific divisions have hired external contractors to assist in addressing the year 2000 issues while in other instances, internal staff have focused on remediation of the systems. Where necessary, upgrades to year 2000 compliant versions of third party software have been purchased. In addition, the Company has begun to use the business application software of SAP for its Roederstein (U.S.) operations and for TELEFUNKEN's operations to address some of the issues of year 2000 compliance. The Company has fully tested all its systems, and as of June 30, 1999, all are year 2000 compliant. Management does not believe the Company will suffer any material loss of customers or other material adverse effects as a result of any modifications that are being implemented to make its systems year 2000 compliant.

The Company is also assessing the possible affect on its operations of the year 2000 readiness of critical suppliers of products and services. The Company's reliance on its key suppliers, and therefore on the proper functioning of their information systems and software, is increasing, and there can be no assurance that another company's failure to address year 2000 issues could not have an adverse effect on the Company.

The Company currently estimates the total cost of its Year 2000 project to be $1,400,000. At June 30, 1999, the Company has incurred approximately $1,200,000 of costs in connection with its Year 2000 project.

Management of the Company believes it has an effective program in place to resolve the year 2000 issues. As noted above, the Company has completed all necessary phases of the year 2000 program. However, disruptions in the economy generally resulting from year 2000 issues could also materially affect the Company. The Company could be subject to litigation for computer systems product failure, for example, equipment shutdown or failure to properly date business records. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

The Company has contingency plans for certain critical applications and is working on such plans for others. These contingency plans involve, among other actions, manual workarounds and adjusting staffing strategies.

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 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 the need for the Company to timely bring to market new products and applications to meet customer's changing needs.

> The Company operates in a highly competitive environment, which includes significant competitive pricing pressures and intense competition for entry into new markets. The Company has experienced significant price erosion, particularly in its passive electronics conponents, in large part because of the competitive environment. Some trends may continue.

> 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. This factor was particularly evident in 1998 and continued into early 1999.

> 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 ensure 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 63% 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 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 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. During 1998, restructuring costs were particularly high as a result of the Company's accelerated effort to streamline operations in response to the continued weakness in the internal electronic components market.

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

The Company's results of operations may be adversely impacted by:

1. difficulties in obtaining raw materials, supplies, power, natural resources and any other items needed for the production of the Company's products;

2. the effects of quality deviations in raw materials, particularly tantalum powder, palladium and ceramic dielectric materials; and

3. 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 a certain market prior to entering into informal 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, the Czech Republic, Taiwan and the People's Republic of China. The Company's inability to achieve any of these goals could have an adverse effect on the Company's results of operations.

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 may be adversely affected by the costs and other effects associated with:

1. legal and administrative cases and proceedings, whether civil, such as environmental and product-related, or criminal;

2. settlements, investigations, claims, and changes in those items;

3. developments or assertions by or against the Company relating to intellectual property rights and intellectual property licenses; and

4. 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:

1. changes within the Company's organization, particularly at the executive officer level, or in compensation and benefit plans; and

2. the amount, type and cost of the financing which the Company maintains, and any changes to the financing.

3. the effects of war or severe weather or other acts of God on the Company's operations, including disruptions at manufacturing facilities;

4. the effects of a disruption in the Company's computerized ordering systems; and

5. the effects of a disruption in the Company's communications systems.

Management of the Company believes it has an effective program in place to resolve the year 2000 issues. However, disruptions in the economy generally resulting from year 2000 issues could also materially affect the company. The Company could be subject to litigation for computer systems product failure, for example, equipment shutdown or failure to properly date business records. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

Market Risk Disclosure

There has been no material change in the Company's exposure to market risk since December 31, 1998. 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.

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

(a) The Company held its Annual Meeting of Stockholders on May 20, 1999.

(b) Proxies for the meeting were solicited pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended. There was no solicitation in opposition to management's nominees for the directors as listed in the definitive proxy statement of the Company dated April 19, 1999, and all such nominees were elected.

(c) Briefly described below is each matter voted upon at the Annual Meeting of Stockholders.

(i) Election of the following individuals to hold office as Directors of the Company until the next Annual Meeting of Stockholders.

Total Class A Common Stock voted was 47,954,305.

	For	Against	Abstain	Broker Non-votes
Felix Zandman	47,225,164	729,141	0	0
Avi D. Eden	47,225,379	728,926	0	0
Robert A. Freece	47,222,641	731,664	0	0
Richard N. Grubb	47,222,982	731,323	0	0
Eliyahu Hurvitz	47,149,747	804,558	0	0
Gerald Paul	47,225,379	728,926	0	0
Edward Shils	47,220,662	733,643	0	0
Luella B. Slaner	47,149,973	804,332	0	0
Mark I. Solomon	47,224,930	729,375	0	0
Jean-Claude Tine	47,218,572	735,733	0	0

Total Class B Common Stock voted was 8,272,356 in favor, 0 against, 0 abstained, and 0 broker non-votes.

(ii) Approval of the Company's Amended and Restated Certificate of Incorporation. Total Class A Common Stock voted was 33,091,432 in favor, 14,729,997 against, 132,876 abstained, and 0 broker non-votes. Total Class B Common Stock voted was 8,272,356 in favor, 0 against, 0 abstained, and 0 broker non-votes.

(iii) Approval of the Company's existing performance-based compensation plan for its Chief Executive Officer. Total Class A Common Stock voted was 46,060,249 in favor, 1,682,667 against, 211,389 abstained, and 0 broker non-votes. Total Class B Common Stock voted was 8,272,356 in favor, 0 against, 0 abstained, and 0 broker non-votes.

(iv) Ratification of the appointment of Ernst & Young LLP, independent certified public accountants, to audit the books and accounts of the Company for the calendar year ending December 31, 1999. Total Class A Common Stock voted was 47,689,883 in favor, 187,604 against, 76,818 abstained, and 0 broker non-votes. Total Class B Common Stock voted was 8,272,356 in favor, 0 against, 0 abstained, and 0 broker non-votes.

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: August 13, 1999

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1,000

6-MOS
DEC-31-1999
JAN-31-1999
JUN-30-1999
93,855
0
314,307
(15,505)
419,144
944,808
1,437,240
(488,482)
2,370,727
329,286
751,983
0
0
7,424
965,883
2,370,727
848,381
848,381
639,810
639,810
145,070
0
25,995
37,506
16,507
29,999
0
0
0
20,999
0.25
0.25