



PROSPECTUS

2,750,000 Shares

Vishay Intertechnology, Inc.

Common Stock

All of the 2,750,000 shares of Common Stock offered hereby are being sold by the Company. Of those shares, 2,200,000 shares (the "U.S. Shares") are being offered in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters and 550,000 shares (the "International Shares") are being offered concurrently outside the United States and Canada (the "International Offering") by the Managers. The public offering price and the underwriting discounts and commissions are identical for both the U.S. Offering and the International Offering (collectively, the "Offering").

The Common Stock is traded on the New York Stock Exchange under the symbol VSH. On August 4, 1994, the last sale price of the Common Stock as reported on the New York Stock Exchange Composite Tape was \$41.25 per share. See "Price Range of Common Stock and Dividend Policy."

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.  
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	Price to Public	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)
Per Share.....	\$41.125	\$1.580	\$39.545
Total(3).....	\$113,093,750	\$4,345,000	\$108,748,750

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- (1) See "Underwriting" for indemnification arrangements with the U.S. Underwriters and the Managers.  
(2) Before deducting expenses of the Offering payable by the Company, estimated at \$1,000,000.  
(3) The Company has granted the U.S. Underwriters and the Managers 30-day options to purchase in the aggregate up to 412,500 additional shares of Common Stock solely to cover over-allotments, if any. If the options are exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be \$130,057,813, \$4,996,750 and \$125,061,063, respectively. See "Underwriting."

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The U.S. Shares are offered by the several U.S. Underwriters, subject to prior sale, when, as and if delivered to and accepted by them and subject to certain conditions, including the approval of certain legal matters by counsel. The U.S. Underwriters reserve the right to withdraw, cancel or modify the U.S. Offering and to reject orders in whole or in part. It is expected that delivery of the U.S. Shares will be made against payment therefor on or about August 11, 1994, at the offices of Bear, Stearns & Co. Inc., 245 Park Avenue, New York, New York 10167.  
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Bear, Stearns & Co. Inc.  
Donaldson, Lufkin & Jenrette  
Securities Corporation  
Lehman Brothers  
Merrill Lynch & Co.  
Salomon Brothers Inc

August 4, 1994



IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

#### AVAILABLE INFORMATION

Vishay Intertechnology, Inc. ("Vishay" or the "Company") is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"), all of which may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549, and at the following Regional Offices of the Commission: Chicago Regional Office, Suite 1400, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661-2511; and Northeast Regional Office, 7 World Trade Center, Suite 1300, New York, NY 10048. Copies of such material can be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. Such material can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, where the Company's Common Stock is listed.

This Prospectus constitutes part of a Registration Statement filed by the Company with the Commission under the Securities Act of 1933, as amended (the "Act"). This Prospectus omits certain of the information contained in the Registration Statement in accordance with the rules and regulations of the Commission. Reference is hereby made to the Registration Statement and related exhibits for further information with respect to the Company and the Common Stock. Statements contained herein concerning the provisions of any document are not necessarily complete and, in each instance, where a copy of such document has been filed as an exhibit to the Registration Statement or otherwise has been filed with the Commission, reference is made to the copy so filed. Each such statement is qualified in its entirety by such reference.

#### INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents, which have been filed by the Company with the Commission pursuant to the Exchange Act, are hereby incorporated by reference in this Prospectus: the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993; the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994; and the Company's Current Report on Form 8-K dated July 19, 1994.

All documents filed by the Company with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference into this Prospectus from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or



supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person to whom a copy of this Prospectus is delivered, including any beneficial owner of Common Stock, upon written or oral request of such person, a copy of any and all of the documents that have been or may be incorporated by reference herein (other than exhibits to such documents which are not specifically incorporated by reference into such documents). Such requests should be directed to Richard N. Grubb, Chief Financial Officer, Vishay Intertechnology, Inc., 63 Lincoln Highway, Malvern, PA 19355, telephone number (610) 644-1300.



## PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the notes thereto, which appear elsewhere or which are incorporated by reference in this Prospectus. Certain capitalized terms used in this section are defined elsewhere in this Prospectus. Unless otherwise stated, the information in this Prospectus assumes that the U.S. Underwriters' and Managers' over-allotment options will not be exercised. As used herein, the terms "Vishay" and "Company" mean Vishay Intertechnology, Inc. and its consolidated subsidiaries, except as the context otherwise may require.

## The Company

Vishay is a leading international manufacturer and supplier of passive electronic components, particularly fixed resistors and capacitors, offering one of the most comprehensive product lines of any manufacturer in the United States or Europe. Resistors, the most common component in electronic circuits, are used to adjust and regulate levels of voltage and current. Capacitors perform energy storage, frequency control, timing and filtering functions in most types of electronic equipment. Many of the Company's products are offered as surface mount devices, a format for passive electronic components that is being increasingly demanded by customers because it facilitates miniaturization and reduces the cost and time involved in circuit board assembly. 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 entertainment industries.

Since early 1985, the Company has pursued a business strategy that consists of the following principal elements: (i) expansion within the passive electronic components industry, primarily through the acquisition of passive components 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 nine 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. During this period, its revenues have





increased from \$48.5 million for fiscal year 1984 to \$856.3 million for the year ended December 31, 1993, and net earnings have increased from \$6.1 million to \$44.1 million.

On July 18, 1994, the Company acquired all of the outstanding shares of Vitramon, Inc. and Vitramon Limited U.K. (collectively, "Vitramon"), a leading producer of multi-layer ceramic chip ("MLCC") capacitors with manufacturing and sales facilities in the United States, France, Germany and the United Kingdom. This acquisition will provide the Company with a strong presence in the MLCC capacitor market. Together with tantalum capacitors, MLCC capacitors, most of which are designed for surface mounting, comprise one of the fastest growing product segments in the passive electronic components market. The addition of MLCC capacitors to the Company's existing product line will enable the Company to offer its customers "one-stop" access to one of the broadest selections of passive electronic components available from a single manufacturer. See "Recent Developments - Acquisition of Vitramon."

#### The Offering

##### Common Stock offered:

U.S. Offering .....	2,200,000 shares
International Offering.....	550,000 shares
Total.....	2,750,000 shares

##### Capital Stock to be outstanding

after the Offering:

Common Stock.....	21,289,168 shares
Class B Common Stock.....	3,753,711 shares
Total.....	25,042,879 shares

Use of proceeds .....	The net proceeds of the Offering will be used to prepay a portion of the bank indebtedness incurred to finance the Vitramon acquisition and to reduce revolving credit borrowings. See "Use of Proceeds."
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New York Stock Exchange Symbol .....	VSH
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## Summary Consolidated Financial Data

The following summary financial information should be read in conjunction with the Company's Consolidated Financial Statements, including the notes thereto, incorporated by reference herein, and the pro forma condensed consolidated financial statements of the Company and Vitramon contained herein.

	Year Ended December 31,					Three Months Ended March 31, (unaudited)			
	1989	1990	1991	1992 (1)	1993 (2)	Pro Forma 1993 (3)(4)	1993	1994	Pro Forma 1994 (3)(4)
	(in thousands, except per share amounts)								
Income Statement Data:									
Net sales.....	\$415,619	\$445,596	\$442,283	\$664,226	\$856,272	\$974,666	\$227,500	\$226,015	\$260,590
Gross profit.....	124,818	132,671	124,117	156,208	193,033	234,168	49,934	50,800	62,724
Earnings before interest and income taxes (5)...	47,486	53,282	42,460	57,034	71,518	91,302	19,184	20,291	26,600
Depreciation and amortization.....	22,288	26,157	27,056	36,062	48,578	55,876	12,129	12,997	14,843
Earnings before cumulative effect of accounting change .....	17,767	23,201	20,890	30,413	42,648	51,344	11,038	12,658	15,687
Net earnings (6) .....	17,767	23,201	20,890	30,413	44,075	52,771	12,465	12,658	15,687
Earnings per share (6)(7):									
Before cumulative effect of accounting change...	\$1.18	\$1.41	\$1.20	\$1.63	\$1.91	\$2.05	\$ .49	\$ .57	\$ .63
Net earnings.....	\$1.18	\$1.41	\$1.20	\$1.63	\$1.98	\$2.11	\$ .56	\$ .57	\$ .63
Weighted average shares outstanding (7) .....	15,072	18,859	17,481	20,334	22,289	25,039	22,287	22,292	25,042

## March 31, 1994 (unaudited)

	(in thousands)		
	Actual	Pro Forma (3)	Pro Forma As Adjusted (4)
Balance Sheet Data:			
Working capital.....	\$ 226,806	\$ 247,754	\$ 247,754
Total assets .....	1,003,690	1,224,521	1,224,521
Long-term debt - less current portion..	285,475	472,175	364,426
Stockholders' equity.....	393,138	393,138	500,887

- (1) Includes the results from January 1, 1992 of businesses acquired from Sprague Technologies, Inc.
- (2) Includes the results from January 1, 1993 of Roederstein GmbH.
- (3) Reflects the Company's acquisition of Vitramon and the related financing as if the same had been consummated on January 1, 1993 (for income statement purposes) and March 31, 1994 (for balance sheet purposes).
- (4) Reflects the sale by the Company of 2,750,000 shares of Common Stock and the application of the assumed net proceeds therefrom to reduce indebtedness.
- (5) Includes restructuring costs of \$6,659,000 and \$3,700,000 for the years ended December 31, 1993 and 1991, respectively, and \$1,510,000 for the three months ended March 31, 1993, relating primarily to the costs associated with lay-offs in France and \$1,044,000 in 1989 relating to consolidation of sales offices in Germany. Earnings for the year ended December 31, 1993 and the three months ended March 31, 1993 include \$7,221,000 and \$2,000,000, respectively, of proceeds received for business interruption insurance claims.



- (6) Included in the quarter ended March 31, 1993 and the year ended December 31, 1993 is a one-time tax benefit of \$1,427,000 or \$0.07 per share resulting from the adoption of FASB Statement No. 109, "Accounting for Income Taxes."
- (7) Earnings per share amounts for all periods have been adjusted to reflect a 5% stock dividend paid on June 13, 1994. Earnings per share for each period are based on the weighted average number of shares of Common Stock and Class B Common Stock outstanding during the period, after giving effect to the conversion of all outstanding 4 3/4% Convertible Subordinated Debentures Due 2003 (the "Debentures") if such conversion would have resulted in a dilutive effect in that period. The Debentures were fully converted in October 1992.

#### THE COMPANY

Vishay is a leading international manufacturer and supplier of passive electronic components, particularly fixed resistors and capacitors, offering one of the most comprehensive product lines of any manufacturer of such components in the United States or Europe. Resistors, the most common component in electronic circuits, are used to adjust and regulate levels of voltage and current. Capacitors perform energy storage, frequency control, timing and filtering functions in most types of electronic equipment. Many of the Company's products are offered as surface mount devices, a format for passive electronic components that is being increasingly demanded by customers because it facilitates miniaturization and reduces the cost and time involved in circuit board assembly. 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 entertainment industries.

Since early 1985, the Company has pursued a business strategy that consists of the following principal elements: (i) expansion within the passive electronic components industry, primarily through the acquisition of passive components 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 nine 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. During this period, its revenues have increased from \$48.5 million for fiscal year 1984 to \$856.3 million for the year ended December 31, 1993, and net earnings have increased from \$6.1 million to \$44.1 million.

The Company's major acquisitions have included Dale Electronics, Inc. (United States, Mexico and the United Kingdom), Draloric Electronic GmbH (Germany and the United Kingdom), Sfernice S.A. (France), Sprague Electric Company (United States and France) and Roederstein GmbH (Germany, Portugal and the United States). On July 18, 1994, the Company acquired all of the outstanding shares of Vitramon, a leading producer of MLCC capacitors with manufacturing and sales facilities in the United States, France, Germany and the United Kingdom. See "Recent Developments - Acquisition of Vitramon."

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



## RECENT DEVELOPMENTS

## Acquisition of Vitramon

On July 18, 1994, the Company purchased all of the capital stock of Vitramon from Thomas & Betts Corporation for \$184,000,000 in cash. Vitramon, a leading producer of MLCC capacitors, utilizes a unique manufacturing process that enables it to produce components that are smaller and more reliable. Vitramon has manufacturing facilities at two locations in the United States as well as in France, Germany and the United Kingdom. MLCC capacitors are generally smaller in size than other types of capacitors with similar performance characteristics. For this reason, and because they are generally produced as surface mount devices, MLCC capacitors comprise one of the fastest growing product segments in the passive electronic components market. The Company believes that the addition of Vitramon's MLCC capacitors to its existing capacitor product line will enable it to offer its customers "one-stop" access to one of the broadest selections of passive electronic components available from a single manufacturer. The Company believes it will be able to increase Vitramon's profitability by adding manufacturing capacity in low cost areas and by realizing selling, general and administrative savings through the integration of redundant sales offices and administrative facilities.

For the year ended January 1, 1994 and the three months ended April 2, 1994, Vitramon reported net sales of approximately \$118.4 million and \$34.6 million, respectively, and net income of approximately \$4.7 million and \$2.0 million, respectively. During 1993, approximately 46% of Vitramon's revenues were derived from sales in the U.S. and 49% were derived from sales in Europe.

To finance the acquisition of Vitramon, the Company borrowed an aggregate of \$200 million from a syndicate of banks, of which \$100 million (the "Bridge Facility") is due on July 18, 1996 and the balance is due on July 18, 2001. The Company also amended the terms of its existing bank agreements, which resulted in the loans becoming unsecured, a reduction in the number of financial and restrictive covenants and a decrease in interest rates, and which will result in the release of all collateral held by the Banks. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."





## USE OF PROCEEDS

The net proceeds of the Offering (estimated to be \$107,749,000) will be used to fund the prepayment of the Bridge Facility, including accrued interest thereon. The Bridge Facility matures on July 18, 1996 and bears interest at a variable rate (5.5% per annum at July 18, 1994) based on the prime rate or, at the Company's option, LIBOR. The remaining net proceeds will be used to reduce revolving credit borrowings. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

## PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY

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 sale prices of the Company's Common Stock as reported on the New York Stock Exchange Composite Tape for the periods indicated. Stock prices have been restated to reflect stock dividends. At August 3, 1994, the Company had approximately 1,424 stockholders of record.

	1992		1993		1994	
	High	Low	High	Low	High	Low
First Quarter.....	\$ 20.30	\$ 14.04	\$ 33.79	\$ 26.08	\$ 38.10	\$ 31.43
Second Quarter .....	23.13	17.70	34.52	24.27	41.50	31.31
Third Quarter (1).....	25.40	20.98	35.95	30.12	43.50	40.25
Fourth Quarter .....	33.79	24.15	33.70	27.38	-	-

(1) Through August 3, 1994

The Company does not currently pay cash dividends on its capital stock. Its policy is to retain earnings to support the growth of its businesses. In addition, the Company is restricted from paying cash dividends under the terms of its bank loan agreements.

## CAPITALIZATION

The following table sets forth the unaudited consolidated short-term debt and total capitalization of the Company at March 31, 1994, as adjusted to give retroactive effect to the acquisition of Vitramon and the related financing as if the same had occurred at March 31, 1994 and as further adjusted to give effect to the sale of 2,750,000 shares of Common Stock pursuant to the Offering and the use of the estimated net proceeds therefrom to prepay the Bridge Facility and reduce revolving credit borrowings. This table should be read in conjunction with the Company's Consolidated Financial Statements, including the notes thereto, which are incorporated by reference herein.



March 31, 1994 (Unaudited)

	Actual	As Adjusted	As Further Adjusted
	(in thousands)		
Short-term debt (including current portion of long-term debt).....	\$ 67,049	\$ 67,049	\$ 67,049
Long-term debt - less current portion.....	\$ 285,475	\$472,175	\$364,426
Stockholders' equity:			
Preferred Stock, par value \$1.00 per share .....	-	-	-
Authorized - 1,000,000 shares; none issued			
Common Stock, par value \$.10 per share .....	1,764	1,764	2,039
Authorized - 35,000,000 shares;			
Issued - 17,687,529 shares; 20,437,529 shares as adjusted			
Outstanding - 17,641,088 shares; 20,391,088 shares as adjusted			
Class B Common Stock, par value \$.10 per share .....	359	359	359
Authorized - 15,000,000 shares;			
Issued - 3,716,190 shares;			
Outstanding - 3,590,225 shares			
Capital in excess of par value.....	289,050	289,050	396,524
Retained earnings.....	118,507	118,507	118,507
Foreign currency translation adjustment.....	(9,173)	(9,173)	(9,173)
Unearned compensation.....	(90)	(90)	(90)
Pension adjustment.....	(7,279)	(7,279)	(7,279)
Total stockholders' equity.....	393,138	393,138	500,887
Total capitalization.....	\$ 678,613	\$865,313	\$865,313

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth selected consolidated financial information of the Company for each of the five fiscal years in the period ended December 31, 1993 and for the three-month periods ended March 31, 1993 and 1994. Earnings per share amounts for all periods presented reflect a 5%



stock dividend paid on June 13, 1994. Information for the three-month periods ended March 31, 1993 and 1994 is unaudited but, in the opinion of management, includes all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation. The results of operations for the three-month period ended March 31, 1994 are not necessarily indicative of the results to be expected for the full year. These tables should be read in conjunction with the Company's Consolidated Financial Statements, including the notes thereto, which are incorporated by reference herein.

	Year Ended December 31,					March 31,	
	1989	1990	1991	1992 (1)	1993 (2)	1993	1994
						(unaudited)	
	(in thousands, except per share amounts)						
<b>Income Statement Data:</b>							
Net sales.....	\$415,619	\$445,596	\$442,283	\$664,226	\$856,272	\$227,500	\$226,015
Cost of products sold.	290,801	312,925	318,166	508,018	663,239	177,566	175,215
Gross profit.....	124,818	132,671	124,117	156,208	193,033	49,934	50,800
Selling, general, and administrative (3)..	76,467	77,740	79,673	101,327	118,344	30,118	30,176
Other income (expense):	48,351	54,931	44,444	54,881	74,689	19,816	20,624
Interest expense.....	(21,068)	(19,426)	(15,207)	(19,110)	(20,624)	(5,885)	(5,040)
Amortization of goodwill.....	(1,502)	(1,552)	(1,695)	(2,380)	(3,294)	(610)	(801)
Other.....	637	(97)	(289)	4,533	123	(22)	468
Earnings before income taxes and cumulative effect of accounting change.....	26,418	33,856	27,253	37,924	50,894	13,299	15,251
Income taxes.....	8,651	10,655	6,363	7,511	8,246	2,261	2,593
Earnings before cumulative effect of accounting change...	17,767	23,201	20,890	30,413	42,648	11,038	12,658
Net earnings (4).....	17,767	23,201	20,890	30,413	44,075	12,465	12,658
Earnings per share: (4)(5)							
Before cumulative effect of accounting change.	\$1.18	\$1.41	\$1.20	\$1.63	\$1.91	\$ .49	\$ .57
Net earnings.....	\$1.18	\$1.41	\$1.20	\$1.63	\$1.98	\$ .56	\$ .57
Weighted average shares outstanding (5).....	15,072	18,859	17,481	20,334	22,289	22,287	22,292



	December 31,					March 31, 1994
	1989	1990	1991	1992	1993	(unaudited)
	(in thousands)					
Balance Sheet Data:						
Working capital..	\$115,945	\$120,384	\$128,733	\$145,327	\$205,806	\$ 226,806
Total assets.....	419,958	440,656	448,771	661,643	948,106	1,003,690
Long-term debt - less						
current portion	186,182	140,212	127,632	139,540	266,999	285,475
Stockholders' equity.....	117,984	177,839	201,366	346,625	376,503	393,138

- (1) Includes the results from January 1, 1992 of the businesses acquired from Sprague Technologies, Inc.
- (2) Includes the results from January 1, 1993 of the acquisition of Roederstein GmbH.
- (3) Includes restructuring costs of \$6,659,000 and \$3,700,000 for the years ended December 31, 1993 and in 1991, respectively, and \$1,510,000 for the three months ended March 31, 1993, relating primarily to the costs associated with lay-offs in France and \$1,044,000 in 1989 relating to consolidation of sales offices in Germany. Earnings for the year ended December 31, 1993 and the three months ended March 31, 1993 include \$7,221,000 and \$2,000,000, respectively, of proceeds received for business interruption insurance claims.
- (4) Included in the quarter ended March 31, 1993 and the year ended December 31, 1993 is a one-time tax benefit of \$1,427,000 or \$0.07 per share resulting from the adoption of FASB Statement No. 109, "Accounting for Income Taxes."
- (5) Earnings per share for each period are based on the weighted average number of shares of Common Stock and Class B Common Stock outstanding during the period, after giving effect to the conversion of all outstanding Debentures if such conversion would have had a dilutive effect in that period. The Debentures were fully converted in October 1992.





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

## Introduction and Background

The Company's sales and net income have increased significantly in the past several years 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 is reflected in an increase 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 have declined from the end of the first quarter of 1991 until the second half of 1993. Despite this slowdown, Vishay realized record net earnings of \$44.1 million in 1993. This was a result of its acquisitions and focus on the bottom-line, including the implementation of operating efficiencies. Management believes that the U.S. and European economies are showing signs of recovery. Net bookings for the quarter ended March 31, 1994 increased by 5% over the comparable period of the prior year.

Following each acquisition, the Company has instituted operating efficiencies that have reduced selling, general and administrative expenses and the combined cost of goods sold of Vishay and the acquired company. The cost of goods sold reductions for each acquisition, however, are masked as a result of subsequent acquisitions.

The Company realizes approximately 50% of its revenues outside the United States. As a result, fluctuations in currency exchange rates can significantly affect the Company's profitability. Currency fluctuations impact both the Company's net sales as denominated in U.S. dollars and other income as it relates to the translation of balance sheets items. A strengthening of the value of the U.S. dollar against foreign currencies during the quarter ended March 31, 1994 accounted for a decrease in net sales of \$5,400,000 compared with the corresponding quarter of 1993. Generally, in order to minimize the effect of currency fluctuations, 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's strategy includes transferring the manufacturing of its products from countries with high labor costs and tax rates (such as the United States and Germany) to Israel in order to benefit from various Israeli government incentives (including lower income taxes) and lower labor rates.

The effect of the low tax rates in Israel (as compared to the statutory rate in the United States) has been to increase net earnings by \$2,521,000 and \$1,688,000 for the quarters ended March 31, 1994 and March 31, 1993, respectively, and \$11,644,000, \$6,015,000 and \$5,143,000 for the years ended December 31, 1993, 1992 and 1991, respectively. This period to period increase in net earnings is primarily a result of increased earnings for the Israeli operations. 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. In addition, the Israeli government offers certain incentive programs in the form of grants, such as employee grant programs. The pre-tax grants provided to the Company were \$1,821,000 and \$296,000 for the quarters ended March 31, 1994 and March 31, 1993, respectively, and \$3,424,000, \$104,000 and \$106,000 for the years ended December 31, 1993, 1992 and 1991, respectively. This period to period increase in grants is primarily a result of an increase in the Company's work force in Israel. The majority of the incentive programs participated in by the Company resulted from, and will likely continue to depend on, increasing the number of the Company's employees in Israel. Lastly, the Company's direct labor costs in Israel were approximately 10% of its net sales from Israel as compared to approximately 15% of net sales for similar manufactured products in the United States during the last twelve (12) months.



While the Company believes that it will continue to benefit from the lower tax rates, incentive programs and lower labor rates in Israel, there can be no assurance that such lower tax rates will continue, that new incentive programs will be offered or that labor costs will continue to be lower than in other industrialized countries.

#### Results of Operations

Three months ended March 31, 1994 compared to  
Three months ended March 31, 1993

Net sales for the quarter ended March 31, 1994 decreased by \$1,485,000 or .7% from the comparable period of 1993. Excluding the strengthening of the U.S. dollar against foreign currencies in the 1994 first quarter, which resulted in a decrease of \$5,400,000 in reported sales for that quarter as compared with the corresponding 1993 period, sales for such quarter would have increased by 1.7%. Management believes that the U.S. and European economies are showing signs of recovery. Net bookings for the quarter ended March 31, 1994 increased by 5% over the comparable period of the prior year.

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

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

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

Interest costs decreased by \$845,000 for the quarter ended March 31, 1994 from those reported for the 1993 first quarter. A lower average borrowing rate resulted from a change in the Company's mix of borrowings throughout the U.S. and Europe.

Other income for the quarter ended March 31, 1994 increased by \$490,000 over the comparable 1993 period. The increase was largely due to foreign currency gains, which were \$317,000 for the quarter ended March 31, 1994 as compared to foreign currency losses of \$660,000 for the quarter ended March 31, 1993.

The Company's effective tax rate was 17% for both the quarter ended March 31, 1994 and the corresponding 1993 quarter. Its effective tax rate for calendar year 1993, exclusive of the effect of nontaxable insurance proceeds, was 18.6%. The estimated 1994 rate anticipates the effect of increased business in lower tax rate jurisdictions (especially Israel).

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

Year ended December 31, 1993 compared to  
Year ended December 31, 1992

Net sales for the year ended December 31, 1993 increased by \$192,046,000 over 1992, due primarily to the effects of the Company's acquisition of Roederstein, effective January 1, 1993. Net sales of Roederstein were \$212,124,000 for the year ended December 31, 1993. Net sales, exclusive of Roederstein, decreased by \$20,078,000, compared to 1992, due primarily to



the strengthening of the U.S. dollar against foreign currencies, which resulted in a \$15,671,000 decrease in reported net sales for 1993, as well as to the effects of recessionary pressures in Europe.

Costs of products sold for the year ended December 31, 1993 were 77.5% of net sales as compared to 76.5% for 1992. The reason for this increase is that the costs of products sold for Roederstein (prior to the full implementation of synergistic cost reductions) were approximately 80% of its net sales, as compared with an average rate of approximately 77% for the Company's other operations. In 1993, grants of \$3,424,000 received from the government of Israel, which were utilized to offset start-up costs of new facilities, were recognized as a reduction of the Company's costs of products sold.

Selling, general, and administrative expenses for the year ended December 31, 1993 were 13.9% of net sales compared to 15.3% in 1992. The lower rate reported in 1993 reflects the effect of the acquisition of Roederstein and the ongoing cost saving programs implemented with the acquisition of certain businesses of Sprague Technologies, Inc. ("STI") during 1992.

Restructuring charges of \$6,659,000 for the year ended December 31, 1993 consist primarily of severance costs related to the Company's downsizing its European operations, primarily in France.

Income from unusual items of \$7,221,000 for the year ended December 31, 1993 represents proceeds received for business interruption insurance claims principally related to the operations in Dimona, Israel.

Interest costs for the year ended December 31, 1993 increased by \$1,514,000 as a result of increased debt incurred to finance the acquisition of Roederstein.

Other income for the year ended December 31, 1993 decreased by \$4,410,000 from 1992 because other income in 1992 included consulting fees of \$2,307,000 from Roederstein prior to its acquisition by the Company as well as fees of approximately \$3,325,000 from STI under one year sales and distribution agreements. Foreign currency losses for the year ended December 31, 1993 were \$1,382,000, as compared to foreign currency losses of \$1,594,000 for 1992.

The effective tax rate of 16.2% for the year ended December 31, 1993 reflects the nontaxability of certain insurance recoveries. The 1993 rate was also affected by increased manufacturing in Israel, where the Company's average income tax rate was approximately 4% in 1993. The effective tax rate for the year ended December 31, 1993, exclusive of the effect of the nontaxable insurance proceeds, was 18.6%. The effective tax rate for the year ended December 31, 1992 was 19.8%.

Effective January 1, 1993 the Company changed its method of accounting for income taxes from the deferred method to the liability method required by FASB Statement No. 109, "Accounting for Income Taxes." The cumulative effect of adopting Statement 109 as of January 1, 1993 was to increase net income by \$1,427,000. Application of the new income tax rules also decreased pretax earnings by \$2,870,000 for the year ended December 31, 1993 because



of increased depreciation expense as a result of Statement 109's requirement to report assets acquired in prior business combinations at their pretax amounts.

The Company also adopted FASB Statement No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," effective January 1, 1993. The Company has elected to recognize the transition obligation on a prospective basis over a twenty-year period. In 1993, the new standard resulted in additional annual net periodic postretirement benefit costs of \$1,200,000 before taxes, and \$792,000 after taxes, or \$0.04 per share. Prior-year financial statements have not been restated to apply the new standard.

Year ended December 31, 1992 compared to  
Year ended December 31, 1991

Net sales for the year ended December 31, 1992 increased \$221,943,000 over 1991, due to the inclusion of the businesses acquired from STI effective as of January 1, 1992. Net sales of the acquired businesses were \$230,492,000 for the year ended December 31, 1992. In 1992, net sales, exclusive of the acquired businesses, decreased by \$8,549,000 compared to 1991, when recessionary pressures affecting sales were not as great.

The weakening of the U.S. dollar against foreign currencies resulted in an increase in reported Vishay sales of \$10,418,000 in 1992.

Costs of products sold for the year ended December 31, 1992 were 76.5% of net sales as compared to 71.9% in 1991. The reason for this increase is that the costs of products sold for the newly purchased businesses from STI (prior to any synergistic cost reductions) are 80% of net sales, while Vishay's resistor businesses traditionally operate at levels of 70% to 75%.

Selling, general and administrative expenses for 1992 were 15.3% of net sales compared to 17.2% in 1991. The 15.3% rate reflects the effect of the businesses acquired from STI. The rate applicable to the businesses acquired from STI (approximately 11%) includes the effects of initial cost saving programs installed subsequent to the acquisition. In 1992, selling, general and administrative expenses of the Vishay resistor business (approximately 17%) were comparable to the levels experienced for the prior year.

Interest costs for the year ended December 31, 1992 increased by \$3,903,000 as a result of the increased debt incurred for the purchase of the businesses from STI.

Other income for the year ended December 31, 1992 includes consulting fees of \$2,307,000 from Roederstein and fees of approximately \$3,325,000 from STI under one-year sales and distribution agreements, which were entered into in connection with the acquisition of the businesses from STI.

The Company's effective tax rate was 19.8% for the year ended December 31, 1992 and 23.3% for 1991. The 1992 rate was in part affected by increased manufacturing in Israel, where the Company's average income tax rate was 7% for 1992.





## Liquidity and Capital Resources

On July 18, 1994, the Company and certain of its subsidiaries entered into agreements (the "Bank Agreements") with a group of banks, including Comerica Bank, as agent for the banks (the "Banks"). The Bank Agreements amended and restated the Company's previously-existing revolving credit and term loan agreements and added two new facilities that were used to finance the acquisition of Vitramon.

After giving effect to the Bank Agreements, the Company's domestic credit facilities consist of a \$200,000,000 revolving credit facility that matures on December 31, 1997, subject to the Company's right to request year-to-year renewals thereafter, a \$102,500,000 term loan that matures on December 31, 2000, the \$100,000,000 Bridge Facility, due on July 18, 1996 and a \$100,000,000 non-amortizing term loan due July 18, 2001. Borrowings under these facilities bear interest at variable rates based on the prime rate or, at the Company's option, LIBOR; at July 18, 1994, the rates ranged from 4.9375% to 5.5%. The net proceeds of the Offering will be used to fund the prepayment of the Bridge Facility, including accrued interest, and to reduce revolving credit borrowings.

The Banks also provide Deutsche Mark ("DM") denominated revolving credit and term loan facilities for certain of the Company's German subsidiaries, which permit borrowings, in the aggregate, of DM 153,821,990, including a DM 40,000,000 revolving credit facility that matures on December 31, 1997, subject to the borrower's right to request year-to-year renewals thereafter, a DM 9,506,000 term loan that matures on December 31, 1994 and a DM 104,315,990 term loan that matures on December 31, 1997. Borrowings bear interest at variable rates based on LIBOR; at July 18, 1994, the rates ranged from 5.875% to 6.0%.

As a result of the amendments contained in the Bank Agreements, all of the Company's bank facilities are unsecured and all collateral currently held by the Banks will be released. However, the facilities are cross-guaranteed by the Company and certain of its subsidiaries. The Bank Agreements also resulted in a decrease in interest rates from those previously in effect as well as a significant reduction in the number of financial and restrictive covenants. Financial covenants are currently limited to requirements regarding leverage and fixed charge coverage ratios and minimum tangible net worth. Other restrictive covenants include limitations on the payment of cash dividends, guarantees and liens.

The Company's ratio of long-term debt (less current portion) to stockholders' equity was .7 to 1 at March 31, 1994 and December 31, 1993. On a pro forma basis adjusted to reflect the incurrence of additional indebtedness to finance the acquisition of Vitramon, the ratio at March 31, 1994 was 1.2 to 1. After giving effect to prepayment of the Bridge Loan with the net proceeds of the Offering, the pro forma ratio at March 31, 1994 would have been .7 to 1.

The Company's capital expenditures for the year ended December 31, 1993 and for the quarter ended March 31, 1994 were \$76.8 million and \$18.5 million, respectively. For the year ended December 31, 1992 and the quarter ended March 31, 1993, capital expenditures were \$49.8 million and \$16.9 million, respectively.



Management believes that available sources of credit together with cash and expected future cash 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.

With regard to the Vitramon acquisition, in connection with eliminating redundant personnel functions at Vitramon, the Company expects to pay severance costs of approximately \$9,000,000 over the next eighteen months. At the completion of this restructuring the annual cash savings due to these layoffs are expected to be approximately \$16,000,000. With the introduction of additional manufacturing operations in Israel, the planned reduction in the work force at Vitramon is not expected to have a material adverse effect on Vitramon's net sales.



## BUSINESS

## General

Vishay is a leading international manufacturer and supplier of passive electronic components, particularly fixed resistors and capacitors, offering one of the most comprehensive product lines of any manufacturer in the United States or Europe. Resistors, the most common component in electronic circuits, are used to adjust and regulate levels of voltage and current. Capacitors perform energy storage, frequency control, timing and filtering functions in most types of electronic equipment. Many of the Company's products are also offered as surface mount devices, a format for passive electronic components that is being increasingly demanded by customers because it facilitates miniaturization and reduces the cost and time involved in circuit board assembly. 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 entertainment industries.

Since early 1985, the Company has pursued a business strategy that consists of the following principal elements: (i) expansion within the passive electronic components industry, primarily through the acquisition of passive components 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 nine 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. During this period, its revenues have increased from \$48.5 million for fiscal year 1984 to \$856.3 million for the year ended December 31, 1993, and net earnings have increased from \$6.1 million to \$44.1 million.

The Company's major acquisitions have included Dale Electronics, Inc. (United States, Mexico and the United Kingdom), Draloric Electronic GmbH (Germany and the United Kingdom), Sfernice S.A. (France), Sprague Electric Company (United States and France) and Roederstein GmbH (Germany, Portugal and the United States). On July 18, 1994, the Company acquired all of the outstanding shares of Vitramon, a leading producer of MLCC capacitors with manufacturing and sales facilities in the United States, France, Germany and the United Kingdom. This acquisition will provide the Company with a strong presence in the MLCC capacitor market. Together with tantalum capacitors, MLCC capacitors, most of which are designed for surface mounting, comprise one of the fastest growing product segments in the passive electronic components market. The addition of MLCC capacitors to the Company's existing product line will enable the Company to offer its customers "one-stop"



access to one of the broadest selections of passive electronic components available from a single manufacturer. See "Recent Developments - Acquisition of Vitramon."

## 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, MLCC and film capacitors, and, to a lesser extent, inductors, specialty ceramic capacitors, transformers, potentiometers, plasma displays and thermistors. The Company also offers most of its product types in the increasingly demanded surface mount device form.

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 electronic measurement and experimental stress analysis systems as well as in transducers for measuring 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 bypassing of electronic signals for 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 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 it useful for specific applications. Tantalum and MLCC capacitors are generally used in conjunction with integrated circuits in applications requiring low to medium capacitance values. 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. Vitramon's MLCC capacitors are unique because their dielectric (ceramic) layers are thinner than traditional multi-layer ceramic capacitors, thus enabling them to be produced in a smaller size with substantially less palladium material. This enables significant reductions in manufacturing costs and allows for a smaller electronic component that has become critical to satisfy the increasing trend toward miniaturization. Management believes that MLCC capacitors, together with tantalum capacitors, represent one of 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 U.S. and Europe it offers the widest range of these devices, including both thick and thin film resistor chips and networks, capacitors, inductors, oscillators, transformers and potentiometers, as well as a number of component packaging styles to facilitate automated product assembly by its customers. The Company's position in this market has been enhanced by the acquisition of Vitramon, since substantially all of Vitramon MLCC products utilize surface mount technology. 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, because, among other things, surface mounting allows the placement of more components on a circuit board and facilitates automation. These advantages result in lower production costs than for leaded devices. This is particularly desirable for a growing number of manufacturers who require greater miniaturization in products such as hand held computers and cellular telephones.

#### Markets

The Company's products are sold primarily to other manufacturers and, to a much lesser extent, to United States and foreign government agencies. 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 including engine controls and fuel injection systems, process control systems, military and aerospace applications, medical instruments and scales. With the addition of MLCC capacitors to the Company's existing capacitor product line, the Company is able to offer its customers "one-stop" access to one of the broadest selections of passive electronic components available from a single manufacturer.

Approximately 41% of the Company's net sales for 1993, pro forma for the acquisition of Vitramon, was attributable to customers in the United States and 48% to customers in Europe. In the United States, products are marketed primarily through independent manufacturers' representatives who are compensated solely on a commission basis, as well as by the Company's own sales personnel and independent distributors. The Company has regional sales personnel in several locations to 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. Internationally, products are sold to customers in Germany, the United Kingdom, France, Israel, Japan, Singapore, South Korea 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 of the Company's 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 undertaking to have the quality systems at all of its major manufacturing facilities approved under the recently established ISO 9000 international quality control standard. ISO 9000 is a comprehensive set of quality program standards developed by the International Standards Organization. Several 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 sales for the year ended December 31, 1993.

#### Manufacturing Operations

The Company conducts manufacturing operations in three principal geographic regions: the United States, Europe and Israel. At March 31, 1994, approximately 39% of the Company's identifiable assets were located in the United States, approximately 49% were located in Europe, approximately 10% were located in Israel and approximately 2% 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 and Florida. In Europe, the Company's main manufacturing facilities are located in Selb, Landshut and Backnang, Germany and Nice and Tours, France. In Israel, manufacturing facilities are located in Holon, Dimona and Emek HaMigdal. The Company also maintains manufacturing facilities in Juarez, Mexico and Toronto, Canada. Recently, the Company has invested substantial resources to maximize automation in its plants, which it believes will further reduce production costs.

The passive electronic component industry has been moving towards greater automation, requiring additional capital expenditures and more highly-skilled labor. In response to this trend, the Company has increased its manufacturing operations in Israel in order to take advantage of that country's government-sponsored capital investment grants, lower wage rates and highly-skilled labor force, 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. For the three months ended March 31, 1994, sales of products manufactured in Israel accounted for approximately 10% of the Company's net sales.

Due to a shift in manufacturing emphasis resulting from the growing market for surface mount devices, over-capacity at a number of the Company's manufacturing facilities and the relocation of some production to regions with lower labor costs, portions of the Company's work force and certain facilities may not be fully utilized in the future. As a result, the Company may incur significant costs in connection with work force reductions and the closing of additional manufacturing facilities.

#### Research and Development

The Company 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 product and manufacturing techniques. This decentralized system encourages individual product development. From time to time, developments at one manufacturing facility will have applications at another facility. Most of the Company's products and manufacturing processes have been invented, designed and developed by Company engineers and scientists. Company research and development costs were approximately \$7.1 million for each of calendar years 1993 and 1992 and \$7.0 million for 1991. The Company spends substantial additional amounts for product development and the design, development and manufacturing of machinery and equipment for new processes and for cost reduction measures. See " - Markets."

#### 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 metal is the principal material used in the manufacture of the tantalum capacitor products. Tantalum 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 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 higher prices that the Company may not be able to pass through to its customers.

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.

#### Inventory and Backlog

Although Vishay manufactures standardized products, a substantial portion of its products are produced to meet specific customer requirements. The Company does, however, maintain an inventory of resistors and other components. Backlog of outstanding orders for the Company's products was \$222.0 million, \$198.4 million, \$134.3 million and \$104.5 million, respectively, at March 31, 1994 and at December 31, 1993, 1992 and 1991. The increase in backlog at December 31, 1993 and 1992 as compared with prior periods is attributable to the acquisitions of Roederstein and Sprague, respectively. The current backlog is expected to be filled during the next twelve months. Most orders in the backlog may be cancelled by the customers, in whole or in part, although sometimes subject to penalty. To date, cancellations have not been material.

#### 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. Certain of the Company's products compete 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 products incorporated into the 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 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. In several areas, the Company also strengthens its market position by conducting seminars and educational programs for existing potential customers. In addition, the Company's competitive position depends on its product quality, know-how, proprietary data, marketing and service capabilities, business reputation and price.

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, and acquired various patents with the acquisition of the Sprague tantalum capacitor and network lines, no particular patent is considered material to the business of the Company.





## 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 that would require curtailment of its operations at this time. However, the Company is involved in various legal actions concerning state government enforcement proceedings and various dump site clean-ups that may result in fines and/or clean-up expenses. The Company believes that any fines or clean-up expenses that may be incurred, 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. In addition, the Company anticipates that it will incur ongoing costs to address certain environmental matters at certain of Vitramon's domestic and foreign facilities, including achieving compliance with the new Clean Air Act amendments. The Company believes that any environmental liabilities incurred at the Vitramon facilities are adequately covered by the indemnification provided to the Company by Thomas & Betts Corporation and reserves that the Company has established in connection with the Vitramon acquisition. The Company anticipates that it will incur capital expenditures of approximately \$1,000,000 in fiscal 1994 for general environmental enhancement programs and approximately \$3,000,000 over the next three years to address environmental matters relating specifically to the Vitramon facilities.

## Employees

At July 18, 1994, after giving effect to the acquisition of Vitramon, the Company employed approximately 16,200 full-time employees, of whom approximately 9,800 were located outside the United States. The Company hires few employees on a part time basis. While various of the Company's foreign employees are members of trade unions, none of the Company's employees located in the United States is represented by unions except for approximately 154 employees at the North Adams, Massachusetts, facility of Vishay Sprague, who are represented by three unions. The Company is currently negotiating collective bargaining agreements with each of these unions. The Company believes that its relationship with its employees is excellent.



## MANAGEMENT

The following table sets forth certain information regarding the directors and executive officers of the Company as of July 19, 1994.

Name - - - - -	Age ---	Position Held -----
Felix Zandman (1)(2) .....	66	Chairman of the Board, President, Chief Executive Officer and Director
Robert A. Freece (1).....	53	Senior Vice President and Director
Richard N. Grubb (1).....	47	Vice President, Treasurer, Chief Financial Officer and Director
Abraham Inbar.....	66	Vice President; President - Vishay Israel Ltd., a subsidiary of Vishay
Henry V. Landau .....	47	Vice President; President - Measurements Group, Inc., a subsidiary of Vishay
William J. Spires .....	52	Vice President and Secretary
Avi D. Eden (1).....	46	Director
Edward B. Shils (2)(3)(4)....	78	Director
Luella B. Slaner .....	73	Director
Guy Brana .....	69	Director
Jean-Claude Tine .....	75	Director
Donald G. Alfson .....	48	Director and Vice President; President - Vishay Electronic Components, U.S. and Asia, and Dale, subsidiaries of Vishay
Gerald Paul .....	45	Director and Vice President; President - Vishay Electronic Components, Europe and Managing Director - Draloric
Mark I. Solomon (2)(3)(4).....	54	Electronic GmbH, subsidiaries of Vishay Director

- - - - -
- (1) Member of the Executive Committee.
  - (2) Member of the Employee Stock Plan Committee.
  - (3) Member of the Compensation Committee.
  - (4) Member of the Audit Committee.

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. Dr. Zandman is also a cousin of Mr. Alfred Slaner, co-founder and retired Chairman of the Board of the Company, whose wife Luella B. Slaner is a director of the Company.

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

Richard N. Grubb has been a Director, Vice President, Treasurer and Chief Financial Officer of the Company since May 1994. 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.

Abraham Inbar has 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 served as a Director of the Company from 1987 to 1993. 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.

Avi D. Eden is an attorney in private practice, has been a Director of the Company since 1987 and has provided legal services to the Company on a continuing basis since 1973.

Dr. Edward B. Shils has been a Director of the Company since 1981. Dr. Shils is a Director of Wharton Entrepreneurial Center and a George W. Taylor Professor Emeritus of Entrepreneurial Studies at the Wharton School, University of Pennsylvania. Dr. Shils is also a Director of Conston Corp.

Luella B. Slaner has been a Director since 1989. Mrs. Slaner is the wife of Alfred Slaner and a co-trustee with Mr. Slaner of a revocable trust created by Mr. Slaner by agreement dated January 15, 1987. See "Description of Capital Stock." Mrs. Slaner's husband is a cousin of Dr. Zandman.

Guy Brana has been a Director of the Company since 1988. He is the executive vice president of the French Employers' Manufacturing Association.

Jean-Claude Tine has been a Director of the Company since 1988 and is the former Chairman of the Board of Sfernice, a subsidiary of the Company.

Donald G. Alfson has been a Director of the Company since May 1992 and the President of Vishay Electronic Components, U.S. and Asia, and Dale since April 1992. Mr. Alfson has been employed by the Company since 1972.

Dr. Gerald Paul has served as a Director of the Company since May 1993 and President of Vishay Electronic Components, Europe since January 1994. Dr. Paul has been Managing Director of Draloric Electronic GmbH since January 1991. Dr. Paul has been employed by the Company since February 1978.

Mark I. Solomon has served as a Director of the Company since May 1993. He has been the Chairman of CMS Companies for more than the past five years.



## DESCRIPTION OF CAPITAL STOCK

The aggregate number of shares of capital stock which the Company has authority to issue is 51,000,000 shares: 1,000,000 shares of Preferred Stock, par value \$1.00 per share, 35,000,000 shares of common stock, par value \$.10 per share (the "Common Stock"), and 15,000,000 shares of Class B Common Stock, par value \$.10 per share (the "Class B Common Stock"). No shares of Preferred Stock have been issued. At August 3, 1994, there were 18,539,168 shares of Common Stock and 3,753,711 shares of Class B Common Stock outstanding.

Holders of Common Stock and Class B Common Stock are entitled to receive, and share ratably on a per share basis, after any required payment on shares of Preferred Stock then outstanding, in such dividends and other distributions of cash, stock or property of the Company as may be declared by the Board of Directors from time to time out of assets legally available therefor, and in distributions upon liquidation of the Company. In the event of a stock dividend or stock split, holders of Common Stock will receive shares of Common Stock and holders of Class B Common Stock will receive shares of Class B Common Stock. Neither the Common Stock nor the Class B Common Stock may be split, divided or combined unless the other is split, divided or combined equally.

The Common Stock and the Class B Common Stock vote together as one class on all matters subject to stockholder approval, except that the approval of the holders of Common Stock and of Class B Common Stock, each voting separately as a class, is required to authorize issuances of additional shares of Class B Common Stock other than in connection with stock splits and stock dividends.

The holders of Common Stock are entitled to one vote for each share held. Holders of Class B Common Stock are entitled to 10 votes for each share held. Since the Class B Common Stock carries additional voting rights, the holders of Class B Common Stock will be able to cause the election of their nominees as directors of the Company. The existence of the Class B Common Stock may make the Company less attractive as a target for a takeover proposal and may render more difficult or discourage a merger proposal or proxy contest for the removal of the incumbent directors, even if such actions were favored by the stockholders of the Company other than the holders of the Class B Common Stock. Accordingly, the existence of the Class B Common Stock may deprive the holders of Common Stock of an opportunity they might otherwise have to sell their shares at a premium over the prevailing market price in connection with a merger or acquisition. Under Delaware law and the Company's Certificate of Incorporation, the approval by a majority of the votes of the outstanding shares of stock of the Company entitled to vote is required in order to consummate certain major corporate transactions, such as a merger or a sale of substantially all assets of the Company. Upon the consummation of this offering, Dr. Zandman, together with Mr. Alfred Slaner and Mrs. Luella Slaner as co-trustees (the "Slaner Trustees") under a revocable trust created by Mr. Slaner under an agreement dated January 15, 1987, will continue to control the Company and will hold a sufficient number of shares of Class B Common Stock and Common Stock to approve or disapprove any such transaction regardless of how other shares of the Company's capital stock are voted. See "Principal Stockholders."





Shares of Class B Common Stock are convertible into shares of Common Stock on a one-to-one basis at any time at the option of the holder thereof. The Class B Common Stock is not transferable except to the holder's spouse, certain of such holder's relatives, certain trusts established for their benefit, corporations and partnerships beneficially owned and controlled by such holder, charitable organizations and such holder's estate. Upon any transfer made in violation of those restrictions, shares of Class B Common Stock will be automatically converted into shares of Common Stock on a one-for-one basis.

Neither the holders of Common Stock nor the holders of Class B Common Stock have any preemptive rights to subscribe for additional shares of capital stock of the Company.

The Common Stock is listed on the New York Stock Exchange. There is no public market for shares of Company's Class B Common Stock. All outstanding shares of Common Stock and Class B Common Stock are, and upon issuance, the shares of Common Stock to be sold hereunder will be, validly issued, fully paid and nonassessable.

The Company furnishes to its stockholders annual reports containing financial statements certified by an independent public accounting firm. In addition, the Company furnishes to its stockholders quarterly reports containing unaudited financial information for each of the first three quarters of each year.

American Stock Transfer & Trust Company is the transfer agent and registrar of the Company's Common Stock and Class B Common Stock.

#### PRINCIPAL STOCKHOLDERS

Dr. Felix Zandman and the Slaner Trustees control a majority of the voting power of the Company. At July 15, 1994, the Slaner Trustees owned 1,481,738 shares of Common Stock, or 8% of the shares of Common Stock outstanding, and 1,482,479 shares of the Class B Common Stock or 39% of the shares of Class B Common Stock outstanding, which represented a combined total of 29% of the voting power of the Company as of that date. At July 15, 1994, Dr. Zandman owned 27,344 shares of Common Stock, or .2% of the shares of Common Stock outstanding, and 2,028,631 shares of Class B Common Stock, or 54% of the shares of Class B Common Stock outstanding, which represented a combined total of 36% of the Company's voting power as of that date. See "Description of Capital Stock."

#### CERTAIN UNITED STATES TAX CONSEQUENCES TO NON-UNITED STATES HOLDERS OF COMMON STOCK

##### General

The following is a general discussion of all material United States federal income and estate tax consequences of the ownership and disposition of Common Stock by a holder who is not a United States person (a "Non-U.S. Holder"). For this purpose, the term "Non-U.S. Holder" is defined as any person who is, as to the United States, a foreign corporation, a non-resident alien individual, a non-resident fiduciary of a foreign estate or trust, or a foreign partnership one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a



non-resident alien, a non-resident individual or a non-resident fiduciary of a foreign estate or trust. This discussion does not address all aspects of United States federal income and estate taxes and does not deal with foreign, state and local consequences that may be relevant to such Non-U.S. Holders in light of their personal circumstances. Furthermore, this discussion is based on current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations promulgated thereunder and administrative and judicial interpretations thereof, all of which are subject to change. Each prospective purchaser of Common Stock is advised to consult a tax advisor with respect to current and possible future tax consequences of acquiring, holding and disposing of Common Stock.

An individual may, subject to certain exceptions, be deemed to be a resident alien (as opposed to a non-resident alien) by virtue of being present in the United States on at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year). Resident aliens are subject to United States federal tax as if they were United States citizens and residents.

#### Dividends

The Company does not currently pay cash dividends on its capital stock. See "Price Range of Common Stock and Dividend Policy." In the event, however, that the Company pays cash dividends in the future, such dividends paid to a Non-U.S. Holder of Common Stock will be subject to withholding of United States federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, unless the dividends are effectively connected with the conduct of a trade or business of the Non-U.S. Holder within the United States. If the dividend is effectively connected with the conduct of a trade or business of the Non-U.S. Holder within the United States, the dividend would be subject to United States federal income tax on a net income basis at applicable graduated individual or corporate rates and would be exempt from the 30% withholding tax described above. Any such effectively connected dividends received by a foreign corporation may, under certain circumstances, be subject to an additional "branch profits tax" at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

Under current United States Treasury regulations, dividends paid to an address outside the United States are presumed to be paid to a resident of such country for purposes of the withholding discussed above and, under the current interpretation of United States Treasury regulations, for purposes of determining the applicability of a tax treaty rate. Under proposed United States Treasury regulations not currently in effect, however, a Non-U.S. Holder of Common Stock who wishes to claim the benefit of an applicable treaty rate would be required to satisfy applicable certification and other requirements. Certain certification and disclosure requirements must be complied with in order to be exempt from withholding under the effectively connected income exemption discussed above.



A Non-U.S. Holder of Common Stock eligible for a reduced rate of United States withholding tax pursuant to a tax treaty may obtain a refund of any excess amounts currently withheld by filing an appropriate claim for refund with the United States Internal Revenue Service (the "Service").

#### Gain on Disposition of Common Stock

A Non-U.S. Holder generally will not be subject to United States federal income tax (and generally no tax will be withheld) with respect to gain recognized on a sale or other disposition of Common Stock unless (i) the gain is effectively connected with a trade or business of the Non-U.S. Holder in the United States, (ii) in the case of a Non-U.S. Holder who is an individual and holds the Common Stock as a capital asset, such holder is present in the United States for 183 or more days in the taxable year of the sale or other disposition and certain other conditions are met or (iii) the Company is or has been a "U.S. real property holding corporation" for United States federal income tax purposes. The Company is not and does not anticipate becoming a "U.S. real property holding corporation" for United States federal income tax purposes.

If an individual Non-U.S. Holder falls under clause (i) above, he will be taxed on his net gain derived from the sale under regular graduated United States federal income tax rates. If the individual falls under clause (ii) above, he will be subject to a flat 30% tax on the gain derived from the sale which may be offset by United States capital losses (notwithstanding the fact that he is not considered a resident of the United States). Thus, Non-U.S. Holders who have spent 183 days or more in the United States in the taxable year in which they contemplate a sale of the Common Stock are urged to consult their tax advisors as to the tax consequences of such sale.

If the Non-U.S. Holder that is a foreign corporation falls under clause (i) above, it will be taxed on its gain on a net income basis at applicable graduated corporate rates and, in addition, be subject to the branch profits tax equal to 30% of its "effectively connected earnings and profits" within the meaning of the Code for the taxable year, as adjusted for certain items, unless it qualifies for a lower rate under an applicable income tax treaty.

#### Federal Estate Taxes

Common Stock owned, or treated as owned, by a non-resident alien individual (as specifically determined for United States federal estate tax purposes) at the time of death will be included in such holder's gross estate for United States federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

#### United States Information Reporting and Backup Withholding Tax

The Company must report annually to the Service and to each Non-U.S. Holder the amount of dividends paid to such holder and the tax withheld with respect to such dividends. These information reporting requirements apply regardless of whether withholding is required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the Non-U.S. Holder resides under the provisions of an applicable income tax treaty.



United States backup withholding tax (which generally is a withholding tax imposed at the rate of 31% on certain payments to persons that fail to furnish certain information under the United States information reporting requirements) generally will not apply to (a) the payment of dividends paid on Common Stock to a Non-U.S. Holder at an address outside the United States or (b) the payment of the proceeds of the sale of Common Stock to or through the foreign office of a broker. In the case of the payment of proceeds from such a sale of Common Stock through a foreign office of a broker that is a United States person or a "U.S. related person," however, information reporting (but not backup withholding) is required with respect to the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and certain other requirements are met or the holder otherwise establishes an exemption. For this purpose, a "U.S. related person" is (i) a "controlled foreign corporation" for United States federal income tax purposes, or (ii) a foreign person 50% or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment (or for such part of the period that the broker has been in existence) is derived from activities that are effectively connected with the conduct of a United States trade or business. The payment of the proceeds of a sale of shares of Common Stock to or through a United States office of a broker is subject to information reporting and possible backup withholding unless the owner certifies its non-United States status under penalties of perjury or otherwise establishes an exemption. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be allowed as a refund or a credit against such Non-U.S. Holder's United States federal income tax liability, provided that the required information is furnished to the Service.

These information reporting and backup withholding rules are under review by the United States Treasury, and their application to the Common Stock could be changed prospectively by future regulations.

THE FOREGOING DISCUSSION IS INCLUDED FOR GENERAL INFORMATION ONLY. ACCORDINGLY, EACH PROSPECTIVE PURCHASER IS URGED TO CONSULT WITH HIS TAX ADVISOR WITH RESPECT TO THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF COMMON STOCK, INCLUDING THE APPLICATION AND EFFECT OF THE LAWS OF ANY STATE, LOCAL, FOREIGN OR OTHER TAXING JURISDICTION.





## UNDERWRITING

The underwriters of the U.S. Offering named below (the "U.S. Underwriters"), for whom Bear, Stearns & Co. Inc., Donaldson, Lufkin & Jenrette Securities Corporation, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc are acting as representatives, have severally agreed with the Company, subject to the terms and conditions of the U.S. Underwriting Agreement (the form of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part), to purchase from the Company the aggregate number of U.S. Shares set forth opposite their respective names below:

Name of U.S. Underwriter -----	Number of U.S. Shares -----
Bear, Stearns & Co. Inc. ....	372,000
Donaldson, Lufkin & Jenrette Securities Corporation....	372,000
Lehman Brothers Inc. ....	372,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated....	372,000
Salomon Brothers Inc. ....	372,000
Alex Brown & Sons Incorporated .....	70,000
S.G. Warburg & Co. Inc. ....	70,000
Gerard Klauer Mattison & Co. Inc. ....	40,000
Janney Montgomery Scott Inc. ....	40,000
C.L. King & Associates, Inc. ....	40,000
Merk Securities Lucerne Ltd. ....	40,000
Monness, Crespi, Hardt & Co., Inc. ....	40,000
	-----
Total .....	2,200,000
	=====

The Managers of the concurrent International Offering named below (the "Managers"), for whom Bear, Stearns International Limited, Donaldson, Lufkin & Jenrette Securities Corporation, Lehman Brothers International (Europe), Merrill Lynch International Limited and Salomon Brothers International Limited are acting as lead Managers, have severally agreed with the Company, subject to the terms and conditions of the International Underwriting Agreement (the form of which has been filed as an exhibit to the Registration Statement of which this Prospectus is a part), to subscribe and pay for the aggregate number of International Shares set forth opposite their respective names below:

Name of Manager -----	Number of International Shares -----
Bear, Stearns International Limited.....	90,000
Donaldson, Lufkin & Jenrette Securities Corporation....	90,000
Lehman Brothers International (Europe).....	90,000
Merrill Lynch International Limited .....	90,000
Salomon Brothers International Limited.....	90,000
ABN Amro Bank .....	25,000
BHF Securities Corp. ....	25,000
Societe Generale .....	25,000
S.G. Warburg Securities .....	25,000
	-----
Total .....	550,000
	=====

The nature of the respective obligations of the U.S. Underwriters and the Managers is such that all of the U.S. Shares and all of the International Shares must be purchased if any are purchased. Those obligations are subject, however, to various conditions, including the approval of certain matters by counsel. The Company has agreed to indemnify the U.S. Underwriters and the Managers against certain liabilities, including liabilities under the Act, and, where such indemnification is unavailable, to contribute to payments that the U.S. Underwriters and the Managers may be required to make in respect of such liabilities.



The Company has been advised that the U.S. Underwriters propose to offer the U.S. Shares in the United States and Canada and the Managers propose to offer the International Shares outside the United States and Canada, initially at the public offering price set forth on the cover page of this Prospectus and to certain selected dealers at such price less a concession not to exceed \$0.94 per share; that the U.S. Underwriters and the Managers may allow, and such selected dealers may reallocate, a concession to certain other dealers not to exceed \$0.10 per share; and that after the commencement of the offering, the public offering price and the concessions may be changed.

The Company has granted the U.S. Underwriters and the Managers options to purchase in the aggregate up to 412,500 additional shares of Common Stock solely to cover over-allotments, if any. The options may be exercised in whole or in part at any time within 30 days after the date of this Prospectus. To the extent the options are exercised, the U.S. Underwriters and the Managers will be severally committed, subject to certain conditions, to purchase the additional shares in proportion to their respective purchase commitments as indicated in the preceding tables.

Pursuant to an agreement between the U.S. Underwriters and the Managers (the "Agreement Between"), each U.S. Underwriter has agreed that, as part of the distribution of the U.S. Shares and subject to certain exceptions, (a) it is not purchasing any U.S. Shares for the account of anyone other than a U.S. or Canadian Person (as defined below) and (b) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any U.S. Shares or distribute any prospectus relating to the U.S. Offering outside the United States or Canada or to anyone other than a U.S. or Canadian Person or a dealer who similarly agrees. Similarly, pursuant to the Agreement Between, each Manager has agreed that, as part of the distribution of the International Shares and subject to certain exceptions, (a) it is not purchasing any of the International Shares for the account of any U.S. or Canadian Person and (b) it has not offered or sold, and will not offer, sell, resell or deliver, directly or indirectly, any of the International Shares or distribute any prospectus relating to the International Offering in the United States or Canada or to any U.S. or Canadian Person or a dealer who does not similarly agree. As used herein, "U.S. or Canadian Person" means any resident or citizen of the United States or Canada, any corporation, pension, profit sharing or other trust, or other entity organized under or governed by the laws of the United States or Canada or of any political subdivision thereof (other than the foreign branch of any U.S. or Canadian Person), any estate or trust, the income of which is subject to United States or Canadian federal income taxation regardless of the source of its income, and any United States or Canadian branch of a person other than a U.S. or Canadian Person. The term "United States" means the United States of America, its territories, its possessions and other area subject to its jurisdiction; and "Canada" means the provinces of Canada, its territories, its possessions and other areas subject to its jurisdiction.

Pursuant to the Agreement Between, sales may be made between the U.S. Underwriters and the Managers of such number of shares of Common Stock as may be mutually agreed upon. The price of any shares so sold shall be the public offering price as then in effect for the Common Stock being sold by the U.S. Underwriters and the Managers, less an amount not greater than the selling concession allocable to such Common Stock. To the extent that there



are sales between the U.S. Underwriters and the Managers pursuant to the Agreement Between, the number of shares initially available for sale by the U.S. Underwriters or by the Managers may be more or less than the amount specified on the cover page of this Prospectus.

Each U.S. Underwriter and each Manager has represented and agreed that (i) it has not offered or sold, and will not offer or sell, in the United Kingdom by means of any document, any shares of Common Stock other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent (except under circumstances which do not constitute an offer to the public within the meaning of the Companies Act 1985 of Great Britain); (ii) it has complied and will comply with applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Common Stock in, from or otherwise involving the United Kingdom, and (iii) it has only issued or passed on, and will only issue or pass on to any person in the United Kingdom, any documents received by it in connection with the issue of Common Stock if that person is of a kind described in Article 9(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1988 (as amended) or in other circumstances exempted from the restrictions on advertising in the Financial Services Act 1986.

Purchasers of the shares offered hereby may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the initial public offering price set forth on the cover page hereof.

The Company and its principal stockholders have agreed that, for a period of 90 days after the date of this Prospectus, they will not, without the prior written consent of the Representatives, sell, offer to sell or otherwise dispose of any shares (or securities convertible into or exercisable for shares) of Common Stock or Class B Common Stock, other than the sale of the shares offered hereby, the issuance of shares of Common Stock upon the exercise of employee stock options, the grant of such options and the conversion of outstanding shares of Class B Common Stock into shares of Common Stock.

From time to time in recent years, Bear, Stearns & Co. Inc. ("Bear Stearns"), Lehman Brothers Inc. and Salomon Brothers Inc ("Salomon") have performed various investment banking and other financial advisory services for the Company for which they have received customary compensation. Such services included, in the case of Bear Stearns, acting as a financial advisor to the Company in 1994 in connection with long-term financial planning, in the case of Bear Stearns and Salomon, acting as co-managing underwriters for the public offering of shares of the Company's Common Stock in August 1990 and as standby purchasers in connection with the Company's call of the Debentures for redemption in September 1992, and, in the case of all three firms, acting as co-managing underwriters for the public offering of the Company's Common Stock in December 1992. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated acted as financial advisor to Thomas & Betts Corporation in connection with the sale of Vitramon to the Company, for which it received customary compensation.



## NOTICE TO CANADIAN RESIDENTS

## Resale Restrictions

The distribution of the Common Stock in Canada is being made only on a private placement basis exempt from the requirement that the Company prepare and file a prospectus with the securities regulatory authorities in each province where trades of Common Stock are effected. Accordingly, any resale of the Common Stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the Common Stock.

## Representations of Purchasers

Confirmations of the acceptance of offers to purchase shares of Common Stock will be sent to Canadian residents to whom this Prospectus has been sent and who have not withdrawn their offers to purchase prior to the issuance of such confirmations. Each purchaser of Common Stock in Canada who receives a purchase confirmation will be deemed to represent to the Company and the dealer from whom such purchase confirmation is received that (i) such purchaser is entitled under applicable provincial securities laws to purchase such Common Stock without the benefit of a prospectus qualified under such securities laws, (ii) where required by law, such purchaser is purchasing as principal and not as agent and (iii) such purchaser has reviewed the text above under "Notice to Canadian Residents - Resale Restrictions."

## Notice to Ontario Residents

The Common Stock offered hereby is being issued by a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by Section 32 of the Regulation under the Securities Act (Ontario). As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

All of the Company's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Ontario purchasers to effect service of process within Canada upon the Company or such persons. All or a substantial portion of the assets of the Company and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or persons outside of Canada.

## Notice to British Columbia Residents

A purchaser of Common Stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any Common Stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia





Securities Commission Blanket Order BOR #88/5, a copy of which may be obtained from the Company. Only one such report must be filed in respect of Common Stock acquired on the same date under the same prospectus exemption.

#### Notice to Nova Scotia Residents

The Securities Act (Nova Scotia) provides that where a Canadian offering document, together with any amendments thereto, contains a misrepresentation, a purchaser who purchases securities shall be deemed to have relied on such misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages against the seller of the securities or he may elect to exercise the right of rescission against the seller, in which case he shall have no right of action for damages against the seller, provided that:

- (a) the seller will not be liable if the seller proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (b) in an action for damages the seller will not be liable for all or any portion of such damages that the seller proves do not represent the depreciation in value of the security as a result of the misrepresentation relied upon;
- (c) in no case shall the amount recoverable pursuant to the right of action exceed the price at which the securities were offered; and
- (d) the action for rescission or damages conferred by the Securities Act (Nova Scotia) is in addition to and without derogation from any other rights the purchaser may have at law;

but no action to enforce these rights may be commenced:

- (i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (ii) in the case of an action for damages, the earlier of:
  - (1) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or
  - (2) three years after the date of the transaction that gave rise to the cause of action.

#### Language of Documents

All Canadian purchasers of shares of Common Stock acknowledge that all documents evidencing or relating in any way to the sale of such shares will be drawn in the English language only. Vous reconnaissez par les presentes que c'est votre volente express que tous les documents faisant foi ou se rapportant de quelque maniere a la vente des valeurs mobilieres rediges en anglais seulement.



## EXPERTS

The consolidated financial statements of Vishay Intertechnology, Inc., appearing in the Company's Annual Report (Form 10-K) for the year ended December 31, 1993, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given upon the authority of such firm as experts in accounting and auditing.

The combined financial statements of Vitramon, Incorporated and Vitramon Limited (U.K.) as of and for the years ended January 1, 1994 and January 2, 1993 have been incorporated by reference herein in reliance upon the report of KPMG Peat Marwick, independent certified public accountants, incorporated by reference herein and upon the authority of said firm as experts in accounting and auditing.

## LEGAL MATTERS

The legality of the Common Stock offered hereby is being passed upon for the Company by Kramer, Levin, Naftalis, Nessen, Kamin & Frankel, New York, New York. Certain legal matters will be passed upon for the U.S. Underwriters and Managers by Weil, Gotshal and Manges (a partnership including professional corporations), New York, New York.



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PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
VISHAY INTERTECHNOLOGY, INC.  
AND  
VITRAMON  
(Unaudited)

The following pro forma condensed consolidated balance sheet (unaudited) as of March 31, 1994 and pro forma condensed consolidated statements of operations (unaudited) for the year ended December 31, 1993 and the three months ended March 31, 1994 give effect to (i) Vishay's acquisition of all of the capital stock of Vitramon from Thomas & Betts Corporation and (ii) the sale by Vishay of 2,750,000 shares of Common Stock pursuant to a contemplated public offering (assuming a public offering price of \$42.50 per share based on the closing market price of the Common Stock on July 14, 1994) and the use of such proceeds to fund the prepayment of the Bridge Facility and reduce revolving credit borrowings. The pro forma condensed consolidated statements of operations for the year ended December 31, 1993 and the three months ended March 31, 1994, present the results of operations of Vishay as if both of the above mentioned transactions were consummated as of January 1, 1993. The pro forma information is based on the historical financial statements of Vishay and Vitramon, giving effect to the acquisition under the purchase method of accounting and the assumptions and adjustments set forth in the accompanying notes.

These pro forma condensed consolidated financial statements have been prepared by Vishay's management based upon the audited combined financial statements of Vitramon for the year ended January 1, 1994 and the unaudited combined interim financial statements of Vitramon as of and for the quarter ended April 2, 1994. These pro forma financial statements may not be indicative of the results that actually would have occurred if Vishay had acquired all of the capital stock of Vitramon on the dates indicated or those that may be obtained in the future. The pro forma financial statements should be read in conjunction with the consolidated financial statements of Vishay included in Vishay's Annual Report on Form 10-K for the year ended December 31, 1993 and Vishay's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994, and the combined financial statements of Vitramon for the year ended January 1, 1994 and as of and for the quarter ended April 2, 1994, incorporated by reference herein.



PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
(UNAUDITED)

	March 31, 1994 As Reported Vishay -----	April 2, 1994 As Reported Vitramon -----	Pro Forma Adjustments -----	March 31, 1994 Pro Forma -----
(In thousands)				
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 19,155	\$ 14,589		\$ 33,744
Accounts receivable.....	151,297	17,020		168,317
Inventories .....	226,468	20,077		246,545
Other current assets.....	38,241	2,707	(\$2,090) (C)	38,858
	-----	-----	-----	-----
Total Current Assets.....	435,161	54,393	(2,090)	487,464
Property and equipment.....	433,568	44,711	10,000 (C)	488,279
Goodwill .....	120,695		105,718 (C)	226,413
Other assets .....	14,266	949	5,250 (C) 1,900 (C)	22,365
	-----	-----	-----	-----
	\$1,003,690	\$100,053	\$ 120,778	\$1,224,521
	=====	=====	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Accounts and notes payable .....	\$ 86,202	\$ 24,605	(\$18,000) (C)	\$ 92,807
Other current liabilities.....	91,610	20,280	(10,530) (C) 15,000 (C)	116,360
Current portion of long-term debt .....	30,543	1,909	(1,909) (C)	30,543
	-----	-----	-----	-----
Total Current Liabilities .....	208,355	46,794	(15,439)	239,710
Long-term debt .....	285,475	13,790	186,700 (A) (111,375) (B) (13,790) (C)	360,800
Other non-current liabilities .....	116,722	2,819	(43) (C)	119,498
Stockholders' equity Common stock .....	2,123	234	275 (B) (234) (C)	2,398
Other stockholders' equity .....	391,015	36,416	111,100 (B) (36,416) (C)	502,115
	-----	-----	-----	-----
	\$1,003,690	\$100,053	\$ 120,778	\$1,224,521
	=====	=====	=====	=====

See notes to pro forma condensed consolidated financial statements.



PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
(UNAUDITED)

	Year ended December 31, 1993 As Reported Vishay -----	Year ended January 1, 1994 As Reported Vitramon -----	Pro Forma Adjustments - Note D -----	Year Ended December 31, 1993 Pro Forma -----
	(In thousands, except per share data)			
Net sales .....	\$856,272	\$118,394		\$974,666
Costs of products sold.....	663,239	81,512	(\$4,253)(2)	740,498
	-----	-----		-----
Gross profit.....	193,033	36,882	4,253	234,168
Selling, general, and administrative expenses .....	118,906	24,136	(5,783)(5) 271 (6)	137,530
Restructuring expenses.....	6,659			6,659
Unusual items .....	(7,221)			(7,221)
	-----	-----	-----	-----
Operating income .....	74,689	12,746	9,765	97,200
Other income (expense):				
Interest expense.....	(20,624)	(3,229)	(4,142)(1) 3,229 (3)	(24,766)
Goodwill amortization.....	(3,294)		(2,643)(4)	(5,937)
Other .....	123	(84)		39
	-----	-----	-----	-----
	(23,795)	(3,313)	(3,556)	(30,664)
	-----	-----	-----	-----
Earnings before income taxes and cumulative effect of accounting change.....	50,894	9,433	6,209	66,536
Income taxes .....	8,246	4,773	2,173 (7)	15,192
	-----	-----	-----	-----
Earnings before cumulative effect of accounting change .....	42,648	4,660	4,036	51,344
Cumulative effect of accounting change for income taxes .....	1,427			1,427
	-----	-----	-----	-----
Net earnings .....	\$ 44,075	\$ 4,660	\$ 4,036	\$ 52,771
	=====	=====	=====	=====
Earnings per share - Note E				
Before cumulative effect of accounting change .....	\$1.91			\$2.05
Accounting change for income taxes .....	\$0.07			\$0.06
	=====			=====
Net earnings .....	\$1.98			\$2.11
	=====			=====
Weighted average shares outstanding - Note E.....	22,289			25,039

See notes to pro forma condensed consolidated financial statements.



PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
(UNAUDITED)

	Three Months Ended March 31, 1994 As Reported Vishay -----	Three Months Ended April 2, 1994 As Reported Vitramon -----	Pro Forma Adjustments - Note D -----	Three Months Ended March 31, 1994 Pro Forma -----
	(In thousands, except per share data)			
Net sales .....	\$226,015	\$34,575		\$260,590
Costs of products sold .....	175,215	23,743	(\$1,092)(2)	197,866
	-----	-----	-----	-----
Gross profit .....	50,800	10,832	1,092	62,724
Selling, general, and administrative expenses .....	30,176	6,528	(1,569)(5) 68 (6)	35,203
	-----	-----	-----	-----
Operating income .....	20,624	4,304	2,593	27,521
Other income (expense):				
Interest expense.....	(5,040)	(729)	(1,035)(1) 729 (3)	(6,075)
Goodwill amortization.....	(801)		(661)(4)	(1,462)
Other .....	468	73		541
	-----	-----	-----	-----
	(5,373)	(656)	(967)	(6,996)
	-----	-----	-----	-----
Earnings before income taxes .....	15,251	3,648	1,626	20,525
Income taxes .....	2,593	1,676	569 (7)	4,838
	-----	-----	-----	-----
Net earnings.....	\$ 12,658	\$ 1,972	\$ 1,057	\$ 15,687
	=====	=====	=====	=====
Earnings per share - Note E .....	\$0.57			\$0.63
	=====			=====
Weighted average shares outstanding - Note E ...	22,292			25,042
	=====			=====

See notes to pro forma condensed consolidated financial statements.





NOTES TO PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED) (DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

Certain financial information has been derived from the combined audited financial statements and notes thereto of Vitramon for the year ended January 1, 1994 and from Vitramon's unaudited combined interim financial statements as of and for the quarter ended April 2, 1994.

(A) Reflects an increase in outstanding indebtedness as a result of the purchase by Vishay of all of the capital stock of Vitramon from Thomas & Betts. Assumes additional borrowings of \$200,000 (including \$100,000 Bridge Facility) from a syndicate of banks, use of \$186,700 of such borrowings to finance the acquisition and use of \$13,300 to reduce revolving credit borrowings, which results in increased long-term debt of \$186,700. Purchase price and related costs financed through long-term debt:

Purchase price.....	\$184,000
Professional fees and other liabilities.....	2,700
	-----
Total purchase price.....	\$186,700
	=====

(B) Reflects the assumed receipt of the estimated net proceeds of \$111.4 million from the proposed sale by Vishay of 2,750,000 shares of Common Stock pursuant to a contemplated public offering (assuming a public offering price of \$42.50 per share based on the closing market price of the Common Stock on July 14, 1994) and the use of such proceeds to fund the prepayment of the \$100,000 Bridge Facility and to reduce revolving credit borrowings.

	Increase (Decrease)
	-----
Long-term debt.....	\$(111,375)
Common stock.....	275
Other stockholders' equity .....	111,100

(C) Under purchase accounting, Vitramon's assets and liabilities are required to be adjusted from historical amounts to their estimated fair values. Purchase accounting adjustments have been preliminarily estimated by Vishay's management based upon available information and are believed by management to be reasonable. There can be no assurance, however, that the estimated adjustments represent the final purchase accounting adjustments that will ultimately be determined by Vishay. The following pro forma adjustments have been made to reflect the estimated fair values of the assets and liabilities of Vitramon as of March 31, 1994 and to eliminate assets and liabilities which were retained by Thomas & Betts under the terms of the purchase agreement.



	Net Assets
	-----
	Increase (Decrease)
As reported by Vitramon:	
Common Stock.....	\$ 234
Other stockholders' equity.....	36,416
	-----
	36,650
Fair value adjustments:	
Property and equipment .....	10,000
Estimated Vitramon accruals.....	(15,000)(1)
Deferred income taxes	
Other current assets .....	(2,090)
Other assets.....	5,250
Other non-current liabilities.....	43
Assets and liabilities retained by Thomas & Betts:	
Accounts and notes payable.....	18,000
Other current liabilities .....	10,530
Current portion of long-term debt.....	1,909
Long-term debt .....	13,790
Deferred bank costs .....	1,900
Cost in excess of net assets of company acquired .....	105,718
	-----
Total purchase price.....	\$186,700
	=====

(1) Estimated Vitramon accruals of \$15,000,000 consist primarily of severance costs related to planned workforce reductions at Vitramon (\$9,000,000), anticipated environmental clean-up costs, which consist primarily of cost estimates associated with possible soil excavation of existing metal contaminants and the clean up of other existing contaminants at some Vitramon facilities (\$4,000,000), and an accrual for bonuses and contract cancellation costs associated with Vitramon personnel and contracts (\$2,000,000). The above accruals are part of the purchase accounting connected with the Vitramon acquisition and as such, will not affect future earnings.

(D) For purposes of determining the pro forma effect of the Vitramon acquisition on the Vishay consolidated statement of operations, the following estimated pro forma adjustments have been made:

	Increase (Decrease) Income	
	Year Ended	Three Months Ended
	12/31/93	3/31/94
	-----	-----
1. Interest expense on net additional variable rate long-term debt of \$75,300 at a 5.5% assumed rate.....	\$(4,142)	\$(1,035)
2. Decrease in depreciation resulting from adjustments to fair value of property, plant and equipment and the establishment by Vishay of estimated remaining useful lives .....	4,253	1,092
3. Elimination of Vitramon's interest expense relating to debt not assumed by Vishay.....	3,229	729
4. Amortization of cost in excess of net assets acquired (goodwill) over a forty-year period.....	(2,643)	(661)
5. Elimination of Vitramon's management charges from parent.....	5,783	1,569
6. Amortization of deferred bank costs over a seven-year period...	(271)	(68)
7. Income tax expense applicable to adjustments at a 35% assumed rate.....	(2,173)	(569)
	-----	-----
	\$ 4,036	\$ 1,057
	=====	=====



Vitramon's management charges from parent noted above represent services provided by Thomas & Betts for general management, accounting, internal audit, cash management, risk management, human resources, legal and tax services. These costs have been eliminated as Vishay's current organization is structured to provide these management services without incurring significant additional costs.

(E) Earnings per share for the year ended December 31, 1993 and the three months ended March 31, 1994 were computed as follows (in thousands, except earnings per share data):

	Year Ended 12/31/93 -----	Three Months Ended 3/31/94 -----
Weighted average number of common shares outstanding.....	22,289	22,292
Contemplated issuance of common stock .....	2,750	2,750
	-----	-----
Total.....	25,039	25,042
	=====	=====
Pro forma net earnings .....	\$52,771	\$15,687
	=====	=====
Pro forma net earnings per share.....	\$ 2.11	\$ 0.63
	=====	=====



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No dealer, salesman, or other person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Prospectus in connection with the offer contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company, any Underwriter or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy, any securities other than the registered securities to which it relates, or an offer to sell or a solicitation of an offer to buy, to anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained or incorporated by reference herein is correct as of any time subsequent to its date.

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2,750,000 SHARES

VISHAY  
INTERTECHNOLOGY, INC.

COMMON STOCK

LOGO

-----

BEAR, STEARNS & CO. INC.

DONALDSON, LUFKIN & JENRETTE  
SECURITIES CORPORATION

LEHMAN BROTHERS

MERRILL LYNCH & CO.

SALOMON BROTHERS INC

August 4, 1994

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## PROSPECTUS

2,750,000 Shares

Vishay Intertechnology, Inc.

Common Stock

All of the 2,750,000 shares of Common Stock offered hereby are being sold by the Company. Of those shares, 550,000 shares (the "International Shares") are being offered outside the United States and Canada (the "International Offering") by the Managers and 2,200,000 shares (the "U.S. Shares") are being offered concurrently in the United States and Canada (the "U.S. Offering") by the U.S. Underwriters. The public offering price and the underwriting discounts and commissions are identical for both the International Offering and the U.S. Offering (collectively, the "Offering").

The Common Stock is traded on the New York Stock Exchange under the symbol VSH. On August 4, 1994, the last sale price of the Common Stock as reported on the New York Stock Exchange Composite Tape was \$41.25 per share. See "Price Range of Common Stock and Dividend Policy."

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 THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.  
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	Price to Public	Underwriting Discounts and Commissions (1)	Proceeds to Company (2)
Per Share.....	\$41.125	\$1.580	\$39.545
Total(3).....	\$113,093,750	\$4,345,000	\$108,748,750

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- (1) See "Underwriting" for indemnification arrangements with the U.S. Underwriters and the Managers.
  - (2) Before deducting expenses of the Offering payable by the Company, estimated at \$1,000,000.
  - (3) The Company has granted the U.S. Underwriters and the Managers 30-day options to purchase in the aggregate up to 412,500 additional shares of Common Stock solely to cover over-allotments, if any. If the options are exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be \$130,057,813, \$4,996,750 and \$125,061,063, respectively. See "Underwriting."

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 The International Shares are offered by the several Managers, subject to prior sale, when, as and if delivered to and accepted by them and subject to certain conditions, including the approval of certain legal matters by counsel. The Managers reserve the right to withdraw, cancel or modify the International Offering and to reject orders in whole or in part. It is expected that delivery of the International Shares will be made against payment therefor on or about August 11, 1994, at the offices of Bear, Stearns & Co. Inc., 245 Park Avenue, New York, New York 10167.  
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Bear, Stearns International Limited  
 Donaldson, Lufkin & Jenrette  
 Securities Corporation  
 Lehman Brothers  
 Merrill Lynch International Limited  
 Salomon Brothers International Limited

August 4, 1994  
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No dealer, salesman, or other person has been authorized to give any information or to make any representation not contained in or incorporated by reference in this Prospectus in connection with the offer contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company, any Underwriter or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy, any securities other than the registered securities to which it relates, or an offer to sell or a solicitation of an offer to buy, to anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such offer or solicitation. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained or incorporated by reference herein is correct as of any time subsequent to its date.

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2,750,000 SHARES

VISHAY  
INTERTECHNOLOGY, INC.

COMMON STOCK

LOGO

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PROSPECTUS

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BEAR, STEARNS  
INTERNATIONAL LIMITED

DONALDSON, LUFKIN & JENRETTE  
SECURITIES CORPORATION

LEHMAN BROTHERS

MERRILL LYNCH  
INTERNATIONAL LIMITED

SALOMON BROTHERS  
INTERNATIONAL LIMITED

August 4, 1994

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