



SIGNATURE

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

Date: November 3, 2004

VISHAY INTERTECHNOLOGY, INC.

By: /s/ Richard N. Grubb

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Name: Richard N. Grubb  
Title: Executive Vice President and  
Chief Financial Officer

## Vishay Reports Earnings for Third Quarter 2004

MALVERN, Pa., Nov. 3 /PRNewswire-FirstCall/ --

- Sales for Third Quarter 2004 increased 10% to \$584,320,000 compared to Third Quarter 2003
- Diluted EPS of \$0.13 in Third Quarter 2004 compared to \$0.04 in Third Quarter 2003
- Backlog at quarter end of \$474 million
- Cash balance at quarter end of \$640 million

Dr. Felix Zandman, Chairman and Chief Executive Officer of Vishay Intertechnology, Inc. (NYSE: VSH), announced today that sales for the third quarter 2004 were \$584,320,000, a 10% increase as compared to sales of \$533,168,000 for the third quarter 2003, and a 10% decrease from sales of \$646,699,000 for the second quarter of 2004. Net earnings for the third quarter 2004 were \$22,070,000 or \$0.13 per diluted share compared to net earnings of \$6,775,000 or \$0.04 per share for the third quarter 2003 and as compared to net earnings of \$41,118,000 or \$0.22 per diluted share for the second quarter 2004. Earnings for the third quarter 2004 included the effects of restructuring and severance costs of \$4,997,000, a write-off of the value of purchased in-process research and development of \$1,500,000 related to the acquisition of RFwaves, partially offset by a gain on settlement of notes receivable of \$3,100,000. These items and their tax related consequences had a negative \$0.01 per share impact on earnings per share for the third quarter of 2004. Earnings for the third quarter of 2003 included the effects of restructuring and severance costs, inventory-related charges, and a loss on extinguishment of debt, which reduced pre-tax earnings by \$1,439,000 net of a gain on an insurance claim. These items and their tax related consequences had a negative \$0.02 effect on earnings per share in the third quarter 2003. Restructuring and severance costs, net of tax, had a negative \$0.01 impact on the second quarter 2004.

Sales for the first nine fiscal months of 2004 were \$1,871,940,000, a 17% increase as compared to sales of \$1,603,398,000 for the first nine fiscal months of 2003. Net earnings for the first nine fiscal months of 2004 were \$99,154,000 or \$0.55 per share, compared with net earnings for the first nine fiscal months of 2003 of \$16,503,000 or \$0.10 per share. Earnings for the first nine fiscal months of 2004 included the effects of restructuring and severance costs and other charges and credits recorded in the third quarter, which reduced pre-tax earnings by \$5,457,000, or \$0.02 per share after-tax. Earnings for the first nine fiscal months of 2003 included the effects of restructuring and severance costs as well as other charges and credits, which reduced pre-tax earnings by \$14,384,000, or \$0.08 per share after-tax.

Commenting on the results for the third quarter of 2004, Dr. Zandman stated, "Although our sales and net earnings increased over last year's third quarter, our sequential results as previously announced did not meet our original expectations. During the third quarter 2004, our level of bookings was significantly below what we expected due to the deteriorating economic conditions for the components industry, which resulted primarily in reduced orders from distribution as a result of their inventory levels being too high. We believe that our strategy of a broad product line, new product introductions, opportunistic acquisitions and constant cost reductions will enable us to continue to grow our sales and net earnings in the future. We continue to focus on cash generation and our cash position was \$640 million at the end of the third quarter 2004."

Dr. Zandman continued, "Our industry does not expect to see any short term recovery in bookings. Therefore we expect the revenues for the fourth quarter 2004 to be slightly below the revenues for the third quarter 2004."

Vishay, a Fortune 1,000 Company listed on the NYSE, is one of the world's largest manufacturers of discrete semiconductors (diodes, rectifiers, transistors, optoelectronics, and selected ICs) and passive electronic components (resistors, capacitors, inductors, and transducers). The Company's components can be found in products manufactured in a very broad range of industries worldwide. Vishay is headquartered in Malvern, Pennsylvania, and has operations in 17 countries employing over 26,000 people. Vishay can be found on the Internet at <http://www.vishay.com>.

Statements contained herein that relate to the Company's future performance, including statements with respect to trends in revenues and bookings and the anticipated future benefits of the Company's product, acquisition and cost reduction strategies are forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements are based on current expectations only, and are

subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Among the factors that could cause actual results to materially differ include: general business and economic conditions, particularly in the markets that we serve, the availability of appropriate acquisition opportunities on terms that the Company considers attractive, difficulties in new product development, and other factors affecting the Company's operations, markets, products, services, and prices that are set forth in its December 31, 2003 Report on Form 10-K filed with the Securities and Exchange Commission. You are urged to refer to the Company's Form 10-K for a detailed discussion of these factors. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

NOTE: A conference call for investors will begin Wednesday, November 3, 2004 at 11:00 a.m. eastern time. Participants can join the call by dialing 888-428-4474 (U.S. and Canada only). If you are outside the U.S. and Canada, the number you will need to use is 612-332-0630. The conference operator will require the two following pieces of information in order to admit you into the call: (1) Company Name - Vishay Intertechnology, Inc.; and (2) Moderators - Vishay Executives. There will also be a live audio webcast of the conference call. This can be accessed directly from the investor relations section of the Vishay website (<http://ir.vishay.com>). A taped replay of the call will be available through 11:59 PM eastern time on Monday, November 8, 2004 on a dial-in basis and will also be available on a permanent basis on our website beginning November 4, 2004. The phone number to hear the dial-in replay is 800-475-6701 (U.S. and Canada) or 320-365-3844 (if you are outside the U.S. and Canada). Refer to access code 751217 when calling to hear the recording.

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

|   | October 2,<br>2004 | December 31,<br>2003 |
|---|--------------------|----------------------|
| Assets                                    |                    |                      |
| Current assets:                           |                    |                      |
| Cash and cash equivalents                 | \$640,023          | \$555,540            |
| Accounts receivable, net                  | 396,648            | 374,240              |
| Inventories:                              |                    |                      |
| Finished goods                            | 154,450            | 171,447              |
| Work in process                           | 162,032            | 154,532              |
| Raw materials                             | 223,579            | 189,413              |
| Deferred income taxes                     | 50,156             | 48,471               |
| Prepaid expenses and other current assets | 130,420            | 143,610              |
| Total current assets                      | 1,757,308          | 1,637,253            |
| Property and equipment, at cost:          |                    |                      |
| Land                                      | 106,844            | 110,021              |
| Buildings and improvements                | 416,235            | 375,178              |
| Machinery and equipment                   | 1,632,565          | 1,644,270            |
| Construction in progress                  | 72,193             | 85,169               |
| Allowance for depreciation                | (1,056,417)        | (994,843)            |
|   | 1,171,420          | 1,219,795            |
| Goodwill                                  | 1,468,798          | 1,466,714            |
| Other intangible assets, net              | 122,259            | 128,955              |
| Other assets                              | 130,954            | 119,796              |
| Total assets                              | \$4,650,739        | \$4,572,513          |

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

|                                      | October 2,<br>2004 | December 31,<br>2003 |
|--------------------------------------|--------------------|----------------------|
| Liabilities and stockholders' equity |                    |                      |
| Current liabilities:                 |                    |                      |
| Notes payable to banks               | \$11,155           | \$17,511             |
| Trade accounts payable               | 118,908            | 158,182              |
| Payroll and related expenses         | 130,074            | 111,842              |
| Other accrued expenses               | 266,000            | 288,432              |
| Income taxes                         | 24,652             | 10,112               |

|  |             |             |
|--|-------------|-------------|
| Current portion of long-term debt              | 52          | 1,282       |
| Total current liabilities                      | 550,841     | 587,361     |
| Long-term debt less current portion            | 740,160     | 836,606     |
| Deferred income taxes                          | 42,523      | 35,036      |
| Deferred income                                | 21,039      | 27,659      |
| Other liabilities                              | 250,756     | 248,652     |
| Accrued pension and other postretirement costs | 222,412     | 239,950     |
| Minority interest                              | 92,052      | 83,215      |
| Stockholders' equity:                          |             |             |
| Common stock                                   | 15,141      | 14,467      |
| Class B common stock                           | 1,468       | 1,538       |
| Capital in excess of par value                 | 2,027,687   | 1,918,785   |
| Retained earnings                              | 649,350     | 550,196     |
| Unearned compensation                          | (155)       | (306)       |
| Accumulated other comprehensive income         | 37,465      | 29,354      |
|  | 2,730,956   | 2,514,034   |
|  | \$4,650,739 | \$4,572,513 |

VISHAY INTERTECHNOLOGY, INC.

Summary of Operations

(Unaudited - In thousands except earnings per share)

|   | Fiscal Quarter Ended |                       |
|---|----------------------|-----------------------|
|   | October 2,<br>2004   | September 30,<br>2003 |
| Net sales                                     | \$584,320            | \$533,168             |
| Costs of products sold                        | 443,342              | 419,313               |
| Loss on long-term purchase commitments        | -                    | 11,392                |
| Gross profit                                  | 140,978              | 102,463               |
|   | 24.1%                | 19.2%                 |
| Selling, general, and administrative expenses | 95,879               | 91,481                |
| Purchased in-process research and development | 1,500                | -                     |
| Restructuring and severance costs             | 4,997                | 6,313                 |
| Operating income                              | 38,602               | 4,669                 |
|   | 6.6%                 | 0.9%                  |
| Other income (expense):                       |                      |                       |
| Interest expense                              | (8,224)              | (10,239)              |
| Loss on extinguishment of debt                | -                    | (9,910)               |
| Gain on insurance claim                       | -                    | 30,361                |
| Minority interest                             | (3,268)              | (1,944)               |
| Other   | 4,415                | (951)                 |
|   | (7,077)              | 7,317                 |
| Earnings before taxes                         | 31,525               | 11,986                |
| Income taxes                                  | 9,455                | 5,211                 |
| Net earnings                                  | \$22,070             | \$6,775               |
| Basic earnings per share                      | \$0.13               | \$0.04                |
| Diluted earnings per share                    | \$0.13               | \$0.04                |
| Weighted average shares outstanding - basic   | 166,090              | 159,610               |
| Weighted average shares outstanding - diluted | 182,800              | 160,356               |

VISHAY INTERTECHNOLOGY, INC.

Summary of Operations

(Unaudited - In thousands except earnings per share)

Nine Fiscal Months Ended

October 2,                      September 30,  
2004                                      2003

|   |                  |                  |
|---|------------------|------------------|
| Net sales                                     | \$1,871,940      | \$1,603,398      |
| Costs of products sold                        | 1,402,327        | 1,247,734        |
| Loss on long-term purchase commitments        | -                | 11,392           |
| Gross profit                                  | 469,613<br>25.1% | 344,272<br>21.5% |
| <br>  |                  |                  |
| Selling, general, and administrative expenses | 292,570          | 282,787          |
| Purchased in-process research and development | 1,500            | -                |
| Restructuring and severance costs             | 7,057            | 19,258           |
| Operating income                              | 168,486<br>9.0%  | 42,227<br>2.6%   |
| <br>  |                  |                  |
| Other income (expense):                       |                  |                  |
| Interest expense                              | (26,161)         | (30,942)         |
| Loss on extinguishment of debt                | -                | (9,910)          |
| Gain on insurance claim                       | -                | 30,361           |
| Minority interest                             | (9,116)          | (5,839)          |
| Other   | 8,440            | (14)             |
|   | (26,837)         | (16,344)         |
| <br>  |                  |                  |
| Earnings before taxes                         | 141,649          | 25,883           |
| <br>  |                  |                  |
| Income taxes                                  | 42,495           | 9,380            |
| <br>  |                  |                  |
| Net earnings                                  | \$99,154         | \$16,503         |
| <br>  |                  |                  |
| Basic earnings per share                      | \$0.61           | \$0.10           |
| <br>  |                  |                  |
| Diluted earnings per share                    | \$0.55           | \$0.10           |
| <br>  |                  |                  |
| Weighted average shares outstanding - basic   | 162,919          | 159,585          |
| <br>  |                  |                  |
| Weighted average shares outstanding - diluted | 203,997          | 160,168          |

VISHAY INTERTECHNOLOGY, INC.

Reconciliation of Earnings Per Share

(Unaudited - In thousands, except earnings per share)

|   | Fiscal Quarter Ended |                    | Nine Fiscal Months Ended |                    |
|---|----------------------|--------------------|--------------------------|--------------------|
|   | October 2, 2004      | September 30, 2003 | October 2, 2004          | September 30, 2003 |
| Numerator:  |                      |                    |                          |                    |
| Numerator for basic earnings per share - net earnings                               | \$22,070             | \$6,775            | \$99,154                 | \$16,503           |
| Interest savings assuming conversion of dilutive convertible and exchangeable notes | 1,121                | -                  | 13,498                   | -                  |
| Numerator for diluted earnings per share - adjusted net earnings                    | \$23,191             | \$6,775            | \$112,652                | \$16,503           |
| Denominator:  |                      |                    |                          |                    |
| Denominator for basic earnings per share - weighted average shares                  | 166,090              | 159,610            | 162,919                  | 159,585            |
| Effect of dilutive securities   |                      |                    |                          |                    |
| Convertible and exchangeable notes  | 15,493               | -                  | 38,456                   | -                  |
| Employee stock options  | 1,149                | 661                | 2,204                    | 505                |
| Warrants  | -                    | -                  | 348                      | -                  |
| Other   | 68                   | 85                 | 70                       | 78                 |
| Dilutive potential common shares  | 16,710               | 746                | 41,078                   | 583                |
| <br>  |                      |                    |                          |                    |
| Denominator for diluted earnings per share - adjusted weighted average shares       | 182,800              | 160,356            | 203,997                  | 160,168            |

|                            |        |        |        |        |
|----------------------------|--------|--------|--------|--------|
| Basic earnings per share   | \$0.13 | \$0.04 | \$0.61 | \$0.10 |
| Diluted earnings per share | \$0.13 | \$0.04 | \$0.55 | \$0.10 |

Diluted earnings per share do not reflect the following, as the effect would be antidilutive for the respective period:

- Weighted average outstanding warrants of 8,824,000 and 8,824,000, for the third quarters of 2004 and 2003, respectively, and 6,490,000 and 8,824,000, for the nine fiscal months ended October 2, 2004 and September 30, 2003, respectively.
- Weighted average outstanding stock options to purchase 5,723,000 shares and 6,494,000 shares of common stock for the third quarters of 2004 and 2003, respectively, and options to purchase 2,683,754 shares and 7,163,000 shares of common stock for the nine fiscal months ended October 2, 2004 and September 30, 2003, respectively.
- Assumed conversion of the Company's 3-5/8% convertible subordinated notes, due 2023, for the third quarter of 2004 and for the third quarter and nine fiscal months ended September 30, 2003. These notes were issued during the third quarter of 2003, and are convertible into 23,496,250 shares of common stock. As described in the Company's annual report on Form 10-K for the year ended December 31, 2003, these notes are only convertible upon the occurrence of certain events. While none of these events have occurred as of October 2, 2004, certain conditions which could trigger conversion have been deemed to be non-substantive, and accordingly, the Company assumes the conversion of these notes in its earnings per share computation during periods in which they are dilutive. These notes are dilutive to the nine fiscal months ended October 2, 2004.
- Assumed conversion of the Company's LYONS, due 2021, for the third quarter and nine fiscal months ended September 30, 2003. At September 30, 2003, these notes were convertible into 6,609,000 shares of the Company's common stock, subsequent to the Company's repurchase of some of these notes during the third quarter of 2003. The Company also repurchased some of these notes pursuant to the option of the holders to require repurchase of the LYONS on June 4, 2004. The remaining outstanding notes are dilutive to the third quarter and nine fiscal months ended October 2, 2004.
- Assumed exchange of the notes of Vishay from the December 13, 2002 acquisition of BCcomponents, for the third quarter and nine fiscal months ended September 30, 2003. These notes are exchangeable for 6,176,471 shares of the Company's common stock, and are dilutive to the third quarter and nine fiscal months ended October 2, 2004.
- Assumed conversion of the convertible subordinated notes of General Semiconductor, acquired November 2, 2001, for the third quarter and nine fiscal months ended September 30, 2003. These notes were fully redeemed on September 10, 2003.

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SOURCE Vishay Intertechnology, Inc.

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/Web site: <http://www.vishay.com> /  
(VSH)

CO: Vishay Intertechnology, Inc.

ST: Pennsylvania

IN: CPR HRD SEM ECP

SU: ERN CCA MAV