

VISHAY INTERTECHNOLOGY INC
Form 10-Q
May 05, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended March 28, 2009

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

For the transition period from _____ to _____

Commission File Number 1-7416

VISHAY INTERTECHNOLOGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation)

38-1686453

(I.R.S. Employer Identification Number)

63 Lancaster Avenue

Malvern, PA 19355-2143

(Address of Principal Executive Offices)

610-644-1300

(Registrant's Area Code and Telephone Number)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
 Yes No

As of April 30, 2009, the registrant had 172,208,866 shares of its common stock and 14,352,888 shares of its Class B common stock outstanding.

This page intentionally left blank.

VISHAY INTERTECHNOLOGY, INC.

**FORM 10-Q
MARCH 28, 2009**

CONTENTS

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Condensed Balance Sheets (Unaudited) □ March 28, 2009 and December 31, 2008	4
Consolidated Condensed Statements of Operations	

	(Unaudited) □ Fiscal Quarters Ended March 28, 2009 and March 29, 2008	6
	Consolidated Condensed Statements of Cash Flows (Unaudited) Three Fiscal Months Ended March 28, 2009 and March 29, 2008	7
	Consolidated Condensed Statement of Equity (Unaudited)	8
	Notes to Consolidated Condensed Financial Statements (Unaudited)	9
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	43
Item 4.	Controls and Procedures	43
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	44
Item 1A.	Risk Factors	44
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	44
Item 3.	Defaults Upon Senior Securities	44
Item 4.	Submission of Matters to a Vote of Security Holders	44
Item 5.	Other Information	44
Item 6.	Exhibits	44
	SIGNATURES	45

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements**VISHAY INTERTECHNOLOGY, INC.**

Consolidated Condensed Balance Sheets

(Unaudited - In thousands)

	March 28, 2009	December 31, 2008
Assets		(recast - see Note 1)
Current assets:		
Cash and cash equivalents	\$ 364,776	\$ 324,164
Accounts receivable, net	274,138	311,197
Inventories:		
Finished goods	152,107	173,280
Work in process	209,582	211,320

Edgar Filing: VISHAY INTERTECHNOLOGY INC - Form 10-Q

Raw materials	142,967	153,419
Deferred income taxes	14,904	15,251
Prepaid expenses and other current assets	103,444	139,903
Total current assets	1,261,918	1,328,534
Property and equipment, at cost:		
Land	97,550	98,827
Buildings and improvements	500,690	508,579
Machinery and equipment	2,066,063	2,091,124
Construction in progress	69,539	80,857
Allowance for depreciation	(1,630,444)	(1,617,225)
	1,103,398	1,162,162
Intangible assets, net	168,435	177,782
Other assets	138,205	147,482
Total assets	\$ 2,671,956	\$ 2,815,960

Continues on following page.

4

VISHAY INTERTECHNOLOGY, INC.

Consolidated Condensed Balance Sheets (continued)
(Unaudited - In thousands)

	March 28, 2009	December 31, 2008 (recast - see Note 1)
Liabilities and equity		
Current liabilities:		
Notes payable to banks	\$ 406	\$ 11,293
Trade accounts payable	78,974	104,608
Payroll and related expenses	108,989	117,197
Other accrued expenses	172,152	191,086
Income taxes	19,252	24,901
Current portion of long-term debt	27,009	13,044
Total current liabilities	406,782	462,129
Long-term debt less current portion	334,419	333,631
Deferred income taxes	13,040	18,842
Deferred grant income	3,012	3,143
Other liabilities	113,451	123,207
Accrued pension and other postretirement costs	311,528	325,112
Total liabilities	1,182,232	1,266,064
Equity:		
Vishay stockholders' equity		
Common stock	17,220	17,220
Class B convertible common stock	1,435	1,435
Capital in excess of par value	2,316,477	2,315,851
Retained earnings (accumulated deficit)	(894,744)	(865,617)
Accumulated other comprehensive income	44,341	75,969
Total Vishay stockholders' equity	1,484,729	1,544,858
Noncontrolling interests	4,995	5,038
Total equity	1,489,724	1,549,896
Total liabilities and equity	\$ 2,671,956	\$ 2,815,960

See accompanying notes.

VISHAY INTERTECHNOLOGY, INC.

Consolidated Condensed Statements of Operations

(Unaudited - In thousands, except earnings (loss) per share)

	Fiscal quarter ended	
	March 28, 2009	March 29, 2008 (recast - see Note 1)
Net revenues	\$ 449,511	\$ 733,313
Costs of products sold	381,487	560,850
Gross profit	68,024	172,463
Selling, general, and administrative expenses	87,454	119,063
Restructuring and severance costs	18,933	18,202
Asset write-downs	-	4,195
Operating income (loss)	(38,363)	31,003
Other income (expense):		
Interest expense	(2,864)	(12,714)
Other	12,883	(198)
Income (loss) from continuing operations before taxes	10,019	(12,912)
Income taxes	(28,344)	18,091
Income (loss) from continuing operations, net of tax	710	6,173
Income (loss) from continuing operations, net of tax	(29,054)	11,918
Loss from discontinued operations, net of tax	-	(42,136)
Net earnings (loss)	(29,054)	(30,218)
Less: net earnings attributable to noncontrolling interests	73	478
Net earnings (loss) attributable to Vishay stockholders	\$ (29,127)	\$ (30,696)
Basic earnings (loss) per share attributable to Vishay stockholders:*		
Continuing operations	\$ (0.16)	\$ 0.06
Discontinued operations	\$ -	\$ (0.23)
Net earnings (loss)	\$ (0.16)	\$ (0.16)
Diluted earnings (loss) per share attributable to Vishay stockholders:*		
Continuing operations	\$ (0.16)	\$ 0.06
Discontinued operations	\$ -	\$ (0.23)
Net earnings (loss)	\$ (0.16)	\$ (0.16)
Weighted average shares outstanding - basic	186,558	186,343
Weighted average shares outstanding - diluted	186,558	186,540
Amounts attributable to Vishay stockholders:		
Income (loss) from continuing operations, net of tax	\$ (29,127)	\$ 11,440
Discontinued operations, net of tax	-	(42,136)
Net earnings (loss)	\$ (29,127)	\$ (30,696)

See accompanying notes.

* May not add due to rounding.

6

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

	Three fiscal months ended	
	March 28, 2009	March 29, 2008 (recast - see Note 1)
Continuing operating activities		
Net earnings (loss)	\$ (29,054)	\$ (30,218)
Adjustments to reconcile net earnings (loss) to net cash provided by continuing operating activities:		
Loss on discontinued operations, net of tax	-	42,136
Depreciation and amortization	54,571	54,898
(Gain) loss on disposal of property and equipment	79	30
Accretion of interest on convertible notes	-	5,623
Asset write-downs	-	4,195
Inventory write-offs for obsolescence	6,376	6,205
Deferred grant income	(209)	(535)
Other	(21,449)	6,845
Changes in operating assets and liabilities, net of effects of businesses acquired	42,937	(50,946)
Net cash provided by continuing operating activities	53,251	38,233
Continuing investing activities		
Purchase of property and equipment	(11,309)	(25,829)
Proceeds from sale of property and equipment	308	415
Other investing activities	-	100
Net cash used in continuing investing activities	(11,001)	(25,314)
Continuing financing activities		
Principal payments on long-term debt and capital lease obligations	(247)	(326)
Proceeds of long-term debt, net of issuance costs	15,000	-
Net changes in short-term borrowings	(10,871)	483
Distributions to noncontrolling interests	(116)	(359)
Proceeds from stock options exercised	-	16
Net cash (used in) provided by continuing financing activities	3,766	(186)
Effect of exchange rate changes on cash and cash equivalents	(2,404)	19,248
Net increase in cash and cash equivalents from continuing activities	43,612	31,981
Net cash (used) provided by discontinued operating activities	(3,000)	3,470
Net cash used by discontinued investing activities	-	(134)
Net cash used by discontinued financing activities	-	-
Net cash (used) provided by discontinued operations	(3,000)	3,336
Net increase in cash and cash equivalents	40,612	35,317
Cash and cash equivalents at beginning of period	324,164	537,295
Cash and cash equivalents at end of period	\$ 364,776	\$ 572,612

See accompanying notes.

7

VISHAY INTERTECHNOLOGY, INC.

Consolidated Condensed Statement of Equity

(Unaudited - In thousands, except share amounts)

Class B	Capital	Retained	Accumulated	Total
Convertible	in	Earnings	Other	Vishay