

VISHAY INTERTECHNOLOGY INC
Form 10-Q
November 04, 2008

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 September 27, 2008

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 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 October 31, 2008, the registrant had 172,200,536 shares of its common stock and 14,352,888 shares of its Class B common stock outstanding.

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VISHAY INTERTECHNOLOGY, INC.

**FORM 10-Q
SEPTEMBER 27, 2008**

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

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

	September 27, 2008 (Unaudited)	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 312,021	\$ 537,295
Accounts receivable, net	449,162	441,772
Inventories:		
Finished goods	162,411	159,713
Work in process	240,394	224,667
Raw materials	159,242	170,329
Deferred income taxes	24,793	26,426
Prepaid expenses and other current assets	162,762	153,988
Assets held for sale (see Note 2)	-	28,611
Total current assets	1,510,785	1,742,801
Property and equipment, at cost:		
Land	101,076	101,938
Buildings and improvements	505,395	485,342
Machinery and equipment	2,082,847	2,001,390
Construction in progress	91,418	101,659
Allowance for depreciation	(1,597,549)	(1,469,331)
	1,183,187	1,220,998
Goodwill	572,257	1,676,497
Other intangible assets, net	188,154	192,591
Other assets	208,674	162,348
Total assets	\$ 3,663,057	\$ 4,995,235

Continues on following page.

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VISHAY INTERTECHNOLOGY, INC.

Consolidated Condensed Balance Sheets (continued)
(In thousands)

	September 27, 2008 (Unaudited)	December 31, 2007
Liabilities and stockholders' equity		
Current liabilities:		
Notes payable to banks	\$ 2,285	\$ 30
Trade accounts payable	144,053	173,039
Payroll and related expenses	143,260	140,879
Other accrued expenses	233,358	235,728
Income taxes	38,846	34,653
Current portion of long-term debt	25,488	1,346
Liabilities related to assets held for sale (see Note 2)	-	11,253
Total current liabilities	587,290	596,928

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Long-term debt less current portion	333,538	607,237
Deferred income taxes	19,593	24,216
Deferred grant income	3,361	1,044
Other liabilities	127,622	122,958
Accrued pension and other postretirement costs	270,455	280,713
Minority interest	5,414	5,364
Stockholders' equity:		
Common stock	17,209	17,198
Class B common stock	1,435	1,435
Capital in excess of par value	2,255,082	2,252,297
(Accumulated deficit) retained earnings	(153,549)	925,575
Accumulated other comprehensive income	195,607	160,270
Total stockholders' equity	2,315,784	3,356,775
Total liabilities and stockholders' equity	\$ 3,663,057	\$ 4,995,235

See accompanying notes.

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VISHAY INTERTECHNOLOGY, INC.

Consolidated Condensed Statements of Operations

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

	Fiscal quarter ended	
	September 27, 2008	September 29, 2007
Net revenues	\$ 739,092	\$ 729,616
Cost of products sold	579,591	554,816
Gross profit	159,501	174,800
Selling, general, and administrative expenses	112,844	110,586
Restructuring and severance costs	6,849	9,920
Impairment of goodwill and indefinite-lived intangibles	357,917	-
Terminated tender offer expenses	4,000	-
Operating income (loss)	(322,109)	54,294
Other income (expense):		
Interest expense	(4,873)	(7,441)
Loss on early extinguishment of debt	(13,601)	-
Other	6,853	2,279
	(11,621)	(5,162)
Income (loss) from continuing operations before taxes and minority interest	(333,730)	49,132
Income tax expense (benefit)	(21,007)	11,597
Minority interest	144	436
Income (loss) from continuing operations	(312,867)	37,099

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Loss from discontinued operations, net of tax	-	(1,924)
Net earnings (loss)	\$ (312,867)	\$ 35,175
Basic earnings (loss) per share:*		
Continuing operations	\$ (1.68)	\$ 0.20
Discontinued operations	\$ -	\$ (0.01)
Net earnings (loss)	\$ (1.68)	\$ 0.19
Diluted earnings (loss) per share:*		
Continuing operations	\$ (1.68)	\$ 0.20
Discontinued operations	\$ -	\$ (0.01)
Net earnings (loss)	\$ (1.68)	\$ 0.19
Weighted average shares outstanding - basic	186,425	186,335
Weighted average shares outstanding - diluted	186,425	192,779

See accompanying notes.

* May not add due to rounding.

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VISHAY INTERTECHNOLOGY, INC.

Consolidated Condensed Statements of Operations
(Unaudited - In thousands, except earnings (loss) per share)

	Nine fiscal months ended	
	September 27, 2008	September 29, 2007
Net revenues	\$ 2,246,769	\$ 2,103,669
Cost of products sold	1,735,086	1,575,803
Gross profit	511,683	527,866
Selling, general, and administrative expenses	352,928	329,308
Restructuring and severance costs	33,960	13,186
Asset write-downs	4,195	2,665
Impairment of goodwill and indefinite-lived intangibles	1,157,917	-
Terminated tender offer expenses	4,000	-
Operating income (loss)	(1,041,317)	182,707
Other income (expense):		
Interest expense	(17,535)	(22,039)
Loss on early extinguishment of debt	(13,601)	-
Other	11,328	12,192
	(19,808)	(9,847)
Income (loss) from continuing operations before taxes and minority interest	(1,061,125)	172,860

Income tax expense (benefit)	(25,028)	42,769
Minority interest	891	983
Income (loss) from continuing operations	(1,036,988)	129,108
Loss from discontinued operations, net of tax	(42,136)	(3,222)
Net earnings (loss)	\$ (1,079,124)	\$ 125,886
Basic earnings (loss) per share:*		
Continuing operations	\$ (5.56)	\$ 0.70
Discontinued operations	\$ (0.23)	\$ (0.02)
Net earnings (loss)	\$ (5.79)	\$ 0.68
Diluted earnings (loss) per share:*		
Continuing operations	\$ (5.56)	\$ 0.67
Discontinued operations	\$ (0.23)	\$ (0.02)
Net earnings (loss)	\$ (5.79)	\$ 0.66
Weighted average shares outstanding - basic	186,380	185,408
Weighted average shares outstanding - diluted	186,380	200,062

See accompanying notes.

* May not add due to rounding.

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

	Nine fiscal months ended	
	September 27, 2008	September 29, 2007
Continuing operating activities		
Net earnings (loss)	\$ (1,079,124)	\$ 125,886
Adjustments to reconcile net earnings (loss) to net cash provided by continuing operating activities:		
Loss on discontinued operations, net of tax	42,136	3,222
Impairment of goodwill and indefinite-lived intangibles, net of tax	1,098,796	-
Depreciation and amortization	166,579	158,161
Gain on disposal of property and equipment	(3,217)	(740)
Minority interest in net earnings of consolidated subsidiaries		