

July 12, 2010

Distribution of Vishay Precision Group, Inc. Common Stock

General Guidance Regarding Tax Basis

On July 6, 2010, Vishay Intertechnology, Inc. (“Vishay”) distributed (the “Distribution”) 100% of the outstanding shares of Vishay Precision Group, Inc. (“VPG”) to the Vishay stockholders of record as of June 25, 2010 (the “Record Date”). In the Distribution, stockholders of record of Vishay common stock received one share of VPG common stock for every fourteen shares of Vishay common stock held as of the Record Date and stockholders of record of Vishay Class B common stock received one share of VPG Class B common stock for every fourteen shares of Vishay Class B common stock held as of the Record Date. This notice contains general guidance regarding tax basis in your Vishay and VPG shares for U.S. federal income tax purposes. *If you did not receive shares of VPG common stock or cash in lieu of a fractional share in the Distribution, this notice does not apply to you.*

CONSULT YOUR TAX ADVISOR

The information contained in this notice represents our general understanding of the application of certain existing U.S. federal income tax laws and regulations relating to the Distribution. It does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of Vishay stockholders, such as stockholders who acquired Vishay common stock as compensation or stockholders subject to special treatment under the Internal Revenue Code or other applicable laws. You are urged to consult your own tax advisor regarding the particular consequences of the Distribution to you, including the applicability and effect of all U.S. federal, state and local and territorial and other foreign tax laws. We also urge you to read the Information Statement dated June 25, 2010 that was mailed to you, noting especially pages 38-40 under the question “Material U.S. Federal Income Tax Consequences of the Spin-off.” The Information Statement is also available on this website.

APPLICABILITY OF THE TAX BASIS CONSEQUENCES DESCRIBED BELOW

The discussion below regarding tax basis applies generally to U.S. Holders. For purposes of this summary, a “U.S. Holder” is a beneficial owner of Vishay common stock or Class B common stock that holds that stock as a capital asset (generally, for investment purposes) and is, for U.S. federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation (or other entity treated as a corporation) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more U.S. persons have the authority to control all of its substantial decisions. If a partnership (or other entity treated as a partnership) holds Vishay common stock or Class B common stock, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner in a partnership holding Vishay common stock or Class B common stock should consult its tax advisor.

GENERAL GUIDANCE REGARDING TAX BASIS IN A TAX-FREE SPIN-OFF

As a consequence of the Distribution, you will need to allocate your tax basis in your Vishay common stock or Class B common stock immediately before the Distribution between your Vishay common stock or Vishay Class B common stock and the VPG common stock or VPG Class B common stock you receive. If you purchased your Vishay common stock or Class B common stock for cash, the tax basis for your Vishay common stock or Class B common stock would generally equal the original cost of this stock (including commissions or other fees), adjusted to take into account the effect of stock-splits and stock dividends during your period of ownership. *If you acquired your Vishay common stock or Class B common stock as a gift, through an employee compensation arrangement, from a person to whom you were related or otherwise not dealing with at arm's length, in a tax deferred transaction or through some other means, we recommend that you consult your own tax advisor to determine your tax basis in these shares. If you acquired shares of Vishay common stock or Class B common stock at different times, for U.S. tax purposes you will need to make separate tax basis calculations for each group of shares.*

The allocation of tax basis between your Vishay common stock or Vishay Class B common stock and the VPG common stock or VPG Class B common stock you receive in the Distribution is based on their relative fair market values at the time of or immediately following the Distribution. U.S. federal income tax law does not specify precisely how to determine these fair market values. In general, fair market value of an item of property means the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts.

Class B shares of both Vishay and VPG are not traded in a public market and are transferable only to certain permitted transferees. Class B shares of both Vishay and VPG are convertible on a one-for-one basis at any time into shares of Vishay or VPG common stock, respectively. Accordingly, methodologies for determining the fair market values of Vishay Class B common stock and VPG Class B common stock are based on the market values of Vishay common stock and VPG common stock, as traded on the New York Stock Exchange.

There are several potential methods for determining the fair market values of Vishay common stock or Vishay Class B common stock and VPG common stock or VPG Class B common stock. One approach for determining the fair market values is to utilize the trading prices of Vishay common stock and VPG common stock quoted on the New York Stock Exchange on the first trading day following the Distribution. Another potential approach for determining the fair market value would be to utilize the trading prices of Vishay common stock and VPG common stock trading on a "when issued" basis quoted on the New York Stock Exchange on the date of the Distribution.

The following is an example of how to allocate your aggregate tax basis in your Vishay common stock or Class B common stock immediately before the Distribution between your Vishay common stock or Class B common stock and the VPG common stock or Class B common stock you receive. The example is based on closing prices on the trading day following the Distribution, as described above. The example is provided solely for illustrative purposes and as a convenience to Vishay stockholders and their tax advisors when establishing their specific tax position.

HYPOTHETICAL EXAMPLE OF TAX BASIS ALLOCATIONS

Assumptions:

Shares of Vishay common stock:	100 shares
Starting tax basis of Vishay shares:	\$6 per share
Aggregate tax basis for Vishay shares:	\$600 (100 shares x \$6 per share)
Shares of VPG common stock received in the Distribution (including fractional share):	7.14 shares

Your aggregate tax basis in your Vishay common stock immediately prior to the Distribution would be allocated between your Vishay common stock and your VPG common stock (including any fractional share, for which you will ultimately receive cash) as illustrated below.

Formula for Calculating Aggregate Fair Market Values of Shares in the Distribution

To determine the aggregate fair market value of your shares of Vishay common stock and VPG common stock, multiply the number of such shares by the applicable fair market value of one such share.

Number of Shares		Closing Price on 7/7/10		Aggregate Fair Market Value	
Vishay Common Stock	100	X	\$7.05	=	\$705
VPG Common Stock	7.143	X	\$11.70	=	\$83.57
Total					\$788.57

Formula for Calculating Share Basis Allocation Percentage in the Distribution

To find the share basis allocation percentage for your Vishay common stock, divide the aggregate fair market value of your shares of Vishay common stock by the sum of the aggregate fair market values of your shares of Vishay common stock and your shares of VPG common stock (including any fractional share for which you will ultimately receive cash).

To find the share basis allocation percentage for your VPG shares (including any fractional share for which you will ultimately receive cash), divide the aggregate fair market value of your shares of VPG common stock (including any fractional share) by the sum of the aggregate fair market values of your shares of Vishay common stock and your shares of VPG common stock (including any fractional share).

Aggregate Fair Market Value		Aggregate Fair Market Value of Vishay and VPG Stock		Share Basis Allocation Percentage	
Vishay Common Stock	\$705	÷	\$788.57	=	89.4%
VPG Common Stock	\$83.57	÷	\$788.57	=	10.6%

Formula for Calculating Tax Basis Allocation in the Distribution

To find the tax basis allocation for your Vishay common stock, multiply your aggregate tax basis in your shares of Vishay common stock immediately prior to the Distribution by your Vishay share basis allocation percentage. To find your Vishay tax basis allocation per share, divide this number by the number of Vishay shares.

To find the tax basis allocation for your VPG common stock (including any fractional share), multiply your aggregate tax basis in your shares of Vishay common stock immediately prior to the Distribution by your VPG share basis allocation percentage. To find your VPG tax basis allocation per share, divide this number by the number of VPG shares (including any fractional share).

Aggregate Vishay Tax Basis		Share Basis Allocation Percentage		Tax Basis Allocation		Number of Shares		Tax Basis Allocation Per Share
Vishay Common Stock	\$600	x	89.4%	=	\$536.41	÷	100	\$5.36
VPG Common Stock	\$600	x	10.6%	=	\$63.59	÷	7.143	\$8.90

Formula for Allocating Aggregate Tax Basis to Whole VPG Shares and Fractional VPG Shares

To find the tax basis allocation for the whole shares of VPG common stock you receive in the Distribution, multiply the number of whole shares you receive by the VPG tax basis allocation per share.

To find the tax basis allocation for any fractional share of VPG common stock sold on your behalf for cash, multiply the fraction of a share you would have received by the VPG tax basis allocation per share. This is the basis you should use to compute your gain or loss recognized with respect to the cash you receive in lieu of the fractional shares.

Number of Shares		Tax Basis Allocation Per Share		Tax Basis Allocation	
VPG Whole Shares	7	x	\$8.90	=	\$62.32
VPG Fractional Share	0.143	x	\$8.90	=	\$1.27

Please remember that Vishay does not provide its stockholders with tax advice, and this example is not intended to provide tax advice. This example is for general information purposes only and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein. Vishay encourages its stockholders to consult with their own tax advisors regarding the particular consequences of the Distribution, including the applicability of any U.S. federal, state and local, territorial, and other foreign tax laws.