

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934.

Date of Report: August 11, 2008
(Date of earliest event reported)

Vicor Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-18277
(Commission File
Number)

04-2742817
(IRS Employer
Identification Number)

25 Frontage Road, Andover, Massachusetts
(Address of principal executive offices)

01810
(Zip Code)

(978) 470-2900
(Registrant's telephone number, including area code)

Not Applicable
(Former Name or Former Address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On August 11, 2008, Vicor Corporation issued a press release announcing its financial results for the second quarter of 2008. The full text of that press release is attached as Exhibit 99.1 hereto and incorporated by reference herein. The information furnished under this Item 2.02, including the Exhibit attached hereto, shall not be deemed "filed" for any purpose, including for purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements:

None

(b) Pro forma financial information:

None

(c) Shell company transactions:

None

(d) Exhibits

99.1 [Press Release of Vicor Corporation dated August 11, 2008](#)

SIGNATURE

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

Dated: August 11, 2008

VICOR CORPORATION

By: /s/ James A. Simms
James A. Simms
Chief Financial Officer

Exhibit Index

Exhibit No.

99.1

Description

Press Release of Vicor Corporation dated August 11, 2008

Vicor Corporation Announces Q2 2008 Earnings

ANDOVER, MA -- 08/11/2008 -- Vicor Corporation (NASDAQ: VICR) today reported its financial results for the second quarter of 2008 ended June 30, 2008.

Revenues for the second quarter increased by 4.4% to \$49,297,000, compared to \$47,206,000 for the corresponding period a year ago, and decreased 7.8% on a sequential basis from \$53,469,000 for the first quarter of 2008. Gross margin increased to \$21,113,000 for the second quarter of 2008, compared to \$19,599,000 for corresponding period a year ago, but decreased on a sequential basis from \$22,460,000 for the first quarter of 2008. Gross margin, as a percentage of revenue, increased to 42.8% for the second quarter of 2008 compared to 41.5% for the second quarter of 2007, and increased on a sequential basis from 42.0% for the first quarter of 2008. Net loss for the second quarter was \$1,323,000, or \$0.03 per diluted share, compared to net income of \$974,000, or \$0.02 per diluted share, for the corresponding period a year ago and net income of \$620,000, or \$0.01 per diluted share, for the first quarter of 2008.

For the six months ended June 30, 2008 revenues increased by 9.1% to \$102,766,000 from \$94,187,000 for the corresponding period a year ago, and increased 1.1% on a sequential basis from \$101,640,000 for the six months ended December 31, 2007. Net loss for the six month period was \$703,000, or \$0.02 per diluted share, compared to net income of \$3,295,000 or \$0.08 per diluted share, for the corresponding period a year ago and net income of \$2,040,000, or \$0.05 per diluted share, for the six months ended December 31, 2007.

The book-to-bill ratio for the second quarter of 2008 was 1.01:1, as compared to 1.09:1 for the second quarter of 2007 and 0.99:1 for the first quarter of 2008. Backlog at the end of the second quarter of 2008 was \$46.3 million, as compared to \$46.7 million at the end of the fourth quarter of 2007.

Commenting on the second quarter, Patrizio Vinciarelli, Chief Executive Officer, noted, "Vicor continues to be strategically well-positioned, despite worldwide economic uncertainty. As anticipated due to booking trends in Q1 and early Q2, Vicor's revenue for the second quarter declined as the global economy softened. Revenue from our brick business unit experienced a roughly six percent decline sequentially. However, bookings in July, including a first \$3.2 million order for 'V-I Chip inside' VIBricks, came in 35% ahead of April levels, pointing to improving demand for our expanding brick product line. Also, despite the decline in Q2 revenue, the brick unit's gross margin as a percentage of revenue actually increased from the Q1 level."

"As previously discussed, anticipated volume shipments of a major V-I Chip program were pushed out early this year. As such, revenue for V-I Chip declined roughly 27% from the prior quarter. We had planned higher levels of V-I Chips shipments in Q2, but now forecast ramping in Q3 and Q4. Because we had put infrastructure in place to meet greater demand, V-I Chip continues to absorb the costs of underutilized production capacity. Accordingly, V-I Chip generated a higher operating loss for the quarter. We remain confident V-I Chip will essentially double its top line in 2008, experience robust growth in 2009 and improve its gross margin with economies of scale. Our confidence is based on progress being made with early adopters and the ongoing expansion of relationships with licensees and partners bringing about a global presence and facilitating adoption of V-I Chips and Factorized Power."

"Picor, our fabless semiconductor unit, recently announced its first family of Cool-ORing™ Power Path Management products addressing the requirements of redundant power architectures for high-availability systems such as high end computing, telecom, communication and wireless infrastructure. Cool-ORing power management products reduce power dissipation, eliminate the need for costly thermal management and reduce board level real estate versus conventional Active ORing solutions. The introduction of this product family is a significant first step in Picor's synergistic product roadmap."

Dr. Vinciarelli concluded, "Of course, we are disappointed to have experienced a net loss for the second quarter. However, temporarily high R&D expenses, applications engineering and marketing expenses, and the margin drag caused by underutilized capacity represent appropriate investments in the development of our products and markets. As discussed last quarter, we expect overall revenue growth may remain modest until the first half of 2009. However, early adopters have embraced our ability to address their power needs with high performance power components as building blocks of efficient power distribution and power systems. Vicor is well-capitalized and, with our brick business model and the momentum we are seeing in disruptive technology products pioneered by V-I Chip and Picor, well-positioned for the future."

Depreciation and amortization for the second quarter of 2008 was approximately \$2.6 million, and capital additions totaled \$1.8 million. For the first six months of 2008 depreciation and amortization was \$5.2 million and capital additions were \$4.2 million. This compares to \$6.2 million and \$3.1 million, respectively, for the first six months of 2007. Cash and cash equivalents and short-term investments decreased by \$4.1 million to approximately \$35.7 million at the end of the second quarter of 2008 from \$39.8 million at the end of the first quarter of 2008. The sequential decrease in cash and cash equivalents and short-term investments was attributable to the payment of a dividend, during the second quarter, of approximately \$6.2 million. There were no share repurchases during the first six months of 2008, and approximately \$8.5 million remains authorized for additional purchases under the Company's stock repurchase plan.

As of June 30, 2008, the Company held approximately \$38.5 million, at par value, of auction rate securities, down from \$55.2 million, at par value, of such holdings as of December 31, 2007. As previously disclosed, conditions in the market for auction rate securities and the repeated failure of auctions by which such securities are priced led the Company to reclassify its holdings as long-term investments as of March 31, 2008. Further, the Company determined the fair value of its holdings at June 30, 2008, was approximately \$36.25 million. This approximately \$2.25 million decline in value is considered temporary and is recorded as an unrealized loss, net of taxes, in accumulated other comprehensive (loss) income on the Company's consolidated balance sheet.

Based on the Company's ability to access cash and other short-term investments and its expected operating cash flows, the Company's management does not anticipate the current lack of liquidity of its auction rate securities holdings will affect the Company's ability to execute its current operating plan.

For the second quarter of 2008, the tax provision is based on the estimated annual effective tax rate for the full year, which includes estimated federal, state and foreign income taxes on the Company's projected pre-tax income and estimated federal and state income taxes for certain minority-owned subsidiaries that are not part of the Company's consolidated income tax returns, offset by the expected utilization of federal and foreign net operating loss carryforwards. The 2008 tax provision also includes discrete items, principally for increases in accrued interest for potential liabilities and expense associated with a reduction in state income tax refunds receivable. The 2007 tax provision was offset principally by a reduction in tax reserves in the second quarter of 2007 and by refunds of interest received and recorded as a benefit during the first quarter of 2007 as final settlement for the audit of its federal tax returns for tax periods 1994 through 2002 by the Internal Revenue Service.

The Company's Board of Directors has approved a cash dividend of \$0.15 per share payable on September 10, 2008 to shareholders of record at the close of business on August 25, 2008. The Board of Directors anticipates reviewing its dividend policy on a semi-annual basis. Dividends are declared at the discretion of the Board and depend on actual cash from operations, the Company's financial condition, capital requirements and any other factors the Company's Board of Directors may consider relevant.

For more information on Vicor and its products, please visit the Company's website at www.vicorpower.com.

Earnings Conference Call

Vicor will be holding its investor conference call, today, Monday, August 11, 2008, at 5:00 p.m. Eastern Time. Shareholders interested in participating in the call should call 888-419-5570 at approximately 4:50 p.m. and use the Passcode 93288958. Internet users can listen to a real-time audio broadcast of the conference call on the Investor Relations section of Vicor's website at www.vicorpower.com/irwebcast. Please go to the website at least 15 minutes prior to the call to register, download and install any necessary software. For those who cannot participate a replay will be available, shortly after the conclusion of the call, through August 26, 2008. The replay dial-in number is 888-286-8010 and the Passcode is 44989156. In addition, a webcast replay of the conference call will also be available on the Investor Relations section of Vicor's website at www.vicorpower.com/irwebcast beginning shortly after the conclusion of the call.

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any statement in this press release that is not a statement of historical fact is a forward-looking statement, and, the words "believes," "expects," "anticipates," "intend," "estimate," "plans," "assumes," "may," "will," "would," "should," "continue," "prospective," "project," and other similar expressions identify forward-looking statements. Forward-looking statements also include statements regarding bookings, shipments, the pace of new design wins with early adopters and gaining broader product acceptance within the Company's target markets, and plans to expand capacity with incremental investments in equipment. These statements are based upon the Company's current expectations and estimates as to the prospective events and circumstances that may or may not be within the Company's control and as to which there can be no assurance. Actual results could differ materially from those projected in the forward-looking statements as a result of various factors, including those economic, business, operational and financial considerations set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2007, under Part I, Item 1 -- "Business," "-- Competition," "-- Patents," and "-- Licensing," under Part I, Item 1A -- "Risk Factors," under Part I, Item 3 -- "Legal Proceedings," and under Part II, Item 7 -- "Management's Discussion and Analysis of Financial Condition and Results of Operations." The risk factors set forth in the Annual Report on Form 10-K may not be exhaustive. Therefore, the information contained in Annual Report on Form 10-K should be read together with other reports and documents the Company files with the Securities and Exchange Commission from time to time, including Forms 10-Q, 8-K and 10-K, which may supplement, modify, supersede or update those risk factors. The Company does not undertake any obligation to update any forward-looking statements as a result of future events or developments.

Vicor Corporation designs, develops, manufactures and markets modular power components and complete power systems based upon a portfolio of patented technologies. Headquartered in Andover, Massachusetts, Vicor sells its products primarily to the communications, information technology, industrial control and military electronics markets.

VICOR CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS (Thousands except for per share amounts)

	QUARTER ENDED (Unaudited)		SIX MONTHS ENDED (Unaudited)	
	JUNE 30, 2008	JUNE 30, 2007	JUNE 30, 2008	JUNE 30, 2007
Net revenues	\$ 49,297	\$ 47,206	\$ 102,766	\$ 94,187
Cost of revenues	28,184	27,607	59,193	54,361
Gross margin	21,113	19,599	43,573	39,826

	Operating expenses:			
Sales & administration	13,975	12,163	28,027	24,176
Research & development	8,080	7,667	15,591	15,067
	Gain from litigation-related settlements, net			
	(177)	(1,353)	(177)	(1,353)
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Total operating expenses	21,878	18,477	43,441	37,890
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Income (loss) from operations	(765)	1,122	132	1,936
Other income (expense), net	(36)	906	719	2,483
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	Income (loss) before income taxes			
	(801)	2,028	851	4,419
Provision for income taxes	350	298	592	287
	Loss from equity method investment, net of tax			
	172	756	962	837
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Net income (loss)	(\$ 1,323)	\$ 974	(\$ 703)	\$ 3,295
	=====	=====	=====	=====
	Net income (loss) per share:			
Basic	(\$ 0.03)	\$ 0.02	(\$ 0.02)	\$ 0.08
Diluted	(\$ 0.03)	\$ 0.02	(\$ 0.02)	\$ 0.08
	Shares outstanding:			
Basic	41,643	41,576	41,640	41,570
Diluted	41,643	41,641	41,640	41,628

VICOR CORPORATION
CONSOLIDATED BALANCE SHEET
(Thousands)

	JUNE 30, 2008 (Unaudited)	DEC 31, 2007 (Unaudited)
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Assets		
Current assets:		
Cash and cash equivalents	\$ 33,000	\$ 20,017
Short-term investments	2,663	57,490
Accounts receivable, net	27,181	32,054
Inventories, net	26,025	23,078
Deferred tax assets	741	741
Other current assets	3,121	2,539
	-----	-----
Total current assets	92,731	135,919
Restricted cash and cash equivalents	919	952
Long-term investments	36,250	0
Property and equipment, net	49,322	50,257
Other assets	5,397	5,330
	-----	-----
	\$ 184,619	\$ 192,458
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 8,260	\$ 10,062
Accrued compensation and benefits	7,082	6,003
Other accrued liabilities	3,621	3,749
Deferred revenue	534	941
Accrual for litigation settlements	162	240
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Total current liabilities	19,659	20,995
Long-term deferred revenue	924	42
Long-term income taxes payable	1,399	1,344

Deferred income taxes	1,649	1,597
Minority interests	4,991	4,040
	Stockholders' equity:	
Capital stock	160,515	159,834
Retained earnings	119,315	126,263
	Accumulated other comprehensive	
(loss) income	(2,006)	170
Treasury stock	(121,827)	(121,827)
	-----	-----
Total stockholders' equity	155,997	164,440
	-----	-----
	\$ 184,619	\$ 192,458
	=====	=====

For further information contact:

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or

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