

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: March 17, 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 March 17, 2008, Vicor Corporation issued a press release announcing its financial results for the fourth quarter of 2007. 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 March 17, 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: March 17, 2008

VICOR CORPORATION

By: /s/ Richard J. Nagel, Jr.
Richard J. Nagel, Jr.
Interim Chief Financial Officer

Exhibit Index

Exhibit No.

99.1

Description

Press Release of Vicor Corporation dated March 17, 2008

Vicor Corporation Earnings Release for the Quarter Ended December 31, 2007

ANDOVER, MA -- 03/17/2008 -- Vicor Corporation (NASDAQ: VICR) today reported its financial results for the fourth quarter and year ended December 31, 2007. The Company will be filing a Form 12b-25, Notification of Late Filing, with the Securities and Exchange Commission relating to its Annual Report on Form 10-K for the year ended December 31, 2007, which automatically extends the March 17, 2008 filing due date for up to 15 calendar days under SEC rules.

The Company noted that, due to an additional investment in a related party in May 2007, the Company changed its method of accounting for its investment in the related party from the cost method to the equity method. As a result, the financial statements for the three and twelve months ended December 31, 2006 and as of December 31, 2006 have been retroactively restated to reflect the equity method of accounting, in accordance with Accounting Principles Board Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock." In February 2008, the Company made an additional \$1,000,000 investment in the related party, increasing its ownership to 30%, for which the Company expects to take an impairment charge of approximately \$700,000 in the first quarter of 2008.

Revenues for the fourth quarter increased by 12.3% to \$53,947,000 compared to \$48,033,000 for the corresponding period a year ago and increased on a sequential basis from \$47,693,000 in Q3 2007. Net income for Q4 was \$1,497,000, or \$.04 per diluted share, compared to a net loss of \$37,229,000, or \$.90 per diluted share in Q4 2006, as restated. In 2007 the Company made a \$50.0 million payment and recovered \$12.8 million from the Company's insurance carriers in settlement of a claim for which the Company had recorded a net loss of \$37.2 million in Q4 2006.

For the year ended December 31, 2007 revenues increased to \$195,827,000 from \$192,047,000 for the same period of 2006. The Company reported net income for the period of \$5,335,000, or \$.13 per diluted share, compared to a net loss of \$29,059,000, or \$.69 per diluted share in 2006, as restated.

Gross margin decreased to 39.4% in Q4 2007 from 41.0% in Q4 2006 and increased on a sequential basis from 37.5% in Q3 2007. The book-to-bill ratio for Q4 2007 was 0.96:1 as compared to 0.94:1 in Q4 2006. For 2007 the book-to-bill ratio was 1.05:1 compared to 0.99:1 in 2006. Backlog at the end of 2007 was \$46.7 million as compared to \$36.4 million at the end of 2006.

Commenting on 2007, Vicor's CEO Patrizio Vinciarelli noted: "Demand for bricks softened at the onset of the economic slowdown. Demand for V-I Chips was ahead of expectations as a V-I Chip application ramped faster than forecast. Brick product revenues were short of plan and V-I Chip product revenues were ahead of plan. Margins were below expectations due to product mix and a temporary setback in yields."

"For the entire year in 2008, we are anticipating revenue growth at a rate higher than annual revenues in 2007 with limited expansion in operating margins. Revenues for 2008 will still largely consist of legacy bricks and configured power systems. Rollout in 2008 of high performance, 'V-I Chip-inside,' Factorized Power bricks and configurable product families should bring new vitality to the Vicor brick product brand with its well established and diversified customer base."

"Having more than quadrupled in 2007, V-I Chip product sales are projected to double in 2008 based on a few high end server applications. To broaden its business base, V-I Chip is expanding penetration of the server market with advanced Factorized Power applications and making inroads into automated test equipment and consumer electronics. A prototype thin, large panel LCD-TV powered by V-I Chips has been exhibited. Factorized Power systems may enable 52" displays as thin as 1/2". V-I Chip manufacturing capacity to support flat panel display applications is being planned with a second Japanese licensee. V-I Chip, Picor and a related party entity, in which Vicor has a 30% interest, have thus far granted a collection of IP rights to three separate licensees and are entertaining other partners to more rapidly expand penetration of major electronic markets with Factorized Power components and systems. While such business development initiatives have characteristically long gestation periods, we believe we are building a solid foundation for long term, profitable growth. In anticipation of greater demand, we are expanding capacity in Andover in addition to planning capacity in Asia."

Depreciation and amortization in Q4 2007 was approximately \$2.7 million and capital additions were \$2.4 million. In 2007 depreciation and amortization was \$11.6 million and capital additions were \$9.9 million. This compares to \$14.2 million and \$5.6 million, respectively for 2006. Cash, restricted cash and short-term investments decreased by \$0.6 million to approximately \$78.5 million at the end of 2007 from \$79.1 million at the end of Q3 2007. Cash, restricted cash and short-term investments decreased by approximately \$40.1 million from \$118.6 million at the end of 2006. The primary reason for this decrease was the settlement of a claim and net payment of approximately \$37.2 million as referenced above. There were no share repurchases during 2007 and at the end of the year there was approximately \$8.5 million remaining in the authorized stock buy-back plan.

Through March 14, 2008, auctions held for the Company's auction rate securities with a total aggregate value of approximately \$38 million failed. As of March 14, 2008, the Company was holding a total of approximately \$43 million in auction rate securities, the significant majority of which are student loan backed securities. These municipal and corporate debt securities have their interest rates reset at auction at regular intervals ranging from 7 to 90 days. These securities are all highly rated investments, generally with AAA/Aaa ratings. The Company is closely monitoring this matter in order to determine the impact, if any, on the investments' liquidity and/or carrying value. Based on its ability to access cash and other short-term investments and expected operating cash flows, the Company does not anticipate the current lack of liquidity of auction rate securities to impact its ability to execute its operating plan.

In 2007, the tax provision includes estimated federal, state and foreign income taxes on the Company's pre-tax income, estimated federal and state income taxes for certain minority-owned subsidiaries that are not part of the Company's consolidated income tax

returns, and increases in accrued interest for potential liabilities, offset by the expected utilization of foreign net operating loss carryforwards and the release of certain valuation allowances related to temporary book versus tax differences. For the years ended December 31, 2007 and 2006, the Company reduced its tax reserves by \$1,817,000 and \$468,000, respectively, due to closing tax periods in certain jurisdictions and other tax reserves no longer considered necessary. The decreases in 2007 and 2006 were partially offset by increases in tax reserves during the year of approximately \$205,000 and \$133,000, respectively.

Vicor's Board of Directors has approved a cash dividend of \$.15 per share payable on April 18, 2008 to shareholders of record at the close of business on April 2, 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, March 17, 2008 at 5:00 p.m. Eastern Time. Shareholders interested in participating in the call should call 800-688-0796 at approximately 4:50 p.m. and use the Passcode 94979761. 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 April 1, 2008. The replay dial-in number is 888-286-8010 and the Passcode is 27098301. 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 as that term is defined in the Private Securities Litigation Reform Act of 1995. You can identify these statements by our use of the words "may," "will," "would," "should," "plans," "expects," "anticipates," "believes," "continue," "estimate," "prospective," "project," "intend," and similar expressions. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Forward-looking statements also include statements regarding revenue growth and expansion in operating margins in 2008, what products revenues in 2008 will consist of, the rollout and impact of "V-I Chip-inside" products, V-I Chip product sales in 2008, penetration of the sever market by V-I Chip and its inroads into automatic test equipment and consumer electronics, and statements regarding our solid foundation for long term, profitable growth and anticipation of greater demand. These risks and uncertainties include our ability to develop and market new products and technologies cost-effectively, to leverage design wins into increased product sales, to continue to make progress with key customers and prospects, to decrease manufacturing costs, to enter into licensing agreements that amplify the market opportunity and accelerate market penetration, to realize significant royalties under license agreements, to achieve a sustainable increased bookings rate over a longer period, to hire key personnel and to continue to build our three business units, to successfully enforce our intellectual property rights, to successfully defend outstanding litigation, to successfully leverage the V-I Chips in standard products to promote market acceptance of Factorized Power, to develop or maintain an effective system of internal controls, to obtain required financial information for certain investments on a timely basis, and factors impacting the company's various end markets, the impact of write-downs in the value of assets, the effects of equity accounting with respect to certain affiliates, the failure of auction rate securities to sell at their reset dates as well as those risks and uncertainties identified in the Company's Annual Report on Form 10-K. The risk factors contained in the Annual Report on Form 10-K may not be exhaustive. Therefore, the information contained in that Form 10-K should be read together with other reports and documents that the Company files with the SEC from time to time, which may supplement, modify, supersede or update those risk factors.

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)		YEAR ENDED (Unaudited)	
	DEC 31, 2007	DEC 31, 2006	DEC 31, 2007	DEC 31, 2006
		(As Restated)		(As Restated)
Net revenues	\$ 53,947	\$ 48,033	\$ 195,827	\$ 192,047
Cost of revenues	32,668	28,359	116,818	110,211
Gross margin	21,279	19,674	79,009	81,836

Operating expenses:

Sales & administration	12,429	12,641	48,919	46,437
Research & development	7,570	7,850	30,372	31,381
	(Gain) loss from litigation-related			
settlements, net	0	37,200	(1,353)	37,200

Total operating expenses	19,999	57,691	77,938	115,018
Income (loss) from operations	1,280	(38,017)	1,071	(33,182)
Other income (expense), net	663	1,305	4,388	5,092

	Income (loss) before income			
taxes	1,943	(36,712)	5,459	(28,090)
	Provision (benefit) for income			
taxes	314	438	(1,015)	648
	Loss from equity method			
investment (net of tax)	132	79	1,139	321

Net income (loss)	\$ 1,497	(\$ 37,229)	\$ 5,335	(\$ 29,059)
	=====			
	Net income (loss) per share:			
Basic	\$ 0.04	(\$ 0.90)	\$ 0.13	(\$ 0.69)
Diluted	\$ 0.04	(\$ 0.90)	\$ 0.13	(\$ 0.69)
	Shares outstanding:			
Basic	41,631	41,563	41,597	41,839
Diluted	41,777	41,563	41,687	41,839

VICOR CORPORATION
CONSOLIDATED BALANCE SHEET
(Thousands)

	DEC 31, 2007 (Unaudited)	DEC 31, 2006 (Unaudited)
	=====	=====
	(As Restated)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,017	\$ 35,860
Restricted cash	952	1,045
Short-term investments	57,490	81,681
Accounts receivable, net	32,054	30,399
Insurance receivable for litigation	0	12,800
Inventories, net	23,078	22,001
Deferred tax assets	741	3,702
Other current assets	2,629	2,709

Total current assets	136,961	190,197
Property and equipment, net	50,257	51,573
Other assets	5,240	5,691

	\$ 192,458	\$ 247,461
	=====	
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 10,062	\$ 7,273
Accrued compensation and benefits	6,003	5,192
Other accrued liabilities	4,732	4,265
Accrual for litigation settlements	240	50,000

Total current liabilities	21,037	66,730
Long term income taxes payable	1,344	2,577

Deferred income taxes	1,597	4,389
Minority interests	4,040	3,593
	Stockholders' equity:	
Capital stock	160,004	158,594
Retained earnings	126,263	133,405
Treasury stock	(121,827)	(121,827)
	-----	-----
Total stockholders' equity	164,440	170,172
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	\$ 192,458	\$ 247,461
	=====	=====

For further information contact:

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