SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended March 31, 1997

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

For the transition period from

Commission File Number 0-18277

VICOR CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	04-2742817
(State of Incorporation)	(IRS Employer Identification Number)

23 Frontage Road, Andover, Massachusetts 01810
(Address of registrant's principal executive office)

(508) 470-2900
(Registrant's 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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of March 31, 1997.

Common Stock, $.01 par value ----------------30,296,240
Class B Common Stock, $.01 par value --------12,247,309

VICOR CORPORATION

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VICOR CORPORATION

Condensed Consolidated Balance Sheet
(In thousands)
(Unaudited)

Assets	March 31, 1997	December 31, 1996
Current assets:		
Cash and cash equivalents	$ 82,097	$ 73,647
Accounts receivable, net	28,125	25,001
Inventories	19,869	21,129
Other current assets	2,829	2,765
Total current assets	132,920	122,542
Property, plant and equipment, net	59,509	57,613
Notes receivable	3,939	3,795
Other assets	2,516	2,493
	$198,884	$186,443

Liabilities and Stockholders' Equity	March 31, 1997	December 31, 1996
Current liabilities:		
Accounts payable	$ 5,244	$ 5,558
Accrued liabilities	9,374	8,433
Total current liabilities	14,618	13,991
Deferred income taxes	1,708	1,708
Stockholders' equity:		
Preferred Stock	-	-
Class B Common Stock	122	123
Common Stock	336	331
Additional paid-in capital	91,676	85,842
Retained earnings	130,815	124,839
Treasury stock, at cost	(40,391)	(40,391)
Total stockholders' equity	182,558	170,744
	$198,884	$186,443

Note: The balance sheet at December 31, 1996 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See accompanying notes.

VICOR CORPORATION

Condensed Consolidated Statement of Income
(In thousands except per share data)
(Unaudited)

	Three Months Ended	
	March 31, 1997	March 31, 1996
Net revenues	$37,939	$35,806
Costs and expenses:		
Cost of revenue	17,877	16,547
Selling, general and administrative	7,447	6,235
Research and development	4,379	3,442
	29,703	26,224
Income from operations	8,236	9,582
Other income	1,102	990
Income before income taxes	9,338	10,572
Provision for income taxes	3,362	3,912
Net income	$ 5,976	$ 6,660
Net income per common share	$ .14	$ .16
Weighted average number of common shares and equivalents	42,987	42,781

See accompanying notes.

VICOR CORPORATION

Condensed Consolidated Statement of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended	
	March 31, 1997	March 31, 1996
Operating activities:		
Net income	$ 5,976	$ 6,660
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,170	2,024
Gain on disposal of equipment	(1)	-
Change in current assets and liabilities, net	(1,301)	(2,272)
Net cash provided by operating activities	6,844	6,412
Investing activities:		
Additions to property, plant and equipment	(4,000)	(3,196)
Increase in notes receivable	(144)	-
Increase in other assets	(88)	(1,070)
Net cash used in investing activities	(4,232)	(4,266)
Financing activities:		
Tax benefit relating to stock option plans	269	100
Proceeds from issuance of Common Stock	5,569	251
Acquisitions of treasury stock	-	(8,812)
Net cash provided by (used in) financing activities	5,838	(8,461)
Net increase (decrease) in cash and cash equivalents	8,450	(6,315)
Cash and cash equivalents at beginning of period	73,647	65,244
Cash and cash equivalents at end of period	$ 82,097	$ 58,929

See accompanying notes.

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements
March 31, 1997
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of only normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1997 are not necessarily indicative of the results that may be expected for the year ended December 31, 1997. For further information, refer to the consolidated financial statements and notes thereto included in the Company's audited financial statements for the year ended December 31, 1996, contained in the Company's annual report filed on Form 10-K (File #0-18277) with the Securities and Exchange Commission.

2. Net Income per Share

Net income per common share is based on the weighted average number of shares of common shares and common share equivalents.

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share," which is effective for the Company on December 31, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options will be excluded. There is not expected to be any change to either primary or fully diluted net income per share for the quarters ended March 31, 1997 and 1996 as a result of the new method.

3. Inventories

Inventories are valued at the lower of cost (determined using the first-in, first-out method) or market. Costs associated with the long-term contract for the sale of automated manufacturing line equipment are included in inventories reduced by amounts identified with revenues recognized under the contract. Inventories were as follows as of March 31, 1997 and December 31, 1996 (in thousands):

	March 31, 1997	December 31, 1996
Raw materials	$11,408	$12,627
Work-in-process	3,388	2,290
Finished goods	5,073	6,212
Unbilled costs	-	-
	$19,869	$21,129

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
March 31, 1997

Except for historical information contained herein, some matters discussed in this report constitute 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. Actual results could differ materially from those projected in the forward-looking statements as a result of the risk factors set forth in this report and in the Company's Annual Report on Form 10-K for the year ended December 31, 1996. Reference is made in particular to the discussions set forth below in this Report under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and set forth in the Annual Report on Form 10-K under Item 1 -- "Business -- Next-Generation Automated Manufacturing Line," "--Competition," "--Patents," and "--Licensing," and under Item 7 -- "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Results of Operations

Three months ended March 31, 1997, compared to three months ended March 31, 1996

Net revenues for the first quarter of 1997 were $37,939,000, an increase of $2,133,000 (6.0%) as compared to $35,806,000 for the same period a year ago. Approximately $1,165,000 (54.6%) of this increase in net revenues was due to an increase in unit shipments of custom products. The balance of the increase was primarily due to an increase in revenue recognized under the Company's long-term contract for the sale of automated manufacturing line equipment.

Gross margin increased $803,000 (4.2%) from $19,259,000 to $20,062,000, but decreased as a percentage of net revenues from 53.8% to 52.9%. The primary components of the increase in gross margin were changes in the revenue mix.

Selling, general and administrative expenses were $7,447,000 for the period, an increase of $1,212,000 (19.4%) over the same period in 1996. As a percentage of net revenues, selling, general and administrative expenses increased to 19.6% compared to 17.4% in 1996. The principal components of the $1,212,000 increase were $468,000 (19.9%) of increased compensation expense due to growth in staffing levels of selling and administrative personnel; $334,000 (52.2%) of advertising expenses; $117,000 (61.7%) of legal expenses and $100,000 (26.7%) of increased Vicor Integration Architects ("VIAs") related expense.

Research and development expenses increased $937,000 (27.2%) to $4,379,000 and increased as a percentage of net revenues to 11.5% from 9.6%. The principal components of the $937,000 increase were $566,000 (30.5%) of increased compensation expense due to growth in staffing levels of engineering personnel; $118,000 (148.4%) of VIA related expense, and increased project materials costs of $115,000 (17.0%). The Company continues work on its next-generation products. The Company does not expect revenues or earnings from this new product family to be material over the next several quarters. See also the discussion under "Liquidity and Capital Resources."

Other income increased $112,000 (11.3%) from the same period a year ago, to $1,102,000. Other income is primarily comprised of interest income derived from cash and cash equivalents, short-term investments, and notes receivable associated with the Company's real estate transactions in Andover, Massachusetts. Interest income increased primarily due to an increase in cash balances earning interest.

Income before income taxes was $9,338,000, a decrease of $1,234,000 (11.7%) compared to the same period in 1996. As a percentage of net revenues, income before income taxes decreased from 29.5% to 24.6% primarily due to the increase in operating expenses related to the Company's continued investments in research and development, and in certain selling, general and administrative expenses as discussed above.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
March 31, 1997
(continued)

Net income per share for the first quarter of 1997 was $.14, compared to $.16 for the first quarter of 1996, a decrease of $.02 (12.5%).

Liquidity and Capital Resources

At March 31, 1997 the Company had $82,097,000 in cash and cash equivalents. The ratio of current assets to current liabilities was 9.1:1 compared to 8.8:1 at December 31, 1996. Working capital increased $9,751,000, from $108,551,000 at December 31, 1996 to $118,302,000 at March 31, 1997. The primary factor affecting the working capital increase was an increase in cash of $8,450,000 during the first three months of 1997. The increase in cash was primarily attributable to cash derived from operating activities of $6,844,000; the net proceeds from the issuance of Common Stock upon the exercise of stock options, and the related income tax benefit derived from such issuance, of $5,838,000. The primary use of cash for the first three months of 1997 was for additions to property and equipment of $4,000,000.

The Company plans to make continuing investments in manufacturing equipment, much of which is built internally. The internal construction of manufacturing machinery is a practice which the Company expects to follow over the next several years.

In 1995, the Company announced that it had started prototype production on a new automated manufacturing line specifically designed to manufacture next-generation products. In the fourth quarter of 1996, the Company began introducing selected models of its next-generation product families. While management believes that the initiation of limited production on the new manufacturing line and the introduction of selected models of its next-generation product families are important milestones, there can be no assurance that problems will not substantially delay the ultimate general introduction of the complete product line, require modification of product specifications, or prevent attainment of the anticipated capacity of the new manufacturing line. Significant revenues from the sale of any products in the Company's next-generation product line are not expected to occur for several quarters.

In February, 1996, the Board of Directors of the Company authorized the repurchase of the Company's Common Stock up to an aggregate amount of approximately $19,500,000, including amounts remaining under a prior authorization. The plan authorized the Company to make such repurchases from time to time in the open market or through privately negotiated transactions. The timing of this program and the amount of the stock that may be repurchased is at the discretion of management based on its view of economic and financial market conditions. There were no repurchases in the quarter ended March 31, 1997.

The Company has an unused line of credit with a bank under which the Company may borrow up to $4,000,000 on a revolving credit basis. The Company believes that cash generated from operations and the total of its cash and cash equivalents, together with other sources of liquidity, will be sufficient to fund planned operations and capital equipment purchases for the foreseeable future. At March 31, 1997, the Company had approximately $700,000 of capital expenditure commitments.

The Company does not consider the impact of inflation on its business activities or fluctuations in the exchange rates for foreign currency transactions to have been significant to date.

VICOR CORPORATION

Part II - Other Information
March 31, 1997

Item 1 - Legal Proceedings

On October 17, 1996, the Company filed a complaint in Munich District Court, Federal Republic of Germany, citing Nemic-Lambda of Japan and Lambda Electronics GmbH for infringement of Vicor's German "reset" patent. Vicor seeks injunctive relief and damages.

The Company is involved in other certain litigation incidental to the conduct of its business. While the outcome of lawsuits against the Company cannot be predicted with certainty, management does not expect any current litigation to have a material adverse impact on the Company.

Item 2 - Changes in Securities

Not applicable.

Item 3 - Defaults Upon Senior Securities

Not applicable.

Item 4 - Submission of Matters to a Vote of Security-Holders

Not applicable.

Item 5 - Other Information

Not applicable.

Item 6 - Exhibits and Reports on Form 8-K

a. Reports on Form 8-K - none.

SIGNATURES

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 thereunto duly authorized.

VICOR CORPORATION

Date: May 9,1997

By: /s/ Patrizio Vinciarelli
Patrizio Vinciarelli
President and Chairman
of the Board

Date: May 9,1997

By: /s/ Mark A. Glazer
Mark A. Glazer
Vice President of Finance
and Administration

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DEC-31-1997
JAN-01-1997
MAR-31-1997
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