==

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 September 30, 2000

|_| 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)

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

(978) 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 September 30, 2000.

Common Stock, $.01 par value	30,305,047
Class B Common Stock, $.01 par value	11,993,348

VICOR CORPORATION

INDEX TO FORM 10-Q

VICOR CORPORATION

Condensed Consolidated Balance Sheet
(In thousands)
(Unaudited)

Assets	September 30, 2000	December 31, 1999
Current assets:		
Cash and cash equivalents	$ 76,037	$ 69,109
Accounts receivable, net	44,241	32,465
Inventories, net	42,051	33,360
Other current assets	7,068	6,940
Total current assets	169,397	141,874
Property, plant and equipment, net	107,864	109,079
Notes receivable	8,712	8,698
Other assets	7,634	9,254
	$ 293,607	$ 268,905
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 10,752	$ 10,317
Accrued compensation and benefits	5,247	3,553
Accrued liabilities	9,662	4,987
Total current liabilities	25,661	18,857
Deferred income taxes	5,515	5,515
Stockholders' equity:		
Preferred Stock	--	--
Class B Common Stock	120	121
Common Stock	365	356
Additional paid-in capital	136,977	124,451
Retained earnings	211,349	185,979
Accumulated other comprehensive income	529	889
Treasury stock, at cost	(86,909)	(67,263)
Total stockholders' equity	262,431	244,533
	$ 293,607	$ 268,905

Note: The balance sheet at December 31, 1999 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 September 30, 2000	Three Months Ended September 30, 1999	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
Net revenues:				
Product	$65,422	$ 45,660	$180,593	$122,502
License	2,429	3,713	7,822	13,643
	67,851	49,373	188,415	136,145
Costs and expenses:				
Cost of revenue	37,821	28,002	106,462	77,285
Selling, general and administrative	11,155	9,052	32,035	26,495
Research and development	4,962	4,933	15,581	14,953
	53,938	41,987	154,078	118,733
Income from operations	13,913	7,386	34,337	17,412
Other income	743	788	2,698	2,282
Income before income taxes	14,656	8,174	37,035	19,694
Provision for income taxes	4,617	2,616	11,665	6,303
Net income	$10,039	$ 5,558	$ 25,370	$ 13,391
Net income per common share:				
Basic	$ 0.24	$ 0.13	$ 0.60	$ 0.32
Diluted	$ 0.23	$ 0.13	$ 0.59	$ 0.32
Shares used to compute net income per share:				
Basic	42,216	41,318	42,284	41,392
Diluted	43,435	42,372	43,300	42,151

See accompanying notes.

VICOR CORPORATION

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

	Nine Months Ended	
	September 30, 2000	September 30, 1999
Operating activities:		
Net income	$ 25,370	$ 13,391
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,518	11,266
Loss on disposal of equipment	166	101
Tax benefit relating to stock option plans	4,985	330
Change in current assets and liabilities, net	(13,649)	(9,796)
Net cash provided by operating activities	30,390	15,292
Investing activities:		
Additions to property, plant and equipment	(11,932)	(10,572)
Proceeds from sale of equipment	2	17
Increase in notes receivable	(14)	(24)
Decrease (increase) in other assets	693	(1,183)
Net cash used in investing activities	(11,251)	(11,762)
Financing activities:		
Proceeds from issuance of Common Stock	7,549	1,242
Acquisitions of treasury stock	(19,646)	(8,564)
Net cash used in financing activities	(12,097)	(7,322)
Effect of foreign exchange rates on cash	(114)	142
Net increase (decrease) in cash and cash equivalents	6,928	(3,650)
Cash and cash equivalents at beginning of period	69,109	58,897
Cash and cash equivalents at end of period	$ 76,037	$ 55,247

See accompanying notes.

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements
September 30, 2000
(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- and nine-month periods ended September 30, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000. 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, 1999, contained in the Company's annual report filed on Form 10-K (File No. 0-18277) with the Securities and Exchange Commission.

2. Net Income per Share

The following table sets forth the computation of basic and diluted income per share for the three and nine months ended September 30 (in thousands, except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Numerator:				
Net Income	$10,039	$ 5,558	$25,370	$13,391
Denominator:				
Denominator for basic income per share-weighted average shares	42,216	41,318	42,284	41,392
Effect of dilutive securities:				
Employee stock options	1,219	1,054	1,016	759
Denominator for diluted income per share-adjusted weighted-average shares and assumed conversions	43,435	42,372	43,300	42,151
Basic income per share	$ 0.24	$ 0.13	$ 0.60	$ 0.32
Diluted income per share	$ 0.23	$ 0.13	$ 0.59	$ 0.32

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements
September 30, 2000
(Continued)

3. Inventories

Inventories are valued at the lower of cost (determined using the first-in, first-out method) or market. Inventories were as follows as of September 30, 2000 and December 31, 1999 (in thousands):

	September 30, 2000	December 31, 1999
Raw materials	$28,038	$22,924
Work-in-process	7,497	4,957
Finished goods	6,516	5,479
	$42,051	$33,360

4. Comprehensive Income

Total comprehensive income was $9,931,000 and $25,010,000 for the three and nine months ended September 30, 2000 and $6,336,000 and $13,659,000 for the three and nine months ended September 30, 1999. Other comprehensive income consisted of adjustments for foreign currency translation gains in the amounts of $108,000 and $360,000 for the three and nine months ended September 30, 2000.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2000

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. The words "believes," "expects," "anticipates," "intend," "estimate," "plan," "assumes," and other similar expressions identify forward-looking statements. 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, 1999. 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 -- Second-Generation Automated Manufacturing Line," "--Competition," "--Patents," "--Licensing," and "--Risk Factors," and under Item 7 -- "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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 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.

Results of Operations

Three months ended September 30, 2000 compared to three months ended September 30, 1999

Net revenues for the third quarter of 2000 were $67,851,000, an increase of $18,478,000 (37.4%) as compared to $49,373,000 for the same period a year ago. The growth in net revenues resulted primarily from a net increase of unit shipments of standard and custom products of approximately $19,762,000 due to increases in demand for first and second generation products.

Gross margin increased $8,659,000 (40.5%) to $30,030,000 from $21,371,000, and increased as a percentage of net revenues from 43.3% to 44.3%. The primary component of the increase in gross margin dollars and percentage was due to an increase in net revenues.

Selling, general and administrative expenses were $11,155,000 for the period, an increase of $2,103,000 (23.2%) over the same period in 1999. As a percentage of net revenues, selling, general and administrative expenses decreased to 16.4% from 18.3%. The principal components of the $2,103,000 increase were $662,000 (21.1%) of increased compensation expense, $566,000 (44.5%) of increased sales commission expense, $319,000 (233.3%) of increased legal expense and $285,000 of payroll tax expense associated with the exercise of stock options.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2000
(continued)

Research and development expenses increased $29,000 (0.6%) to $4,962,000 and decreased as a percentage of net revenues to 7.3% from 10.0%. The principal components of the $29,000 increase were $238,000 (9.3%) of increased compensation expense and $61,000 (25.4%) of increased research and development costs associated with the operations of the Vicor Integrated Architects (VIA), offset by $335,000 (40.0%) of decreased project materials costs.

Other income decreased $45,000 (5.7%) from the same period a year ago to $743,000. Other income is primarily comprised of interest income derived from invested cash and cash equivalents, as well as a note receivable associated with the Company's real estate transaction. Other income decreased due to the write-down of $390,000 for certain equipment no longer in use, offset by an increase in interest income due to an increase in cash and cash equivalent balances and an increase in average interest rates.

Income before income taxes was $14,656,000, an increase of $6,482,000 (79.3%) compared to the same period in 1999. As a percentage of net revenues, income before income taxes increased to 21.6% from 16.6% primarily due to the gross margin increase generated by the increased net revenues, combined with a decrease in operating expenses as a percentage of net revenues.

The effective tax rate for the third quarter of 2000 was 31.5%, compared to 32.0% for the same period in 1999.

Net income per share (diluted) was $.23 for the third quarter of 2000, compared to $.13 for the third quarter of 1999, an increase of $.10.

Nine months ended September 30, 2000 compared to nine months ended September 30, 1999

Net revenues for the first nine months of 2000 were $188,415,000, an increase of $52,270,000 (38.4%) as compared to $136,145,000 for the same period a year ago. The growth in net revenues resulted primarily from a net increase of unit shipments of standard and custom products of approximately $58,091,000 offset by a decrease in license revenue of $5,821,000. The decrease in license revenues was primarily due to non-recurring payments from licensees for past use of Vicor's intellectual property in 1999.

Gross margin increased $23,093,000 (39.2%) to $81,953,000 from $58,860,000 and increased as a percentage of net revenues from 43.2% to 43.5%. The primary components of the increase in gross margin dollars and percentage was the increase in net revenues, partially offset by changes in the revenue mix.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2000
(continued)

Selling, general and administrative expenses were $32,035,000 for the period, an increase of $5,540,000 (20.9%) over the same period in 1999. As a percentage of net revenues, selling, general and administrative expenses decreased to 17.0% from 19.5%. The principal components of the $5,540,000 increase were $1,594,000 (47.6%) increase in sales commission costs, $1,311,000 (13.8%) increase in compensation expense, $664,000 (39.1%) in increased advertising costs and $619,000 of payroll tax expense associated with the exercise of stock options.

Research and development expenses increased $628,000 (4.2%) to $15,581,000 and decreased as a percentage of net revenues to 8.3% from 11.0%. The principal component of the $628,000 increase was $1,208,000 (16.2%) of increased compensation expense, offset by a $723,000 (26.1%) decrease in project material costs.

Other income increased $416,000 (18.2%) from the same period a year ago, to $2,698,000. Other income is primarily comprised of interest income derived from invested cash and cash equivalents as well as from a note receivable associated with the Company's real estate transaction. Other income increased primarily due to an increase in interest income due to an increase in cash and cash equivalent balances and an increase in average interest rates, partially offset by write-downs of $550,000 for certain equipment no longer in use.

Income before income taxes was $37,035,000, an increase of $17,341,000 (88.1%) compared to the same period in 1999. As a percentage of net revenues, income before income taxes increased from 14.5% to 19.7% primarily due to the gross margin increase generated by the increased net revenues.

The effective tax rate for the nine months ended September 30, 2000 was 31.5%, compared to 32.0% for the same period in 1999.

Net income per share (diluted) was $.59 for the nine months ended September 30, 2000, compared to $.32 for the same period in 1999, an increase of $.27.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 2000
(continued)

Liquidity and Capital Resources

At September 30, 2000 the Company had $76,037,000 in cash and cash equivalents. The ratio of current assets to current liabilities was 6.6:1 compared to 7.5:1 at December 31, 1999. Working capital increased $20,719,000, from $123,017,000 at December 31, 1999 to $143,736,000 at September 30, 2000. The primary factors affecting the working capital increase were an increase in cash of $6,928,000 and accounts receivable and inventories of $20,467,000 offset by an increase in current liabilities of $6,804,000. The primary sources of cash were $30,390,000 from operating activities and $7,549,000 from the issuance of Common Stock upon the exercise of stock options. The primary uses of cash for the nine months of 2000 were for the acquisition of treasury stock of $19,646,000 and additions to property and equipment of $11,932,000.

The Company plans to make continuing investments in manufacturing equipment, much of which is built internally, particularly for the Company's second generation products. The internal construction of manufacturing machinery, in order to provide for additional manufacturing capacity, is a practice which the Company expects to continue over the next several years.

In February 2000, the Board of Directors of the Company authorized the repurchase of up to $30,000,000 of the Company's Common Stock, of which approximately $13,500,000 remains available as of September 30, 2000. The plan authorizes 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. During the nine month period ended September 30, 2000, the Company spent $19,646,000 for the repurchase of its Common Stock under the current and a prior plan.

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 September 30, 2000, the Company had approximately $1,700,000 of capital expenditure commitments.

The Company does not consider the impact of inflation and changing prices on its business activities or fluctuations in the exchange rates for foreign currency transactions to have been significant during the last three fiscal years.

VICOR CORPORATION
September 30, 2000

ITEM 3 - Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to a variety of market risks, including changes in interest rates affecting the return on its cash and cash equivalents and fluctuations in foreign currency exchange rates. The Company's exposure to market risk for a change in interest rates relates primarily to the Company's cash and cash equivalents.

As the Company's cash and cash equivalents consist principally of money market securities, which are short-term in nature, the Company's exposure to market risk on interest rate fluctuations is not significant. Substantially all of the Company's international sales are priced in U.S. dollars. As a result, the Company's exposure to market risk for fluctuations in foreign currency exchange rates relates primarily to the operations of Vicor Japan Company, Ltd. ("VJCL"). The Company believes that this market risk is currently not material due to the relatively small size of VJCL's operations.

VICOR CORPORATION

Part II - Other Information
September 30, 2000

Item 1 - Legal Proceedings

The Company is involved in 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. Exhibits - 27.1 Financial Data Schedule
b. 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: November 9, 2000 By: /s/ Patrizio Vinciarelli

Patrizio Vinciarelli
President and Chairman
of the Board

Date: November 9, 2000 By: /s/ Mark A. Glazer

Mark A. Glazer
Chief Financial Officer

5
1,000

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
76,037
0
44,241
0
42,051
169,397
187,432
79,568
293,607
25,661
0
0
0
485
261,946
293,607
67,851
67,851
37,821
37,821
0
0
0
14,656
4,617
0
0
0
0
10,039
.24
.23