

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: July 24, 2006
(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 July 24, 2006, Vicor Corporation issued a press release announcing its financial results for the second quarter of 2006. 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 July 24, 2006](#)

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: July 24, 2006

VICOR CORPORATION

By: /s/ Mark A. Glazer
Mark A. Glazer
Chief Financial Officer

Exhibit Index

Exhibit No.

99.1

Description

Press Release of Vicor Corporation dated July 24, 2006

Vicor Corporation Financial Results for the Second Quarter Ended June 30, 2006

ANDOVER, MA -- 07/24/2006 -- Vicor Corporation (NASDAQ: VICR) today reported its financial results for the second quarter ended June 30, 2006.

Revenues for the quarter increased 10.4% to \$49,210,000 compared to \$44,579,000 for the corresponding period a year ago. Net income for Q2 was \$2,874,000, or \$.07 per diluted share compared to net income of \$89,000, or \$.00 per diluted share, in Q2 2005.

For the six months ended June 30, 2006 revenues increased to \$97,082,000 from \$87,759,000 for the same period of 2005. The Company reported net income for the period of \$5,950,000, or \$.14 per diluted share compared to net income of \$128,000 or \$.00 per diluted share in 2005.

Gross margin improved to 42.9% in Q2 2006 from 34.9% in Q2 2005. The book-to-bill ratio for Q2 2006 was 0.86:1 as compared to 1.17:1 in Q1 2006. Backlog at the end of Q2 2006 was \$39.4 million as compared to \$38.6 million at the end of 2005.

In Q2 2006, the Company recorded \$172,000 for expensing stock-based compensation in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004) (FAS 123R).

Commenting on the second quarter, Vicor's CEO Patrizio Vinciarelli noted: "Demand slowed in Q2. Several significant orders due to be booked in Q2 were delayed and the base level business, consisting of smaller accounts and orders, also suffered from lackluster performance. This caused a disappointing book-to-bill ratio and shipment levels that were short of our expectations."

Vinciarelli went on to say: "While customers are saying that their orders have only slipped by a few months, there is no denying that the level of economic activity and capital equipment spending has deteriorated. Given a highly volatile environment, time will tell if the sudden change of climate reflects a brief inventory correction or a more protracted slowdown."

"Aside from delayed orders, Q2 was also characterized by margins falling short of our expectations due to product mix. Subject to increasing demand, we expect planned productivity improvements to support a resumption of incremental quarterly expansion in margins and overall profitability. Given the potential that is enabled by our technology, we are continuing to invest in products and capacity for V-I Chip and Picor while also exploring new opportunities that will leverage Vicor's traditional products and channels."

Depreciation and amortization in Q2 was \$3.3 million and capital additions were \$1.4 million. For the first six months of 2006 depreciation and amortization was \$7.3 million and capital additions were \$3.0 million. This compares to \$8.7 million and \$2.6 million, respectively for the first six months of 2005. Cash and short and long-term investments increased by approximately \$3.3 million in Q2, to \$125.6 million from \$122.3 million at the end of Q1 2006. During the quarter the Company repurchased 168,200 shares, for approximately \$2.9 million. During the first six months of 2006 the Company has repurchased 287,700 shares, for approximately \$4.9 million. At the end of Q2 2006 there was approximately \$14.5 million remaining in the authorized stock buy-back plan.

In 2006, the tax provision is based on an estimated effective tax rate for 2006. In 2005, the tax provision included estimated income taxes for federal and state taxes for certain minority-owned subsidiaries that are not part of the Company's consolidated income tax returns, for the Federal alternative minimum tax and for estimated income taxes due in various state and international taxing jurisdictions.

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, July 24, 2006 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 62838632. 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 7, 2006. The replay dial-in number is 888-286-8010 and the Passcode is 34291555. 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. 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 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 build our business units, and to successfully leverage the V-I Chips in standard products to promote market acceptance of Factorized Power, factors impacting the company's various end markets, including Consumer Electronics, Communications, Information Technology and Automotive, 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)		SIX MONTHS ENDED (Unaudited)	
	JUNE 30, 2006	JUNE 30, 2005	JUNE 30, 2006	JUNE 30, 2005
Net revenues	\$ 49,210	\$ 44,579	\$ 97,082	\$ 87,759
Cost of revenues	28,101	29,000	54,871	55,135
Gross margin	21,109	15,579	42,211	32,624
	Operating expenses:			
Sales & administration	11,657	10,137	22,571	20,241
Research & development	8,028	7,380	15,570	14,476
Gain from litigation-related settlement, net	0	(2,250)	0	(2,250)
Total operating expenses	19,685	15,267	38,141	32,467
Income from operations	1,424	312	4,070	157
Other income (expense), net	1,409	183	2,469	677
Income before income taxes	2,833	495	6,539	834
(Benefit) provision for income taxes	(41)	406	589	706
Net income	\$ 2,874	\$ 89	\$ 5,950	\$ 128
	Net income per share:			
Basic	\$ 0.07	\$ 0.00	\$ 0.14	\$ 0.00
Diluted	\$ 0.07	\$ 0.00	\$ 0.14	\$ 0.00
	Shares outstanding:			
Basic	42,144	41,795	42,046	41,888
Diluted	42,482	41,938	42,433	42,027

VICOR CORPORATION

CONSOLIDATED BALANCE SHEET
(Thousands)

	JUNE 30, 2006 (Unaudited)	DEC 31, 2005 (Unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 30,348	\$ 34,024
Short-term investments	95,214	88,692
Accounts receivable, net	30,288	28,072
Inventories, net	19,924	17,168
Deferred tax assets	2,673	2,673
Other current assets	2,945	2,518
Total current assets	181,392	173,147
Long-term investments	0	3,348

Property and equipment, net	55,207	59,114
Other assets	8,416	10,146
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	\$ 245,015	\$ 245,755
	=====	=====

Liabilities and Stockholders' Equity

	Current liabilities:	
Accounts payable	\$ 8,372	\$ 8,741
Accrued compensation and benefits	5,719	4,583
Other accrued liabilities	11,882	9,438
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Total current liabilities	25,973	22,762
Deferred income taxes	3,258	3,172
Minority interests	3,335	3,031
	Stockholders' equity:	
Capital stock	158,055	152,122
Retained earnings	170,270	175,660
Treasury stock	(115,876)	(110,992)
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Total stockholders' equity	212,449	216,790
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	\$ 245,015	\$ 245,755
	=====	=====

For further information contact:

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