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, 1999

--- 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, 1999.

Common Stock, $.01 par value ----------------29,169,635
Class B Common Stock, $.01 par value -----------12,074,235

VICOR CORPORATION

INDEX TO FORM 10-Q

VICOR CORPORATION

Condensed Consolidated Balance Sheet
(In thousands)
(Unaudited)

	September 30, 1999	December 31, 1998
Assets		
Current assets:		
Cash and cash equivalents	$ 55,247	$ 58,897
Accounts receivable, net	30,270	28,245
Inventories, net	29,468	29,470
Other current assets	5,138	5,071
Total current assets	120,123	121,683
Property, plant and equipment, net	109,409	111,074
Notes receivable	9,115	9,091
Other assets	9,759	7,703
	$ 248,406	$ 249,551
Liabilities and Stockholders' Equity		
Current liabilities:		
Amounts due for assets acquired	$ 5,333	$ 16,000
Accounts payable	10,259	9,919
Accrued liabilities	13,685	11,170
Total current liabilities	29,277	37,089
Deferred income taxes	3,203	3,203
Stockholders' equity:		
Preferred Stock	--	--
Class B Common Stock	121	121
Common Stock	344	342
Additional paid-in capital	101,825	100,255
Retained earnings	180,282	166,891
Accumulated other comprehensive income	617	349
Treasury stock, at cost	(67,263)	(58,699)
Total stockholders' equity	215,926	209,259
	$ 248,406	$ 249,551

Note: The balance sheet at December 31, 1998 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, 1999	Three Months Ended September 30, 1998	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
Net revenues:				
Product	$ 45,660	$ 37,816	$122,502	$119,808
License	3,713	1,502	13,643	4,420
	49,373	39,318	136,145	124,228
Costs and expenses:				
Cost of revenue	28,002	22,085	77,285	67,408
Selling, general and administrative	9,052	9,057	26,495	25,950
Research and development	4,933	4,901	14,953	15,595
	41,987	36,043	118,733	108,953
Income from operations	7,386	3,275	17,412	15,275
Other income	788	1,070	2,282	3,792
Income before income taxes	8,174	4,345	19,694	19,067
Provision for income taxes	2,616	1,303	6,303	6,455
Net income	$ 5,558	$ 3,042	$ 13,391	$ 12,612
Net income per common share:				
Basic	$ 0.13	$ 0.07	$ 0.32	$ 0.30
Diluted	$ 0.13	$ 0.07	$ 0.32	$ 0.29
Shares used to compute net income per share:				
Basic	41,318	41,999	41,392	42,480
Diluted	42,372	42,358	42,151	43,025

See accompanying notes.

VICOR CORPORATION

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

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998
Operating activities:		
Net income	$ 13,391	$ 12,612
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	11,266	8,362
(Gain)loss on disposal of equipment	101	(22)
Change in current assets and liabilities, net	(9,796)	3,116
Net cash provided by operating activities	14,962	24,068
Investing activities:		
Additions to property, plant and equipment	(10,572)	(29,101)
Proceeds from sale of equipment	17	41
Increase in notes receivable	(24)	(13)
Assets acquired	--	1,850
Increase in other assets	(1,183)	(4,778)
Net cash used in investing activities	(11,762)	(32,001)
Financing activities:		
Tax benefit relating to stock option plans	330	683
Proceeds from issuance of Common Stock	1,242	1,523
Acquisitions of treasury stock	(8,564)	(15,887)
Net cash used in financing activities	(6,992)	(13,681)
Effect of foreign exchange rates on cash	142	(4)
Net decrease in cash and cash equivalents	(3,650)	(21,618)
Cash and cash equivalents at beginning of period	58,897	84,859
Cash and cash equivalents at end of period	$ 55,247	$ 63,241
Supplemental disclosure		
Liabilities assumed related to acquisition	--	16,000

See accompanying notes.

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements
September 30, 1999
(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- months periods ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ended December 31, 1999. 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, 1998, 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,	
	1999	1998	1999	1998
Numerator:				
Net Income	$ 5,558	$ 3,042	$13,391	$12,612
Denominator:				
Denominator for basic income per share-weighted average shares	41,318	41,999	41,392	42,480
Effect of dilutive securities:				
Employee stock options	1,054	359	759	545
Denominator for diluted income per share-adjusted weighted-average shares and assumed conversions	42,372	42,358	42,151	43,025
Basic income per share	$ 0.13	$ 0.07	$ 0.32	$ 0.30
Diluted income per share	$ 0.13	$ 0.07	$ 0.32	$ 0.29

VICOR CORPORATION

Notes to Condensed Consolidated Financial Statements
September 30, 1999
(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, 1999 and December 31, 1998 (in thousands):

	September 30, 1999	December 31, 1998
Raw materials	$17,764	$19,084
Work-in-process	6,261	4,334
Finished goods	5,443	6,052
	$29,468	$29,470

4. COMPREHENSIVE INCOME

Total comprehensive income was $6,336,000 and $13,659,000 for the three and nine months ended September 30, 1999 and $3,038,000 and $12,608,000 for the three and nine months ended September 30, 1998. Other comprehensive income consisted of adjustments for foreign currency translation gains in the amounts of $778,000 and $268,000 for the three and nine months ended September 30, 1999.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 1999

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, 1998. 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," and "--Licensing," and under Item 7 -- "Management's Discussion and Analysis of Financial Condition and Results of Operations."

RESULTS OF OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 1998

Net revenues for the third quarter of 1999 were $49,373,000, an increase of $10,055,000 (25.6%) as compared to $39,318,000 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 $7,900,000 and an increase in license revenue of approximately $2,200,000.

Gross margin increased $4,138,000 (24.0%) to $21,371,000 from $17,233,000, and decreased as a percentage of net revenues from 43.8% to 43.3%. The primary component of the increase in gross margin dollars was due to an increase in net revenues. The primary components of the decrease in the gross margin percentage were due to additional provisions for inventory reserves for potential obsolescence of raw materials and an increase in the depreciation on the second-generation automated production line, which were offset by the increase in net revenues.

Selling, general and administrative expenses were $9,052,000 for the period, a decrease of $5,000 (0.1%) over the same period in 1998. As a percentage of net revenues, selling, general and administrative expenses decreased to 18.3% from 23.0%. The principal component of the $5,000 decrease was $1,067,000 (88.6%) of decreased legal expense. The third quarter of 1998 included approximately $700,000 of legal costs incurred in connection with intellectual property litigation. The principal components offsetting the above decrease were $299,000 (51.9%) of increased expenses incurred by Vicor Japan Company Ltd. ("VJCL"), $215,000 (20.3%) of increased sales commission costs, $210,000 (44.8%) of increased depreciation and amortization expense, $158,000 (285.9%) of increased costs related to tax studies and $132,000 (64.3%) of increased facility costs.

Research and development expenses increased $32,000 (0.7%) to $4,933,000 and decreased as a percentage of net revenues to 10.0% from 12.5%. The principal components of the $32,000 increase were $537,000 (179.6%) of increased project materials costs and $95,000 (65.6%) of increased research and development costs associated with the operations of the Vicor Integrated Architects (VIA). The principal component offsetting the above increases was $598,000 (18.9%) of decreased compensation expense in the research and development departments due to these departments transitioning from research and development to manufacturing cost centers. These cost centers are charged to cost of sales and are primarily related to the second-generation automated production line.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 1999
(continued)

Other income decreased $282,000 (26.4%) from the same period a year ago to $788,000. 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. Interest income decreased primarily due to a decrease in cash and cash equivalent balances.

Income before income taxes was $8,174,000, an increase of $3,829,000 (88.1%) compared to the same period in 1998. As a percentage of net revenues, income before income taxes increased to 16.6% from 11.1% primarily due to an increase in net revenues.

The effective tax rate for the third quarter of 1999 was 32%, compared to 30% for the same period in 1998.

Net income per share (diluted) was $.13 for the third quarter of 1999, compared to $.07 for the third quarter of 1998, an increase of $.06 (85.7%).

NINE MONTHS ENDED SEPTEMBER 30, 1999 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1998

Net revenues for the first nine months of 1999 were $136,145,000, an increase of $11,917,000 (9.6%) as compared to $124,228,000 for the same period a year ago. The growth in net revenues resulted primarily from an increase in license revenue of approximately $9,200,000 and a net increase of unit shipments of standard and custom products of approximately $3,100,000. The increase in license revenue was primarily due to non-recurring payments from licensees for past use of Vicor's intellectual property litigation.

Gross margin increased $2,040,000 (3.6%) to $58,860,000 from $56,820,000, and decreased as a percentage of net revenues from 45.7% to 43.2%. The primary components of the increase in gross margin dollars were attributable to an increase in net revenues and changes in the revenue mix. The primary components of the decrease in gross margin percentage were attributable to the increase in depreciation on the second-generation automated production line for the first nine months of 1999 of approximately $1,800,000 as compared to the same period a year ago, changes in the revenue mix and to a non-recurring charge of $700,000 in the first quarter of 1999 for exit costs in connection with the relocation of certain manufacturing operations from a leased facility to the Company's owned manufacturing facility at Federal Street in Andover, Massachusetts. The gross margins for the remainder of 1999 may be negatively impacted by the depreciation of the second-generation automated production line until higher production volumes and higher yield levels are attained.

Selling, general and administrative expenses were $26,495,000 for the period, an increase of $545,000 (2.1%) over the same period in 1998. As a percentage of net revenues, selling, general and administrative expenses decreased to 19.5% from 20.9%. The principal components of the $545,000 increase were $1,957,000 (339.2%) of expenses incurred by VJCL, which began operations in July 1998, $549,000 (91.0%) of increased facility costs and $503,000 (37.4%) of increased depreciation and amortization expense. The principal components offsetting the above increases were a decrease of $945,000 (35.8%) in advertising costs, $608,000 (37.7%) of decreased legal expense, $368,000 (3.8%) of decreased compensation expense, $317,000 (23.8%) of decreased consulting fees for the implementation of the Enterprise Resource Planning ("ERP") system and $244,000 (6.8%) of decreased sales commission costs.

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 1999
(continued)

Research and development expenses decreased $642,000 (4.1%) to $14,953,000 and decreased as a percentage of net revenues to 11.0% from 12.6%. The principal component of the $642,000 decrease was $2,111,000 (22.1%) of decreased compensation expense in the research and development departments due to these departments transitioning from research and development to manufacturing cost centers. These cost centers are charged to cost of sales and are primarily related to the second generation automated production line. The principle components offsetting the above decrease were $621,000 (212.8%) of increased research and development expense associated with the operations of VJCL and $583,000 (26.7%) of increased project material costs.

Other income decreased $1,510,000 (39.8%) from the same period a year ago, to $2,282,000. 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. Interest income decreased primarily due to a decrease in cash and cash equivalent balances and a decrease in average interest rates.

Income before income taxes was $19,694,000, an increase of $627,000 (3.3%) compared to the same period in 1998. As a percentage of net revenues, income before income taxes decreased from 15.3.% to 14.5% primarily due to the decrease in other income as discussed above partially offset by the increase in gross margins.

The effective tax rate for the nine months ended September 30, 1999 was 32%, compared to 33.9% for the same period in 1998.

Net income per share (diluted) was $.32 for the nine months ended September 30, 1999, compared to $.29 for the same period in 1998, an increase of $.03 (10.3%).

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1999 the Company had $55,247,000 in cash and cash equivalents. The ratio of current assets to current liabilities was 4.1:1 compared to 3.3:1 at December 31, 1998. Working capital increased $6,252,000, from $84,594,000 at December 31, 1998 to $90,846,000 at September 30, 1999. The primary factors affecting the working capital increase were a decrease in current liabilities of $7,812,000 and an increase in accounts receivable of $2,025,000, offset by a decrease in cash of $3,650,000. The primary uses of cash for the nine months of 1999 were for additions to property and equipment of $10,572,000 and the acquisition of treasury stock of $8,564,000, offset by cash provided by operating activities of $14,962,000.

The Company plans to make continuing investments in manufacturing equipment, much of which is built internally. 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.

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 September 30, 1999, the Company had approximately $470,000 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

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 1999
(continued)

YEAR 2000 READINESS DISCLOSURE

The statements in the following section include "Year 2000 readiness disclosure" within the meaning of the Year 2000 Information and Readiness Disclosure Act of 1998.

Vicor has formed an internal Year 2000 compliance team to evaluate its internal facilities, engineering and manufacturing processes, and business information systems with respect to Year 2000 compliance. The evaluation has included both Information Technology ("IT") systems and non-IT systems, and the products and systems of the Company's significant suppliers. The Company has initiated formal communications with all of its significant suppliers and large customers to determine the extent to which the Company is vulnerable to those third parties' failures to remediate their Year 2000 issues. The Company does not believe that it has any exposure to contingencies related to the Year 2000 issue for the products it has sold.

The compliance team is using the following phased approach to Year 2000 readiness: internal inventory, vendor questionnaires, assessment, planning (which involves establishing timetables and cost estimates), remediation, testing and implementation. The internal inventories for both IT and non-IT systems have been completed. Vendor questionnaires for both IT and non-IT systems have been circulated and responses have been received and reviewed. Vicor is continuing to work closely with its critical vendors to ensure compliance. The remediation, testing and implementation phases were completed for Vicor's business systems during the second quarter of 1999 as planned. The remediation, testing and implementation phases for non-IT systems were substantially completed in the third quarter of 1999. Final implementation for certain mission critical processes will be completed in the fourth quarter of 1999.

Vicor's current primary business information system was known to be non-compliant and a vendor was selected to assist the Company in bringing this system into compliance. The system was brought into compliance and tested during the first quarter of 1999, and was placed into production in the second quarter, as planned. In addition, the Company is proceeding with the phased installation of a new Enterprise Resource Planning (ERP) system which will replace the upgraded, Year 2000 compliant primary business information system. The installation of the Year 2000 compliant ERP system is not necessary for the Company to achieve Year 2000 compliance with respect to its business information system and such ERP system will not be fully installed by December 31, 1999. Phases of this installation have been delayed due to other Year 2000 compliance efforts.

The total external cost of the Year 2000 project is estimated to be $6.0 million, of which a significant portion is for the new ERP system. Internal costs are not considered to be incremental, and are therefore not included in the amount. Of the total project cost, approximately $3.2 million will be capitalized for the purchase of new software and hardware enhancements. The balance of $2.8 million will be expensed as incurred through January 1, 2001 and is not expected to have a material effect on the Company's results of operations. All of these costs incurred after January 1, 2000 will be related only to the new ERP system. Through September 30, 1999, the Company has incurred approximately $3.1 million ($1.2 million expensed and $1.9 million capitalized), of which approximately $506,000 was incurred in the first nine months of 1999 ($174,000 expensed and $332,000 capitalized).

VICOR CORPORATION

Management's Discussion and Analysis of
Financial Condition and Results of Operations
September 30, 1999
(continued)

The Company presently believes that the Year 2000 issue will not pose significant operational problems. However, the future Year 2000 compliance within Vicor is dependent on certain key personnel, and on vendors' equipment and internal systems. Therefore, unresolved Year 2000 issues remain a possibility. As a result, Year 2000 issues could have a significant impact on the Company's operations and its financial results if modifications cannot be completed on a timely basis, unforeseen needs or problems arise, or if systems operated by third parties (including municipalities and utilities) are not Year 2000 compliant. The Company currently believes that its most reasonably likely worst case Year 2000 scenario would relate to failures with external infrastructures such as utilities, telecommunications and transportation systems, over which the Company has limited or no control. The Company has not analyzed the potential consequences to the results of operations, liquidity and financial condition of such a scenario. At present, the Company believes that it understands and has resources to remediate any remaining Year 2000 issues. While the Company does not currently have a formal contingency plan, it will continue to consider the need for such a plan as it evaluates the final implementation phases scheduled to be completed during the fourth quarter of 1999.

The estimates and conclusions set forth herein regarding Year 2000 compliance contain forward-looking statements and are based on management's estimates of future events and information provided by third parties. There can be no assurance that such estimates and information will prove to be accurate. All forward-looking statements involve a number of risks and uncertainties that could cause the actual results to differ materially from the projected results. Risks to completing the Year 2000 project include the availability of resources, certain key personnel, the Company's ability to discover and correct potential Year 2000 problems and the ability of suppliers and other third parties to bring their systems into Year 2000 compliance.

VICOR CORPORATION

Part II - Other Information
September 30, 1999

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 12, 1999	By: /s/ Patrizio Vinciarelli Patrizio Vinciarelli President and Chairman of the Board
Date: November 12, 1999	By: /s/ Mark A. Glazer Mark A. Glazer Chief Financial Officer

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VICOR CORPORATION
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U.S. DOLLARS

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SEP-30-1999
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