

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 29, 1996

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-5560  
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ALPHA INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of  
incorporation or organization)

04-2302115

(I.R.S. Employer  
Identification No.)

20 SYLVAN ROAD, WOBURN, MASSACHUSETTS  
(Address of principal executive offices)

01801  
(Zip Code)

Registrant's telephone number, including  
area code:

(617) 935-5150

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  No \_\_\_\_\_  
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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS

OUTSTANDING AT JANUARY 26, 1997

COMMON STOCK, PAR VALUE \$.25 PER SHARE

9,939,886

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STATEMENT OF FAIR PRESENTATION

The financial information included herein is unaudited. In addition, the financial information does not include all disclosures required under generally accepted accounting principles because certain note information included in the Company's annual report to shareholders has been omitted and such information should be read in conjunction with the prior year's annual report. However, the financial information reflects all adjustments (consisting solely of normal recurring adjustments) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods. The Company considers the disclosures adequate to make the information presented not misleading.

## Alpha Industries, Inc. and Subsidiaries

## CONSOLIDATED BALANCE SHEETS

(In thousands except share and per share amounts)

	DEC. 29, 1996 (UNAUDITED)	MARCH 31, 1996 (AUDITED)
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents at cost.....	\$ 2,000	\$11,326
Short-term investments (approximates market).....	3,046	4,143
Accounts receivable.....	17,431	17,688
Inventories (Note 1).....	12,545	12,015
Prepayments and other current assets.....	984	1,379
Total current assets.....	36,006	46,551
Property, plant and equipment, less accumulated depreciation and amortization of \$54,285 and \$49,908.....	29,952	28,136
Other assets.....	609	736
	\$66,567	\$75,423
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Current maturities of long-term debt.....	\$ 1,954	\$ 332
Current maturities of capital lease obligations.....	357	443
Accounts payable.....	4,240	7,075
Payroll and related expenses.....	4,768	4,898
Other accrued liabilities.....	1,382	1,156
Total current liabilities.....	12,701	13,904
Long-term debt.....	4,099	2,565
Long-term capital lease obligations.....	330	565
Other long-term liabilities.....	965	856
Commitments and contingencies (Note 3)		
Stockholders' equity		
Common stock par value \$.25 per share: authorized 30,000,000 shares; issued 10,112,560 and 9,938,587 shares.....	2,528	2,484
Additional paid-in capital.....	54,450	53,468
Retained earnings (accumulated deficit).....	(8,171)	2,056
Less - Treasury shares 176,194 and 249,052 shares at cost.....	109	321
Unearned compensation-restricted stock.....	226	154
Total stockholders' equity.....	48,472	57,533
	\$66,567	\$75,423
	=====	=====

The accompanying notes are an integral part of these financial statements.

## Alpha Industries, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)  
(In thousands except per share data)

	THIRD QUARTER ENDED		NINE MONTHS ENDED	
	DEC. 29, 1996	DEC. 31, 1995	DEC. 29, 1996	DEC. 31, 1995
Net sales.....	\$22,287	\$25,237	\$ 62,490	\$71,404
Cost of sales.....	17,046	16,684	50,638	47,572
Research and development expenses.....	2,275	2,366	7,233	6,281
Selling and administrative expenses.....	4,953	4,384	14,791	13,121
Repositioning credit.....	-	-	-	(320)
Operating income (loss).....	(1,987)	1,803	(10,172)	4,750
Interest expense.....	(183)	(211)	(430)	(652)
Interest income and other, net.....	95	98	375	175
Income (loss) before income taxes.....	(2,075)	1,690	(10,227)	4,273
Provision for income taxes.....	-	253	-	641
Net income (loss).....	<u>\$ (2,075)</u>	<u>\$ 1,437</u>	<u>\$ (10,227)</u>	<u>\$ 3,632</u>
Net income (loss) per share.....	<u>\$ (0.21)</u>	<u>\$ 0.16</u>	<u>\$ (1.04)</u>	<u>\$ 0.43</u>
Weighted average common shares and common share equivalents (Note 2).....	<u>9,912</u>	<u>8,870</u>	<u>9,814</u>	<u>8,391</u>

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)  
(In thousands)

	NINE MONTHS ENDED	
	DEC. 29, 1996	DEC. 31, 1995
-----		
Cash flows from operating activities:		
Net income (loss).....	\$(10,227)	\$ 3,632
Adjustments to reconcile net income (loss) to net cash provided from (used for) operations:		
Depreciation and amortization of property, plant and equipment.....	4,377	3,485
Contribution of treasury shares to Savings and Retirement Plan.....	628	220
Amortization of unearned compensation - restricted stock, net.....	39	45
Repositioning credit.....	-	(320)
Increase in other liabilities and long-term benefits.....	109	139
Decrease (increase) in other assets.....	124	(349)
Change in assets and liabilities:		
Accounts receivable.....	257	(2,974)
Inventories.....	( 530)	(2,464)
Other current assets.....	395	(60)
Accounts payable.....	(2,835)	475
Other accrued liabilities and expenses.....	96	709
Repositioning reserve.....	-	(753)
	-----	-----
Net cash provided from (used for) operations.....	(7,567)	1,785
	-----	-----
Cash flows from investing activities:		
Proceeds from sale of building.....	-	2,465
Purchases of short-term investments.....	(3,521)	-
Maturities of short-term investments.....	4,618	-
Additions to property, plant and equipment.....	(6,193)	(6,592)
	-----	-----
Net cash used in investing activities.....	(5,096)	(4,127)
	-----	-----
Cash flows from financing activities:		
Proceeds from notes payable.....	3,952	624
Payments on long-term debt.....	(796)	(5,730)
Deferred charges related to long-term debt.....	3	6
Payments on capital lease obligations.....	(321)	(325)
Proceeds from sale of stock.....	39	25,350
Exercise of stock options.....	460	154
	-----	-----
Net cash (used in) provided from financing activities.....	3,337	20,079
	-----	-----
Net increase (decrease) in cash and cash equivalents.....	(9,326)	17,737
Cash and cash equivalents, beginning of period.....	11,326	3,510
	-----	-----
Cash and cash equivalents, end of period.....	\$ 2,000	\$21,247
	=====	=====
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## Supplemental Disclosures:

Capital lease obligations of \$315 thousand were incurred during the nine months ended December 31, 1995 when the Company entered into leases for new equipment.

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

NOTE 1 INVENTORIES

Inventories consist of the following (in thousands):	DEC. 29, 1996	MARCH 31, 1996
Raw materials.....	\$ 6,219	\$ 4,878
Work-in-process.....	3,935	5,830
Finished goods.....	2,391	1,307
	-----	-----
	\$ 12,545	\$ 12,015
	=====	=====

NOTE 2 EARNINGS PER SHARE

Earnings (loss) per common share for the nine months ended December 29, 1996 and December 31, 1995 were computed using the weighted average number of outstanding common shares plus common stock equivalents, if applicable, of 9,813,585 and 8,390,910 shares, respectively.

NOTE 3 COMMITMENTS AND CONTINGENCIES

The Company is party to suits and claims arising in the normal course of business. Management believes these are adequately provided for or will result in no significant additional liability to the Company.

The Company is exploring a number of alternatives to divest its European ceramics manufacturing operation and its digital radio subsystem product line. In addition, the Company is finalizing a program to resize Trans-Tech, Inc.'s (TTI) operations in Maryland to match the current order flow. This program will occur in the fourth quarter of fiscal 1997 and will involve a significant reduction in force, some consolidation of operations into TTI's main facility and an adjustment of the investment in certain products. The Company expects the costs related to these actions not to exceed \$4.9 million under the least favorable outcomes.

PART I - ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Sales for the first nine months of fiscal 1997 totaled \$62.5 million compared with sales of \$71.4 million for the same period last year. Sales for the third quarter of fiscal 1997 totaled \$22.3 million, compared with \$25.2 million for the comparable period last year. New orders received for the first nine months of fiscal 1997 were \$59.9 million compared with \$79.1 million for the same period last year. New orders received in the third quarter totaled \$24.1 million compared with \$26.6 million for the same period last year. The decrease in sales and orders for the quarter was due primarily to a shortfall of orders and sales at Trans Tech, Inc. (TTI) the Company's ceramics subsidiary in Maryland. Although order volume for TTI has increased for the third quarter over the second quarter of fiscal 1997, the rate of increase is not at the level it was for the same quarter last year. In contrast, semiconductor and MMIC new orders for the third quarter of fiscal 1997 continue to show a steady improvement quarter over quarter and are now approaching the high levels achieved in the previous year's third quarter. As a result of improved order input during the third quarter of fiscal 1997, the Company realized a 10% increase in sales over the first two quarters of fiscal 1997. Year-to-date sales and orders were impacted by slower than expected receipt of new orders for ceramic products and millimeter wave digital radio components, as well as a softening in the wireless telecommunications industry, the delayed rollout of the Personal Communication System (PCS) and by the decision to exit certain non-strategic activities.

Gross profit for the first nine months of fiscal 1997 totaled \$11.9 million compared with \$23.8 million for the comparable period last year. For the third quarter of fiscal 1997, gross profit was \$5.2 million compared with \$8.6 million for the same period last year. Overall, lower margins are the result of lower sales volumes and rising costs due to manufacturing capacity added during fiscal 1996. In addition, the Company recorded the following during the second quarter of fiscal 1997, a \$1.5 million inventory write-down resulting from shifts in demand away from certain ceramic products and a \$500 thousand loss on a particular filter order that occurred when a customer redesigned the end product, requiring the Company to scrap certain finished parts and materials and to issue credits for returned product that was no longer required by the customer.

Research and development expenses increased 15% for the first nine months of fiscal 1997 to \$7.2 million, or 12% of sales, as compared with \$6.3 million or 9% of sales for the same period last year. For the third quarter ended December 29, 1996, research and development remained relatively stable at \$2.3 million, or 10% of sales as compared to \$2.4 million or 9.4% of sales for the same quarter last year. The year-to-date increase in research and development reflects the continued investment by the Company in the GaAs MMIC product line.

Selling and administrative expenses increased 13% to \$14.8 million or 24% of sales for the first nine months of fiscal 1997, as compared with the same period last year of \$13.1 million or 18% of sales. For the third quarter ended December 29, 1996, selling and administrative expenses increased 13% to \$5.0 million, or 22% of sales, as compared to \$4.4 million or 17% of sales. The year-to-date and quarter-to-date increases in selling and administrative expenses are primarily the result of higher costs associated with sales and marketing activities directed toward expanded customer service and market penetration, continued implementation of new information systems and recruiting costs for key positions. During the first quarter of fiscal 1997, the Company also recognized severance costs related to various corporate executives.

Interest expense for the first nine months and quarter ended December 29, 1996 decreased \$222 thousand and \$28 thousand, respectively, over the comparable periods last year. Interest income for the first nine months increased \$216 thousand and decreased \$31 thousand for the quarter ended December 29, 1996, compared with the same periods last year. Funds received from the secondary stock offering that was completed during the

third quarter of fiscal 1996, were used to reduce debt and increase short-term investments, thereby resulting in decreased interest expense and increased interest income.

For the first nine months of fiscal 1997, the Company reported a net loss of \$10.2 million or \$1.04 per share compared with a net income of \$3.6 million or \$0.43 per share for the comparable period last year. For the third quarter ended, the Company reported a net loss of \$2.1 million or \$0.21 per share, compared with net income of \$1.4 million or \$0.16 per share for the comparable period last year.

The above results reflect the Company's decision to expand manufacturing capacity for GaAs MMIC and to continue investment in developmental activities directed toward the wireless communication markets during a period of reduced demand for these products. In addition, the Company's operating results were impacted by the decision to exit certain non-strategic activities in the first quarter of fiscal 1997. The Company is also exploring alternatives to divest its digital radio subsystem product line and its European ceramics manufacturing operation. Carrying costs of approximately \$800 thousand were reflected in the third quarter of fiscal 1997 relating to these activities. The Company expects the divestitures of these activities to be completed during the fourth quarter of fiscal 1997. Lastly, the Company is finalizing a program to resize TTI's operations in Maryland to match the current order flow. This program will occur in the fourth quarter of fiscal 1997 and will involve a significant reduction in force, some consolidation of operations into TTI's main facility and an adjustment of the investment in certain products. The Company expects the costs related to these actions not to exceed \$4.9 million under the least favorable outcomes. With the completion of the above actions, the quarterly revenue break-even should be reduced from \$24-\$25 million to \$21-\$22 million, and the Company expects to return to profitability in the June 1997 quarter.

#### FINANCIAL CONDITION

At December 29, 1996, working capital totaled \$23.3 million and included \$5 million in cash, cash equivalents, and short-term investments, compared with \$32.6 million of working capital at the end of fiscal 1996. Cash decreased \$9.3 million during the first nine months of fiscal 1997 as a result of a \$10.2 million loss, further investments in capital expenditures, and decreasing accounts payable. Capital expenditures were primarily for expanded automation of the semiconductor wafer fab operations, the MMIC and discrete semiconductor assembly and test areas, and for the improved manufacturing capabilities of ceramics. The Company remains committed to adding the required capacity needed to service the wireless markets as demand returns. With cash, cash equivalents and short-term investments of \$5 million and a \$7.5 million line of credit currently available, the Company believes it has adequate funds to support its current operating needs. However, with the anticipated fourth quarter charges mentioned above, the Company expects to be in default of certain financial covenants but as in the past, the Company expects to be able to renegotiate these covenants with the banks. The Company will continue to evaluate other available sources of financing, such as leases, for capital expansion of its semiconductor or MMIC operations.

Safe Harbor Statement - Except for the historical information contained herein, this Form 10-Q contains forward-looking statements that are inherently subject to risks and uncertainties. The Company's results could differ materially based on various factors, including without limitation: cancellation or deferral of customer orders, difficulties in the timely development and market acceptance of new products, market developments that vary from the current public expectations concerning the growth of wireless communications (including PCS), difficulty in divesting the above-mentioned business operations (including the possibility that the Company may be unable to structure acceptable transactions), difficulties in manufacturing new or existing products in sufficient quantity or quality, increased competitive pressures, or changes in economic conditions. Further information on factors that could affect the Company's financial results is included in the Company's periodic reports filed with the S.E.C., including the most recent Form 10-K and subsequent Form 10-Qs.

PART II - OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

The Company does not have any material pending legal proceedings other than routine litigation incidental to its business.

The Company has been notified by federal and state environmental agencies of its potential liability with respect to the Spectron, Inc. Superfund site in Elkton, Maryland. Several hundred other companies have also been notified about their potential liability regarding this site. The Company continues to deny that it has any responsibility with respect to this site other than as a de minimis

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party. Management is of the opinion that the outcome of the aforementioned environmental matter will not have a material effect on the Company's operations or financial position.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

(3) Certificate of Incorporation and By-laws.

(a) Restated Certificate of Incorporation (Filed as Exhibit 3 (a) to Registration Statement on Form S-3 (Registration No. 33-63857))\*.

(b) Amended and restated By-laws of the Corporation dated April 30, 1992 (Filed as Exhibit 3(b) to the Annual Report on Form 10-K for the year ended March 29, 1992)\*.

(4) Instruments defining rights of security holders, including indentures.

(a) Specimen Certificate of Common Stock (Filed as Exhibit 4(a) to Registration Statement on Form S-3 (Registration No. 33-63857))\*.

(b) Frederick County Industrial Development Revenue Bond, Deed of Trust, Loan Agreement and Guaranty and Indemnification Agreement dated June 17, 1982 (Filed as Exhibit 4(g) to the Registration Statement on Form S-8 filed July 29, 1982)\*. Bond and Loan Document Modification Agreement dated December 9, 1993 (Filed as Exhibit 4(c) to the Quarterly Report on Form 10-Q for the quarter ended December 26, 1993)\*.

(c) Shareholders Rights Agreement dated as of December 5, 1996 between Registrant and American Stock Transfer and Trust Company, as Rights Agent (Filed as Exhibit 1 to the Registrant's Current Report on Form 8-K dated December 6, 1996)\*.

(d) Loan and Security Agreement dated December 15, 1993 between Trans-Tech, Inc., and County Commissioners of Frederick County (Filed as Exhibit 4(h) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)\*.

(e) Stock Purchase Warrant for 50,000 shares of the Registrant's Common Stock issued to Silicon Valley Bank as of April 1, 1994 (Filed as Exhibit 4(i) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)\*.

- (f) Credit Agreement dated September 29, 1995 between Alpha Industries, Inc., and Trans-Tech Inc. and Fleet Bank of Massachusetts, N.A. and Silicon Valley Bank. (Filed as Exhibit 4(j) to the Quarterly Report on Form 10-Q for the quarter ended October 1, 1995)\* and amended and restated promissory notes dated as of October 31, 1995 (Filed as Exhibit 4(f) to the Quarterly Report on Form 10-Q for the quarter ended December 31, 1995)\*.

(10) Material Contracts.

- (a) Alpha Industries, Inc., 1986 Long-Term Incentive Plan as amended (Filed as Exhibit 10(a) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)\*. (1)
- (b) Alpha Industries, Inc., Employee Stock Purchase Plan as amended October 22, 1992 (Filed as Exhibit 10(b) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)\* and amended August 22, 1995 (Filed as Exhibit 10(b) to the Annual Report on Form 10-K for the fiscal year ended March 31, 1996)\*. (1)
- (c) SERP Trust Agreement between the Registrant and the First National Bank of Boston as Trustee dated April 8, 1991 (Filed as Exhibit 10(c) to the Annual Report on Form 10-K for the fiscal year ended March 31, 1991)\*. (1)
- (d) Digital Business Agreement between Digital Equipment Corporation and Registrant dated April 2, 1990. Master Lease Addendum (Ref. No. 6260) to Digital Business Agreement No. 3511900 between Digital Equipment Corporation and Registrant dated April 2, 1990 (Filed as Exhibit 10(g) to the Annual Report on Form 10-K for the fiscal year ended March 29, 1992)\*.
- (e) Alpha Industries, Inc., Long-Term Compensation Plan dated September 24, 1990 (Filed as Exhibit 10(i) to the Annual Report on Form 10-K for the fiscal year ended March 29, 1992)\*; amended March 28, 1991 (Filed as Exhibit 10 (a) to the Quarterly Report on Form 10-Q for the quarter ended June 27, 1993)\* and as further amended October 27, 1994 (Filed as Exhibit 10(f) to the Annual Report on Form 10-K for the fiscal year ended April 2, 1995)\*. (1)
- (f) Master Equipment Lease Agreement between AT&T Commercial Finance Corporation and the Registrant dated June 19, 1992 (Filed as Exhibit 10(j) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)\*.
- (g) Employment Agreement dated October 1, 1990 between the Registrant and Martin J. Reid, as amended March 26, 1992 and amended January 19, 1993 (Filed as Exhibit 10(k) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)\* and amended August 10, 1993 (Filed as Exhibit 10(j) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)\*. (1)
- (h) Employment Agreement dated October 1, 1990 between the Registrant and George S. Kariotis, as amended May 15, 1991 and amended January 22, 1993 (Filed as Exhibit 10(l) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)\* and amended August 10, 1993 (Filed as Exhibit 10(k) to the Quarterly Report on Form 10-Q for the quarter ended July 3, 1994)\*. (1)
- (i) Employment Agreement dated October 1, 1990 between the Registrant and Patrick Daniel Gallagher, as amended March 24, 1992 and amended by Second Amendment dated September 29, 1992 and Third Amendment dated January 20, 1993 (Filed as Exhibit 10(m) to the Annual Report on Form 10-K for the fiscal year ended March 28, 1993)\* and Fourth Amendment dated August 3, 1994 (Filed as Exhibit 10(l) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)\*. (1)

- (j) Employment Agreement dated April 28, 1994 between the Registrant and Joseph J. Alberici. (Filed as Exhibit 10(o) to the Annual Report on Form 10-K for the fiscal year ended April 3, 1994)\*; and further amended August 3, 1994 (Filed as Exhibit 10(n) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)\*. (1)
- (k) Consulting Agreement dated August 13, 1992 between the Registrant and Sidney Topol. (Filed as Exhibit 10(p) to the Annual Report on Form 10-K for the fiscal year ended April 3, 1994)\*.(1)
- (l) Employment Agreement dated August 3, 1994 between the Registrant and Thomas C. Leonard (Filed as Exhibit 10(p) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)\*. (1)
- (m) Master Lease Agreement between Comdisco, Inc. and the Registrant dated September 16, 1994 (Filed as Exhibit 10(q) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)\*.
- (n) Alpha Industries, Inc., 1994 Non-Qualified Stock Option Plan for Non-Employee Directors (Filed as Exhibit 10(r) to the Quarterly Report on Form 10-Q for the quarter ended October 2, 1994)\*. (1)
- (o) Alpha Industries Executive Compensation Plan dated January 1, 1995 and Trust for the Alpha Industries Executive Compensation Plan dated January 3, 1995 (Filed as Exhibit 10(p) to the Annual Report on Form 10-K for the fiscal year ended April 2, 1995)\*. (1)
- (p) Letter of Employment dated January 24, 1995 between the Registrant and David J. Aldrich (Filed as Exhibit 10(q) to the Annual Report on Form 10-K for the fiscal year ended April 2, 1995)\*. (1)
- (q) Alpha Industries, Inc. Savings and Retirement Plan dated March 31, 1995 (Filed as Exhibit 10(r) to the Annual Report on Form 10-K for the fiscal year ended April 2, 1995)\*. (1)
- (r) Lease Agreement between MIE Properties, Inc. and Trans-Tech, Inc. (Filed as Exhibit 10(r) to the Quarterly Report on Form 10-Q for the quarter ended September 29, 1996)\*.

(11) Statement re computation of per share earnings\*\*.

(27) Financial Data Schedule.

(b) Reports on Form 8-K

On December 6, 1996, the Company filed a Current Report on Form 8-K, concerning the adoption of a new Shareholder Rights Agreement dated as of December 5, 1996.

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\*Not filed herewith, in accordance with Rule 12b-32 promulgated pursuant to the Securities Exchange Act of 1934, as amended, reference is hereby made to documents previously filed with the Commission, which are incorporated by reference herein.

\*\*Reference is made to Note 2 of the notes to Consolidated Financial Statements on Page 6 of this Quarterly Report on Form 10-Q, which Note 2 is hereby incorporated by reference herein.

(1) Management Contracts.

SIGNATURES

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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.

Date: February 7, 1997

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Alpha Industries, Inc. and Subsidiaries

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Registrant

/s/ Thomas C. Leonard

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Thomas C. Leonard  
Chief Executive Officer  
President

/s/ Paul E. Vincent

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Paul E. Vincent  
Chief Financial Officer  
Principal Financial Officer  
Principal Accounting Officer



THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF ALPHA INDUSTRIES, INC. AND SUBSIDIARIES AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 29, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

9-MOS		
	MAR-30-1997	
	DEC-29-1996	2,000
		3,046
		18,182
		751
		12,545
	36,006	84,237
		54,285
		66,567
	12,701	
		4,429
	0	0
		2,528
		45,944
66,567		62,490
	62,490	50,638
		72,662
		(21)
		198
		76
	(10,227)	0
	(10,227)	0
		0
		0
		0
	(10,227)	
	(1.04)	
	(1.04)	