

UNITED STATES
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 September 30, 2001

Commission file number 1-5560

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: (781) 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. [X] Yes [] No

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 OCTOBER 28, 2001
----- COMMON STOCK, PAR VALUE \$.25 PER SHARE	----- 44,124,843

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CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	Sept. 30, 2001 (Unaudited)	April 1, 2001 (Audited)
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 53,172	\$ 68,802
Short-term investments (note 2)	92,356	84,982
Accounts receivable, trade, less allowance for doubtful accounts of \$1,095 and \$921	24,721	36,984
Inventories (note 3)	10,984	15,661
Prepayments and other current assets	4,751	3,169
Prepaid income taxes	8,607	735
Deferred income taxes	8,599	9,668
	-----	-----
Total current assets	203,190	220,001
	-----	-----
Property, plant and equipment, less accumulated depreciation and amortization of \$88,338 and \$78,247	124,877	114,196
Other assets	2,214	2,822
	-----	-----
Total assets	\$330,281	\$337,019
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 129	\$ 129
Accounts payable	15,582	20,820
Accrued liabilities		
Payroll and related expenses	5,109	7,283
Other accrued liabilities	2,561	3,481
	-----	-----
Total current liabilities	23,381	31,713
	-----	-----
Long-term debt, less current maturities	139	235
Other long-term liabilities	2,191	2,081
Deferred income taxes	2,742	3,812
	-----	-----
Total liabilities	28,453	37,841
	-----	-----
Commitments and contingencies (note 6)		
Stockholders' equity		
Common stock par value \$.25 per share: authorized 100,000,000 shares; issued 44,090,979 and 43,520,880 shares	11,023	10,880
Additional paid-in capital	230,133	221,147
Retained earnings	60,672	67,179
Less - Treasury shares of 208 and 26,539 at cost	--	28
	-----	-----
Total stockholders' equity	301,828	299,178
	-----	-----
Total liabilities and stockholders' equity	\$330,281	\$337,019
	=====	=====

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)

	Three Month Periods Ended		Six Month Periods Ended	
	Sept. 30, 2001	Oct. 1, 2000	Sept. 30, 2001	Oct. 1, 2000
Net sales	\$ 33,001	\$ 73,201	\$ 65,222	\$ 138,889
Cost of sales	22,358	39,454	45,783	75,604
Research and development expenses	9,906	8,814	19,709	16,709
Selling and administrative expenses	6,063	10,839	12,771	22,527
Operating (loss) income	(5,326)	14,094	(13,041)	24,049
Interest expense	(15)	(22)	(29)	(38)
Interest income and other, net	1,480	1,938	3,358	3,879
(Loss) income before income taxes	(3,861)	16,010	(9,712)	27,890
(Credit) provision for income taxes	(1,274)	5,443	(3,205)	9,482
Net (loss) income	\$ (2,587)	\$ 10,567	\$ (6,507)	\$ 18,408
Basic (loss) earnings per share	\$ (0.06)	\$ 0.25	\$ (0.15)	\$ 0.43
Diluted (loss) earnings per share	\$ (0.06)	\$ 0.24	\$ (0.15)	\$ 0.41
Shares used in computing:				
Basic (loss) earnings per share	44,037	42,867	43,819	42,765
Diluted (loss) earnings per share	44,037	44,737	43,819	44,761

The accompanying notes are an integral part of these financial statements

Alpha Industries, Inc. and Subsidiaries

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

	Six Month Periods Ended	
	Sept. 30, 2001	Oct. 1, 2000
	-----	-----
CASH PROVIDED BY OPERATIONS:		
Net (loss) income	\$ (6,507)	\$ 18,408
Adjustments to reconcile net (loss) income to net cash provided by operations:		
Depreciation and amortization of property, plant and equipment	10,265	7,159
Net gain on sale of property, plant and equipment	(12)	--
Deferred income taxes	(1)	--
Increase (decrease) in other long-term liabilities	110	(13)
Decrease (increase) in other assets	608	(113)
Changes in operating assets and liabilities:		
Accounts receivable	12,263	(16,333)
Inventories	4,677	(4,120)
Prepayments and other current assets	(9,454)	(2,540)
Accounts payable	(5,238)	(395)
Other accrued liabilities and expenses	2,124	12,180
	-----	-----
Net cash provided by operations	8,835	14,233
	-----	-----
CASH USED IN INVESTING:		
Additions to property, plant and equipment	(21,015)	(27,622)
Proceeds from sale of property, plant and equipment	81	--
Purchases of short-term investments	(79,015)	(65,486)
Maturities of short-term investments	71,641	78,689
	-----	-----
Net cash used in investing	(28,308)	(14,419)
	-----	-----
CASH PROVIDED BY (USED IN) FINANCING:		
Payments on long-term debt	(96)	(2,960)
Deferred charges related to long-term debt	--	1
Proceeds from sale of stock	366	238
Exercise of stock options and warrants	3,573	2,669
	-----	-----
Net cash provided by (used in) financing activities	3,843	(52)
	-----	-----
Net decrease in cash and cash equivalents	(15,630)	(238)
Cash and cash equivalents, beginning of period	68,802	23,219
	-----	-----
Cash and cash equivalents, end of period	\$ 53,172	\$ 22,981
	=====	=====
=====		
Supplemental cash flow disclosures:		
Cash paid for income taxes	\$ 109	\$ 1,616
	=====	=====
Cash paid for interest	\$ 25	\$ 34
	=====	=====
Supplemental disclosure of non-cash operating activities:		
Tax benefit associated with the exercise of stock options	\$ 4,358	\$ 9,331
	=====	=====
Compensation expense related to stock options	\$ 62	\$ 90
	=====	=====
Contribution of treasury shares to Savings and Retirement Plan	\$ 798	\$ 733
	=====	=====

The accompanying notes are an integral part of these financial statements

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1 BASIS OF PRESENTATION

The interim financial information included herein is unaudited. In addition, the financial information does not include all disclosures required under accounting principles generally accepted in the United States of America 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) that 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.

NOTE 2 SHORT-TERM INVESTMENTS

The Company's short-term investments are classified as held-to-maturity. These investments consist primarily of commercial paper and securities issued by various federal agencies and corporations with original maturities of more than 90 days and less than one year. Such short-term investments are carried at amortized cost, which approximates fair value, due to the short period of time to maturity. Gains and losses are included in investment income in the period they are realized.

NOTE 3 INVENTORIES

Inventories consist of the following:	Sept. 30, 2001	April 1, 2001
	-----	-----
	(in thousands)	
Raw materials.....	\$ 3,749	\$ 5,187
Work-in-process.....	5,141	7,868
Finished goods.....	2,094	2,606
	-----	-----
	\$10,984	\$15,661
	=====	=====

NOTE 4 SEGMENT INFORMATION

The Company is organized into two reportable segments as follows:

SEMICONDUCTOR PRODUCTS:

The Semiconductor Products segment designs and manufactures gallium arsenide integrated circuits, other discrete semiconductors and multi-chip modules primarily for the global wireless communications and broadband markets.

CERAMIC PRODUCTS:

The Ceramic Products segment designs and manufactures technical ceramic and magnetic products for the global wireless infrastructure and broadband markets.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

NOTE 4 SEGMENT INFORMATION (CONTINUED)

The table below presents selected financial data by business segment for the periods indicated.

	THREE MONTH PERIODS ENDED		SIX MONTH PERIODS ENDED	
	SEPT. 30, 2001	OCT. 1, 2000	SEPT. 30, 2001	OCT. 1, 2000
	(in thousands)			
NET SALES				
Semiconductor Products	\$26,809	\$60,970	\$ 52,991	\$113,930
Ceramic Products	6,192	12,231	12,231	24,959
	-----	-----	-----	-----
	\$33,001	\$73,201	\$ 65,222	\$138,889
	=====	=====	=====	=====
OPERATING (LOSS) INCOME				
Semiconductor Products	\$(5,309)	\$11,956	\$(12,305)	\$ 19,834
Ceramic Products	(17)	2,138	(736)	4,215
	-----	-----	-----	-----
	\$(5,326)	\$14,094	\$(13,041)	\$ 24,049
	=====	=====	=====	=====

	SEPT. 30, 2001	APRIL 1, 2001
	(in thousands)	
NET LONG-LIVED ASSETS		
Semiconductor Products.....	\$108,237	\$ 97,568
Ceramic Products.....	16,640	16,628
	-----	-----
	\$124,877	\$114,196
	=====	=====
TOTAL ASSETS		
Semiconductor Products.....	\$135,236	\$138,614
Ceramic Products.....	26,336	29,217
Corporate	168,709	169,188
	-----	-----
	\$330,281	\$337,019
	=====	=====

	SIX MONTH PERIODS ENDED	
	SEPT. 30, 2001	OCT. 1, 2000
	(in thousands)	
TOTAL CAPITAL EXPENDITURES		
Semiconductor Products.....	\$19,534	\$24,757
Ceramic Products.....	1,481	2,865
	-----	-----
	\$21,015	\$27,622
	=====	=====

SIGNIFICANT CUSTOMERS

During the three months ended September 30, 2001, one customer accounted for approximately 40% of the Company's total net sales. During the three months ended October 1, 2000, two customers accounted for approximately 25% and 14%, respectively, of the Company's total net sales. For the six months ended

September 30, 2001, one customer accounted for approximately 31% of the Company's total net sales. For the six months ended October 1, 2000, two customers accounted for approximately 29% and 14%, respectively, of the Company's total net sales. As of September 30, 2001 and April 1, 2001, one customer accounted for approximately 30% and 16%, respectively, of the Company's gross accounts receivable.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
(UNAUDITED)

NOTE 5 EARNINGS PER SHARE

A reconciliation of the weighted average number of shares outstanding used in the computation of the basic and diluted (loss) earnings per share for the three month and six month periods ended September 30, 2001 and October 1, 2000 is as follows:

	THREE MONTH PERIODS ENDED		SIX MONTH PERIODS ENDED	
	SEPT. 30, 2001	OCT. 1, 2000	SEPT. 30, 2001	OCT. 1, 2000
	(in thousands)			
Weighted average shares (basic).....	44,037	42,867	43,819	42,765
Effect of dilutive stock options.....	--	1,870	--	1,996
Weighted average shares (diluted).....	44,037	44,737	43,819	44,761
	=====	=====	=====	=====

For the periods ended September 30, 2001 and October 1, 2000, options to purchase approximately 6.5 million and 1.2 million shares, respectively, were outstanding but not included in the computation of diluted (loss) earnings per share because their effect would have been antidilutive.

NOTE 6 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 material additional liability to the Company.

PART I - ITEM 2

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

OVERVIEW

We design, develop, manufacture and market proprietary radio frequency, microwave frequency and millimeter wave frequency integrated circuits, discrete semiconductors and integrated modules for the wireless and broadband communications markets. We also design, develop, manufacture and market proprietary technical ceramic and magnetic products for the wireless infrastructure and broadband markets.

RESULTS OF OPERATIONS

The following table shows our statement of operations data as a percentage of sales for the periods indicated.

	THREE MONTH PERIODS ENDED		SIX MONTH PERIODS ENDED	
	SEPT. 30, 2001	OCT. 1, 2000	SEPT. 30, 2001	OCT. 1, 2000
Net sales.....	100.0%	100.0%	100.0%	100.0%
Cost of sales	67.7	53.9	70.2	54.4
Gross margin.....	32.3	46.1	29.8	45.6
Research and development expenses.....	30.0	12.0	30.2	12.0
Selling and administrative expenses.....	18.4	14.8	19.6	16.2
Operating (loss) income.....	(16.1)	19.3	(20.0)	17.3
Other income, net.....	4.4	2.6	5.1	2.8
(Loss) income before income taxes.....	(11.7)	21.9	(14.9)	20.1
(Benefit) provision for income taxes.....	(3.9)	7.4	(4.9)	6.8
Net (loss) income.....	(7.8)%	14.4%	(10.0)%	13.3%

NET SALES. Net sales decreased 54.9% to \$33.0 million for the three months ended September 30, 2001 from \$73.2 million for the same period last year. For the first six months of fiscal 2002, net sales decreased 53.0% to \$65.2 million from \$138.9 million for the first six months of fiscal 2001. Orders decreased 60.3% to \$30.7 million for the three months ended September 30, 2001, compared with \$77.3 million for the same period last year. The decline in net sales and orders continues to be the result of a downturn in the wireless handset, wireless infrastructure and broadband markets. This downturn had a significant effect on both of our business segments: Semiconductor Products and Ceramic Products. Deliveries to one customer represented approximately 40% of our total net sales for the three months ended September 30, 2001 compared to two customers, which represented approximately 25% and 14%, respectively, of our total net sales for the same period last year. Deliveries to one customer represented approximately 31% of our total net sales for the first six months of fiscal 2002 compared to two customers, which represented approximately 29% and 14%, respectively, of our total net sales for the comparable period last year.

GROSS PROFIT. Gross profit decreased 68.5% to \$10.6 million or 32.3% of net sales for the three months ended September 30, 2001 from \$33.7 million or 46.1% of net sales for the comparable period last year. For the first six months of fiscal 2002, gross profit decreased 69.3% to \$19.4 million or 29.8% of net sales compared with \$63.3 million or 45.6% of net sales for the same period last year. This decline continues to be the result of the decrease in net sales and the resulting underutilization of manufacturing capacity.

Alpha Industries, Inc. and Subsidiaries

RESEARCH AND DEVELOPMENT EXPENSES. Research and development expenses increased 12.4% to \$9.9 million or 30.0% of net sales for the three months ended September 30, 2001 from \$8.8 million or 12.0% of net sales for the comparable period last year. For the first six months of fiscal 2002, research and development expenses increased 18.0% to \$19.7 million or 30.2% of net sales from \$16.7 million or 12.0% of net sales for the comparable period last year. The increase in research and development expenses continues to be the result of our commitment to design new products and processes and address new opportunities to meet our customers' demands. This sustained effort to meet our customers' changing product requirements is highlighted by our focus on the migration from individual chips to integrated radio frequency module solutions.

During the three months ended September 30, 2001, we announced the introduction of our advanced InP-based HBT (Indium Phosphide heterojunction bipolar transistor) process for high-performance wireless and optical applications. Furthermore, we opened a design center in the Chicago suburb of Mundelein, Illinois to focus on the development of Wide Band Code Division Multiple Access (W-CDMA) and other linear power amplifier modules for next generation wireless applications.

SELLING AND ADMINISTRATIVE EXPENSES. Selling and administrative expenses decreased 44.1% to \$6.1 million or 18.4% of net sales for the three months ended September 30, 2001 from \$10.8 million or 14.8% of net sales for the comparable period last year. For the first six months of fiscal 2002, selling and administrative expenses decreased \$9.8 million to \$12.8 million or 19.6% of net sales from \$22.5 million or 16.2% of net sales for the comparable period last year. The decline in selling and administrative expenses was primarily the result of a reduction in sales commission expenses, reduced discretionary spending and a reduction in workforce.

OTHER INCOME (EXPENSE), NET. Other income, net, for the three months ended September 30, 2001 and first six months of fiscal 2002 decreased \$451,000 and \$512,000, respectively, over the comparable periods last year. These decreases were primarily attributable to a decline in interest income as a result of lower interest rates.

CREDIT FOR INCOME TAXES. The credit for income taxes has been recorded based on the current estimate of our effective tax rate of 33%. This rate differs from the statutory federal income tax rate primarily because of state and federal tax credits. The current estimate of our effective tax rate may be modified based on future operating results.

BUSINESS SEGMENTS

The table below displays net sales and operating income by business segment for the periods indicated.

	THREE MONTH PERIODS ENDED		SIX MONTH PERIODS ENDED	
	SEPT. 30, 2001	OCT. 1, 2000	SEPT. 30, 2001	OCT. 1, 2000
	(in thousands)			
NET SALES				
Semiconductor Products.....	\$26,809	\$60,970	\$ 52,991	\$113,930
Ceramic Products.....	6,192	12,231	12,231	24,959
	-----	-----	-----	-----
	\$33,001	\$73,201	\$ 65,222	\$138,889
	=====	=====	=====	=====
OPERATING (LOSS) INCOME				
Semiconductor Products.....	\$(5,309)	\$11,956	\$(12,305)	\$ 19,834
Ceramic Products.....	(17)	2,138	(736)	4,215
	-----	-----	-----	-----
	\$(5,326)	\$14,094	\$(13,041)	\$ 24,049
	=====	=====	=====	=====

SEMICONDUCTOR PRODUCTS. Net sales for the Semiconductor Products segment decreased 56.0% to \$26.8 million for the three months ended September 30, 2001 from \$61.0 million for the same period last year. For the first six months of fiscal 2002, net sales for the Semiconductor Products segment decreased 53.5% to \$53.0 million from \$113.9 million for the same period last year. The decrease was primarily attributable to a downturn in both of our targeted markets,

wireless communications and broadband.

Operating (loss) income for the Semiconductor Products segment decreased to an operating loss of \$5.3 million and \$12.3 million, respectively, for the three months ended September 30, 2001 and the first six months of fiscal 2002 compared

to operating income of \$12.0 million and \$19.8 million, respectively, for the comparable periods last year. The decline was primarily the result of lower revenue generated during the three months ended September 30, 2001 and first six months of fiscal 2002 when compared to the same periods last year.

CERAMIC PRODUCTS. Net sales for the Ceramic Products segment for the three months ended September 30, 2001 decreased 49.4% to \$6.2 million from \$12.2 million for the same period last year. For the first six months of fiscal 2002, net sales for the Ceramic Products segment decreased 51.0% to \$12.2 million from \$25.0 million for the same period last year. The decline was primarily attributable to a downturn in the wireless infrastructure and broadband markets.

Operating (loss) income for the Ceramic Products segment decreased to an operating loss of \$17,000 and \$736,000, respectively, for the three months ended September 30, 2001 and the first six months of fiscal 2002 compared to operating income of \$2.1 million and \$4.2 million, respectively, for the comparable periods last year. The decline was primarily the result of lower revenue generated during the three months ended September 30, 2001 and first six months of fiscal 2002 when compared to the same periods last year.

FINANCIAL CONDITION

At September 30, 2001, working capital totaled \$179.8 million and included \$145.5 million in cash, cash equivalents and short-term investments. Annualized inventory turns for the six months ended September 30, 2001 decreased to 8.3, compared to 9.4 for the comparable period last year. Additionally, days sales outstanding for the six months ended September 30, 2001 increased to 69 days compared to 66 days for the comparable period last year. We continued to manage our working capital during the downturn in the wireless communications and broadband markets. We reduced inventory levels and managed our investment in capital expenditures, while maintaining our commitment to investment in research and development and maintaining our manufacturing capability.

Capital expenditures for the six months ended September 30, 2001 totaled \$21.0 million. Of the \$21.0 million, approximately \$19.5 million related to the Semiconductor Products segment as we continued our investment in major capital initiatives in the semiconductor gallium arsenide (GaAs) wafer fabrication operation and the integrated circuit (IC) and discrete semiconductor assembly and test areas. We are creating a GaAs IC production line that will allow the manufacture of product on six-inch wafers. We expect to complete this project within eighteen months at an estimated cost of approximately \$30 million. Once this new six-inch wafer production line is in operation, we plan to convert our existing four-inch wafer production areas to six-inch, as future demand requires. Improvements in manufacturing capabilities at our ceramics facilities accounted for approximately \$1.5 million.

We believe that anticipated cash from operations, available funds, including the net proceeds from our fiscal 2000 stock offering, and borrowings under our revolving credit agreement, will be adequate to fund our currently planned working capital and capital expenditure requirements, at least through fiscal 2002.

OTHER MATTERS

Safe Harbor Statement - Except for the historical information contained herein, this report contains forward-looking statements that reflect our current intentions, expectations and predictions of future results, accomplishments and other matters, all of which are inherently subject to risks and uncertainties. Actual results may differ materially from those anticipated in forward-looking statements, based on various factors. Such factors include, but are not limited to: variations in projected financial results for fiscal year 2002 and the remaining quarters of fiscal year 2002, expected benefits from and timing and success of our product development efforts, our ability to generate increased dollar content per platform, successful participation in new data services such as 3G, GPRS and 2.5G, the timing and extent of recovery in the infrastructure, broadband and wireless markets, the success of our various strategic relationships, our success in penetrating new markets, cancellation or postponement of customer orders, inability to predict customer orders, the disproportionate impact of our business relationships with our larger customers, erosion of selling prices or margins, modification of our plans or intentions, and market developments, competitive pressures and changes in economic conditions that vary from our expectations. Additional information on these and other factors that may cause actual results and our performance to differ materially is included in the Company's periodic reports filed with the Securities and Exchange Commission, including but not limited to our Annual Report on Form 10-K for the year ended April 1, 2001 and subsequently filed Form 10-Q. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We do not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstance on which any such statement is based.

PART II - OTHER INFORMATION

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- (a) On September 10, 2001, Alpha Industries, Inc. held its Annual Meeting of Stockholders.
- (b) Omitted pursuant to Instruction 3 to Item 4 of Form 10-Q.
- (c) A proposal to elect Timothy R. Furey, George S. Kariotis and David J. McLachlan as Class 3 Directors to hold office for a three-year term until the 2004 Annual Meeting of Stockholders and until their successors have been duly elected and qualified was approved with the following vote: Mr. Furey 39,472,696 for and 76,608 withheld, Mr. Kariotis 39,469,832 for and 79,472 withheld and Mr. McLachlan 39,472,696 for and 76,608 withheld.

A proposal to approve the Directors' 2001 Stock Option Plan was approved with the following vote: 27,313,357 for, 12,187,024 against and 48,923 abstained.

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

- (a) Exhibits
 - (10) Material Contracts
 - (n) Alpha Industries, Inc. Directors' 2001 Stock Option Plan.

- (b) Reports on Form 8-K

No reports on Form 8-K were filed with the Securities and Exchange Commission during the fiscal quarter ended September 30, 2001.

Alpha Industries, Inc. and Subsidiaries

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.

Date: NOVEMBER 9, 2001

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

Registrant

/s/ David J. Aldrich

David J. Aldrich
Chief Executive Officer
President
Director

/s/ Paul E. Vincent

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

Alpha Industries, Inc. and Subsidiaries

Listed and indexed below are all Exhibits filed as part of this report.

Exhibit No.	Description
-----	-----
10.n	Alpha Industries, Inc. Directors' 2001 Stock Option Plan.

ALPHA INDUSTRIES, INC.

DIRECTORS' 2001 STOCK OPTION PLAN

1. PURPOSE. The purpose of this Directors' 2001 Stock Option Plan is to enable the Corporation to attract and retain the services of experienced and knowledgeable directors and to provide additional incentives for such directors to continue to work for the best interests of the Corporation and its stockholders through continuing ownership of its common stock.

2. DEFINITIONS. As used herein, each of the following terms has the indicated meaning:

"Annual Meeting" means the Corporation's annual meeting of stockholders or special meeting in lieu of annual meeting of stockholders at which one or more directors are elected.

"Board" means the Board of Directors of the Corporation.

"Corporation" means Alpha Industries, Inc.

"Director" means a person who, as of any applicable date, is a member of the Board and not an officer of the Corporation or a Subsidiary.

"Fair Market Value" means the closing sale price quoted during the regular trading session of the Nasdaq or such other national securities exchange or automated quotation system on which the Shares may be traded or quoted on the date of the granting of the Option.

"Officer" shall have the meaning provided under Rule 3b-2 promulgated pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act").

"Option Exercise Period" means the period commencing one (1) year after the date of grant of an Option pursuant to this Plan and ending ten years from the date of grant.

"Plan" means this Directors' 2001 Stock Option Plan.

"Shares" means the Common Stock, \$.25 par value per share, of the Corporation.

"Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Corporation if, at the time of grant of the Option, each of the corporations other than the last in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

3. STOCK SUBJECT TO THE PLAN.

(a) The aggregate number of Shares that may be issued and sold under the Plan shall be 250,000. The Plan supercedes the Corporation's 1994 Non-Qualified Stock Option Plan for Non-Employee Directors and its 1997 Non-Qualified Stock Option Plan for Non-Employee Directors, as to future grants of options. No further options will be granted under the 1994 and 1997 plans.

(b) The Shares to be issued upon exercise of Options granted under this Plan shall be made available, at the discretion of the Board, from (i) treasury Shares and Shares reacquired by the

Corporation for such purposes, including Shares purchased in the open market, (ii) authorized but unissued Shares, and (iii) Shares previously reserved for issuance upon exercise of director's options (i.e., options under the Plan or under the 1994 or 1997 plans) which have expired or been terminated. If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, the unpurchased Shares covered thereby shall become available for grant under additional Options under the Plan so long as it shall remain in effect.

4. ADMINISTRATION OF THE PLAN. The Plan shall be administered by the Board. The Board shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall deem advisable from time to time, to interpret the terms and provisions of the Plan and any Option issued under the Plan (and any writing or agreement relating thereto) and to otherwise supervise the administration of the Plan.

5. ELIGIBILITY. Options shall be granted only to Directors, as that term is defined in Section 2, above.

6. GRANT OF OPTIONS.

(a) Each year, immediately following the Corporation's Annual Meeting, each then Director shall be granted an Option to purchase 15,000 Shares.

(b) Upon initial election by the stockholders or appointment by the Board as a Director, immediately following the Annual Meeting at which such Director is first elected by the stockholders or immediately following the meeting of the Board at which such Director is appointed by the Board, each Director shall be granted an Option to purchase 45,000 Shares.

7. TERMS OF OPTIONS AND LIMITATIONS THEREON.

(a) OPTION AGREEMENT. Each Option granted under this Plan shall be evidenced by a writing or an option agreement between the Corporation and the Option holder and shall be upon such terms and conditions, not inconsistent with this Plan, as the Board may determine.

(b) PRICE. The price at which any Shares may be purchased pursuant to the exercise of an Option shall be the greater of the Fair Market Value of the Shares on the date of grant or par value.

(c) EXERCISE OF OPTION. Each Option granted under this Plan may be exercised as follows:

- (1) beginning on the first anniversary of the date of grant, for up to 25% of the Shares covered by the Option; and
- (2) beginning on each anniversary of the date of grant thereafter, for up to an additional 25% of such Shares for each additional year, until, on the fourth anniversary of the date of grant, the Option may be exercised as to 100% of the Shares covered by the Option.

Options may be exercised in whole or in part, from time to time, only during the Option Exercise Period, by the giving of written notice, signed by the holder of the Option, to the Corporation stating the number of Shares with respect to which the Option is being exercised, accompanied by full payment for such Shares pursuant to section 8(a) hereof

(d) CESSATION OF SERVICE AS A DIRECTOR AND OTHER EVENTS. If an Option holder's service as a Director of the Corporation is terminated, then that holder's Options may be exercised as to all shares

that have not been previously purchased only in accordance with the following provisions and notwithstanding any other provision of this Plan -

- (1) In the event of cessation of service by reason of an Option holder's death, the Options may be exercised by the holder or by the executors, administrators, legatees or distributees of his or her estate as to all vested and unvested shares until the earlier of the Option Expiration Date or twelve (12) months after the date of death.
- (2) In the event of cessation of service by reason of an Option holder's permanent and total disability, the Options may be exercised as to all shares vested as of the date of the cessation of service until the earlier of the Option Expiration Date or six (6) months after the date of cessation of service. Shares not vested as of the date of the cessation of service may not be exercised.
- (3) In the event of cessation of service for Cause, the Options may not be exercised as to any shares, whether or not they were previously vested. "Cause" shall be defined as cessation of service on account of any act of (i) fraud or intentional misrepresentation, or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Corporation or any Subsidiary.
- (4) In the event of cessation of service for any other reason, including without limitation cessation of service without Cause and voluntary resignation, the Options may be exercised as to all shares vested as of the date of the cessation of service until the earlier of the Option Expiration Date or three (3) months after the date of cessation of service. Shares not vested as of the date of the cessation of service may not be exercised.

(e) NON-ASSIGNABILITY. No Option, or right or interest in an Option, shall be assignable or transferable by the holder, except by will, the laws of descent and distribution or pursuant to a qualified domestic relations order (as defined in the Internal Revenue Code of 1986, as amended, or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder), and during the lifetime of the holder shall be exercisable only by him or her.

8. PAYMENT.

(a) The purchase price of Shares upon exercise of an Option shall be paid by the Option holder in full upon exercise, and may be paid (i) in cash, (ii) by delivery of Shares valued at Fair Market Value on the date of exercise to the extent such disposition of Shares is permitted under Rule 16b-3 (defined in Paragraph 12(c), below), or (iii) any combination of cash and Shares as provided in Clause (ii), with any payment made pursuant to Clause (ii) or (iii) only as permitted by the Board, in its sole discretion.

(b) No Shares shall be granted under this Plan or issued or transferred upon exercise of any Option under this Plan unless and until all legal requirements applicable to the issuance or transfer of such Shares, and such other requirements as are consistent with the Plan, have been complied with to the satisfaction of the Board, including without limitation those described in Paragraph 12 hereof.

9. STOCK ADJUSTMENTS.

(a) If the Corporation is a party to any merger or consolidation, any purchase or acquisition of property or stock, or any separation, reorganization or liquidation, the Board (or, if the Corporation is not the surviving corporation, the board of directors of the surviving corporation) shall have the power to

make arrangements, which shall be binding upon the holders of unexpired Options, for the substitution of new options for, or the assumption by another corporation of, any unexpired Options then outstanding hereunder.

(b) If by reason of recapitalization, reclassification, stock split, combination of shares, separation (including a spin-off) or dividend on the stock payable in Shares, the outstanding Shares of the Corporation are increased or decreased or changed into or exchanged for a different number or kind of shares or other securities of the Corporation, the Board shall conclusively determine the appropriate adjustment in the exercise prices of outstanding Options and in the number and kind of shares as to which outstanding Options shall be exercisable, in such manner as to result in the Options being exercisable.

(c) In the event of a transaction of the type described in paragraphs (a) and (b) above, the total number of Shares on which Options may be granted under this Plan shall be appropriately adjusted by the Board.

10. CHANGE OF CONTROL PROVISIONS.

(a) Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control, any Options outstanding as of the date such Change of Control is determined to have occurred and not then exercisable shall become fully exercisable to the full extent of the original grant.

(b) A "Change in Control" will be deemed to have occurred if the Continuing Board of the Corporation shall have ceased for any reason to constitute a majority of the Board of Directors of the Corporation. For this purpose, a "Continuing Director" will include any member of the Board of Directors of the Corporation as of the Effective Date and any person nominated for election to the Board of Directors of the Corporation by a majority of the then Continuing Directors.

11. NO RIGHTS OTHER THAN THOSE EXPRESSLY CREATED. No person affiliated with the Corporation or any Subsidiary or other person shall have any claim or right to be granted an Option hereunder. Neither this Plan nor any action taken hereunder shall be construed as (i) giving any Option holder any right to continue to be affiliated with the Corporation, (ii) giving any Option holder any equity or interest of any kind in any assets of the Corporation, or (iii) creating a trust of any kind or a fiduciary relationship of any kind between the Corporation and any such person. No Option holder shall have any of the rights of a stockholder with respect to Shares covered by an Option, until such time as the Option has been exercised and Shares have been issued to such person.

12. MISCELLANEOUS.

(a) WITHHOLDING OF TAXES. Pursuant to applicable federal, state, local or foreign laws, the Corporation may be required to collect income or other taxes upon the grant of an Option to, or exercise of an Option by, a holder. The Corporation may require, as a condition to the exercise of an Option, that the recipient pay the Corporation, at such time as the Board determines, the amount of any taxes which the Board may determine is required to be withheld.

(b) SECURITIES LAW COMPLIANCE. Upon exercise of an Option, the holder shall be required to make such representations and furnish such information as may, in the opinion of counsel for the Corporation, be appropriate to permit the Corporation to issue or transfer the Shares in compliance with the provisions of applicable federal or state securities laws. The Corporation, in its discretion, may postpone the

issuance and delivery of Shares, upon any exercise of an Option, until completion of such registration or other qualification of such Shares under any federal or state laws, or stock exchange listing, as the Corporation may consider appropriate. The Corporation intends to register or qualify the Shares under federal and state securities laws, but is not obligated to register or qualify the Shares under such laws and may refuse to issue such Shares if neither registration nor exemption therefrom is practical. The Board may require that prior to the issuance or transfer of any Shares upon exercise of an Option, the recipient enter into a written agreement to comply with any restrictions on subsequent disposition that the Board or the Corporation deems necessary or advisable under any applicable federal and state securities laws. Certificates representing the Shares issued hereunder may contain a legend reflecting such restrictions.

(c) COMPLIANCE WITH RULE 16b-3. With respect to a person subject to Section 16 of the 1934 Act, the Plan is intended to be, upon approval by the shareholders of the Corporation, a formula plan, and transactions under this Plan are intended to comply with all applicable conditions of Rule 16b-3 or its successors ("Rule 16b-3") under the 1934 Act. To the extent any provision of the Plan or action by the administrators of the Plan fails to so comply, such provision or action shall be deemed null and void to the extent permitted by law and, if a provision hereof, deemed subject to amendment or determination by the administrators of the Plan.

(d) INDEMNITY. The Board shall not be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to the Plan, and the Corporation hereby agrees to indemnify the members of the Board, in respect of any claim, loss, damage, or expense (including counsel fees) arising from any such act, omission, interpretation, construction or determination, to the full extent permitted by law.

(e) OPTIONS NOT DEEMED INCENTIVE STOCK OPTIONS. Options granted under the Plan shall not be deemed incentive stock options as that term is defined in Section 422 of the Internal Revenue Code of 1986, as amended.

13. EFFECTIVE DATE; AMENDMENT; TERMINATION.

(a) The effective date of this Plan shall be the date of the approval of the shareholders.

(b) The Board may at any time, and from time to time, amend, suspend or terminate this Plan in whole or in part, provided, however, that the provisions of this Plan relating to the amount and price of securities to be awarded and the timing of such awards may not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, each as amended, or the rules thereunder. However, except as provided herein, no amendment, suspension or termination of this Plan may affect the rights of any person to whom an Option has been granted without such person's consent.

(c) This Plan shall terminate ten years from its effective date, and no Option shall be granted under this Plan thereafter, but such termination shall not affect the validity of Options granted prior to the date of termination.

Board of Directors' Adoption: April 26, 2001
Approved by Shareholders: September 10, 2001