UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

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

For the fiscal year ended April 1, 2001

Commission file number 1-5560

ALPHA INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	04-2302115
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 SYLVAN ROAD, WOBURN, MASSACHUSETTS	01801
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (781) 935-5150

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $.25 par value

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the Registrant's Common Stock held by non-affiliates of the Registrant at May 27, 2001 was approximately $1.102 billion.

The number of shares of Common Stock outstanding at May 27, 2001 was 43,593,725.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's Proxy Statement, to be filed within 120 days of the end of the Registrant's fiscal year are incorporated by reference into Part III of this report.

The Exhibit Index is located on page 44.

PART I

Item 1 Business

OVERVIEW

We design, develop, manufacture and market proprietary radio frequency, microwave frequency and millimeter wave frequency integrated circuits and discrete semiconductors for wireless voice and data and broadband communications. The primary applications for our products include wireless handsets, wireless infrastructure and broadband communications equipment. We also produce integrated circuits, discrete components, electrical ceramics and ferrites used in wireless base station equipment, cable television, cable modems and other broadband applications, wireless local loop, wireless personal digital assistants and wireless local area networks.

We offer a broad range of products, including integrated circuit (IC) switches and controls, power amplifiers, discrete semiconductors and multi-chip modules that comprise a significant part of the radio frequency devices used in wireless telephone handsets. We use a range of technologies, processes and materials to meet our customers' performance requirements, including gallium arsenide metal semiconductor field effect transistor (GaAs MESFET), gallium arsenide pseudomorphic high electron mobility transistor (GaAs PHEMT), silicon and electrical ceramic. Through our acquisition of Network Device, Inc. (NDI) in April 2000, we offer power amplifiers and other devices made with a gallium arsenide heterojunction bipolar transistor (GaAs HBT) process and an indium gallium phosphide HBT process (InGaP HBT). In May 2001, we announced the introduction of the world's first tri-band power amplifier module employing InGaP HBT process technology. The AP134 module is designed for use in existing dual-mode wireless handsets and is fully General Packet Radio Service (GPRS) compliant. We also announced the shipment of our first volume order of a new family of broadband amplifiers utilizing our InGaP HBT technology.

During fiscal 2001, we announced the introduction of our Alpha Integration Platform(TM) (aiIP(TM)), a breakthrough manufacturing, packaging and design technique, combining various radio frequency (RF) components in a single module-based platform. The aiIP satisfies the market's demand for RF solutions that will reduce design complexity and improve the OEMs' overall time to market for new products. Utilizing this technique, we introduced state-of-the-art switch/filter technology for wireless handsets. These switch/filter products combine multiple functions in a single, module-based platform.

We also announced the introduction of our Alpha-2(TM) multi-chip module packaging technology, which will dramatically reduce the cost of manufacturing high-speed and high-frequency data communications equipment. Alpha-2 technology provides the first surface-mounted package specifically designed for high-frequency and high-speed ICs. The Alpha-2 package is compatible with standard tape-and-reel manufacturing, making it ideal for use in high-speed data communications equipment.

We divide our operations into two segments to address the distinct dynamics of different markets:

	SEMICONDUCTOR PRODUCTS	CERAMIC PRODUCTS
Primary Products	GaAs Integrated Circuits Discrete Semiconductors Multi-Chip Modules	Electrical Ceramics Ferrites
Primary Markets	Wireless Handsets Wireless Infrastructure Broadband Communications	Wireless Infrastructure Broadband Communications

Our Semiconductor Products segment supplies GaAs integrated circuits and discrete semiconductors in high volume for wireless telephone handsets and wireless data applications. These products are used in equipment incorporating the leading digital standards, Global System for Mobile Communications, or GSM, Code Division Multiple Access, or CDMA (IS95), and Time Division Multiple Access, or TDMA (IS136).

Our Ceramic Products segment uses electrical ceramic and ferrite technologies to supply resonators and filters, primarily for wireless base station equipment.

Financial information about segments and geographic areas can be found in Note 10 to the consolidated financial statements filed as part of this report.

We were incorporated in 1962 under the laws of the state of Delaware.

PRODUCTS AND APPLICATIONS

We offer a broad array of radio frequency, microwave frequency and millimeter wave frequency products to the wireless and broadband markets, including GaAs IC switches and controls, GaAs integrated circuit power amplifiers, silicon discrete semiconductors, ceramic resonators and multi-chip modules. A typical end product for wireless communications, such as a handset, contains radio frequency, baseband and digital signal processing components. Radio frequency components convert, switch, process and amplify the high frequency signals that carry the information to be transmitted or received. Baseband components process signals into and from their original electrical form (low frequency voice or data). The digital components control the overall circuitry and process the voice or other data to be transmitted and received.

The table below identifies the major product categories and markets we serve.

MARKETS	POWER AMPLIFIER ICS	SMALL SIGNAL & MULTIFUNCTION ICS	SWITCH ICS	DISCRETE SEMICONDUCTORS	CERAMIC PRODUCTS	MILLIMETER WAVE PRODUCTS
WIRELESS VOICE & DATA						
Handsets	-		-	-		
PDAs	-		-	-		
Infrastructure	-	-	-	-	-	-
BROADBAND						
Wireless		-	-	-	-	-
Cable TV & Modems	-	-	-	-	-	-
Fiber		-	-	-	-	-

SEMICONDUCTOR PRODUCTS

The diagram below illustrates the role of many of our Semiconductor Products in a dual band and dual mode wireless telephone handset.

[DUAL BAND/DUAL MODE HANDSET DIAGRAM]

Power Amplifiers. Wireless communications systems require amplification in receiving and transmitting signals. Relatively weak incoming signals must be amplified without adding background noise. GaAs power amplifiers are used in handsets because they use battery power more efficiently than silicon amplifiers, and battery life is a critical system feature in these portable applications. We have been a leader in innovative GaAs power amplifier ICs. We were the first merchant semiconductor company to offer a three volt, high-efficiency PHEMT power amplifier IC for GSM operating at three different frequencies. This product has been in continuous production for more than a year. We were also the first to deliver a three volt MESFET GaAs power amplifier IC, which has now been in continuous, high-volume production for more than three years. In addition, our acquisition of NDI has provided us with GaAs HBT process technology, which has opened new power amplifier opportunities and complements our strength in the GaAs PHEMT and GaAs MESFET processes.

Integrated Circuit Switches and Controls. Switching and control functions route and adjust signal levels between the receiver and transmitter and other processing devices. The number of switching functions increases with the complexity of the handset design. In the dual band/dual mode handset illustrated, the switches perform three different routing functions, including: signal routing to transmitter or receiver; signal routing to cellular or PCS frequency; and signal routing to digital or analog mode.

Our GaAs integrated circuit switches are used in handsets to provide lower signal loss and better signal isolation than comparable products. Our ultra-high-efficiency GaAs PHEMT switch ICs integrate logic elements, making their usage even easier for our OEM customers. The GaAs HBT process has not been suitable for switches.

Discrete Semiconductors. Discrete semiconductors, especially diodes, are used for signal tuning and switching functions in the handset. We draw on our microwave frequency and millimeter wave frequency experience to produce diodes with better circuit performance. We manufacture these products in very high volumes for several handset OEMs.

Multi-Chip Modules. Multi-chip modules combine various semiconductor processes, such as HBT, PHEMT and RF discrete semiconductors, in a single module-based platform. The result is an easy-to-manufacture solution that enables broadband and wireless OEMs to reduce design complexity and dramatically shorten their product development cycle.

CERAMIC PRODUCTS

Our ceramic products play a critical role in the signal selection, or filtering process, that is essential to processing communications signals. Ceramic materials allow improved power efficiency and miniaturization, and are being increasingly used in wireless communications infrastructure. Additionally, ceramic products are essential to the broadband market through their presence in point-to-point radios, fiber optics and CATV HFC (cable television hybrid fiber coax system) networks. Ceramic products are also critical in the frequency-determining portions of DBS/VSAT (digital broadcast satellite/very small aperture terminal) receivers, radar detectors and intrusion alarms.

MARKETING AND DISTRIBUTION

We sell our products through independent manufacturers' representatives and distribution partners, and through a direct sales staff. We sell through 12 domestic and 19 international independent manufacturers' representative organizations. We also distribute product through a global organization that is franchised throughout portions of the world, and through two organizations that focus primarily on the North American market. Our field support management staff oversees our manufacturers' representatives and distributors and provides them with sales direction and support. Our direct sales staff manages key customer accounts and worldwide customer support and identifies and targets sales in emerging wireless and broadband markets.

We maintain an internal marketing organization that is responsible for developing sales and advertising literature, such as product announcements, catalogs, brochures and magazine articles in trade and other publications. Our internal marketing organization also prepares technical presentations for industry conferences.

We believe that the technical and complex nature of our products and markets demands an extraordinary commitment to close ongoing relationships with our customers. We strive to maintain close contact with our customers' design, engineering, manufacturing, purchasing and project management personnel. We employ a team approach in developing close relationships by combining the support of design and applications engineers, manufacturing personnel, sales and marketing staff and senior management. We believe that maintaining close contact with our customers improves their level of satisfaction, assists us in anticipating their future product needs and enhances our opportunities for design wins.

RESEARCH AND DEVELOPMENT

Our products and markets are subject to continued technological advances. Recognizing this, we maintain a high level of R&D activities to remain competitive in certain areas and to be an industry leader in other areas. We maintain close collaborative relationships with many of our customers to help us identify market demands and target our development efforts to meet those demands. We are focusing our development efforts on new products, design tools and manufacturing processes in our Semiconductor Products segment using our core technologies. We strive to improve existing product performance, improve design and manufacturing processes and reduce costs. The introduction of our aiIP technique and Alpha-2 multi-chip

module packaging technology during fiscal 2001 is evidence of our focus in this area. Further evidence of our commitment to R&D is our introduction of the world's first tri-band power amplifier module employing InGaP HBT process technology and the introduction of breakthrough switch/filter technology for wireless handsets. The switch/filter products combine multiple functions in a single, module-based platform and utilize our aiIP technique.

GaAs HBT Capabilities. On April 24, 2000, we acquired NDI of Sunnyvale, California. The acquisition provided a production-ready InGaP HBT process, enabling the production of high efficiency HBT power amplifiers for wireless telephone handsets. GaAs HBT process technology works at higher frequencies and requires less power to transmit signals than traditional silicon semiconductors, and it provides greater efficiency and linearity than GaAs MESFET devices. For cellular telephones, this permits smaller handsets and longer talk-time between battery charges. HBT power amplifiers are also particularly well suited for use in the emerging wireless and broadband markets. The addition of a line of GaAs HBT products has complemented our existing GaAs PHEMT and GaAs MESFET devices, enabling us to offer our customers the full range of currently available GaAs processes for use in wireless telephone handsets, wireless data applications and broadband data applications.

During the second quarter of fiscal 2001, we shipped our first volume order of a new family of broadband amplifiers, the first products based on our advanced InGap HBT technology, for use in a wide range of wireless and broadband applications.

Our R&D expenditures for fiscal 2001, 2000 and 1999 were $36.0 million, $25.3 million and $15.9 million, respectively.

RAW MATERIALS

Raw materials for our products and manufacturing processes are generally available from several sources. It is our policy not to depend on a sole source of supply. However, there are limited situations where we procure certain components and services for our products from single or limited sources. We purchase these materials and services on a purchase order basis. We do not carry significant inventories and have long-term supply contracts with only a limited number of our vendors.

WORKING CAPITAL

Our business is not seasonal, and there are no special practices with respect to working capital for us or the industry in general. We provide a limited warranty on our products against defects in material and workmanship. Payment terms are generally 30 days in the domestic market and 60 days in foreign markets.

CUSTOMERS

During fiscal 2001, Motorola, Inc. and Ericsson accounted for approximately 26% and 11%, respectively, of our total sales.

COMPETITIVE CONDITIONS

We compete on the basis of price, performance, quality, reliability, size, ability to meet delivery requirements and customer service and support. However, we experience intense competition worldwide from a number of multinational companies that offer a variety of competitive products and broader product lines, and which have substantially greater financial resources and production, marketing, manufacturing, engineering and other capabilities than we do. We also face competition from a number of smaller companies. In addition, our customers, particularly our largest customers, may have or could acquire the

capability to develop or manufacture products competitive with those that have been or may be developed or manufactured by us.

PATENTS AND TRADEMARKS

We own certain patents and have other patent applications under preparation or pending. However, we believe that our technological position depends primarily on our ability to develop new innovative products through the technical competence of our engineering personnel.

BACKLOG

Our policy is to book only the next three months of commercial orders consistent with customer short-term requirements. Many commercial orders cover substantially more than three months of performance, but such orders can be easily modified or cancelled by the customer and we believe it is a better practice to limit bookings in this manner. On this basis, we believe all orders in our backlog to be firm. However, current market conditions make predictions about future operations particularly difficult. While we believe all orders in our backlog to be firm, our operating results have been materially and adversely affected in the past by deferral and cancellation of orders as a result of changes in customer requirements.

We have backlog of undelivered orders on April 1, 2001 of approximately $38.7 million compared with $55.7 million on April 2, 2000.

ENVIRONMENTAL REGULATIONS

In our opinion, compliance with federal, state, and local environmental protection regulations does not and will not have a material effect on our capital expenditures, earnings and competitive position.

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to our executive officers during fiscal 2001:

NAME	AGE	POSITION
George S. Kariotis	78	Chairman Emeritus and Director
Thomas C. Leonard	66	Chairman of the Board of Directors
David J. Aldrich	44	President, Chief Executive Officer and Director
Paul E. Vincent	53	Vice President, Treasurer, Secretary and Chief Financial Officer
Jean-Pierre Gillard	57	Vice President
Richard Langman	54	Vice President and President of Trans-Tech, Inc.
Bruce Nonnemaker	54	Vice President

All officers serve until the next Board of Directors meeting following the Annual Meeting of Stockholders scheduled for September 10, 2001, or until their successors are elected and qualified. No officer was elected pursuant to any arrangement or understanding.

George S. Kariotis was elected Chairman Emeritus in April 2000. Prior to this election, Mr. Kariotis served as Chairman of the Board and Chief Executive Officer from our inception in 1962 to 1978, and, from 1974 to 1978, he was also our Treasurer. From 1979 to 1983, Mr. Kariotis was the Secretary of Manpower Development and Economic Affairs for the Commonwealth of Massachusetts. He was re-elected Chairman of the Board in 1983 and Chief Executive Officer in 1985. Mr. Kariotis resigned as Chief Executive Officer in July 1986 while he campaigned for public office. He resumed his position as Chief Executive Officer in November 1986, and served in that capacity until 1991. Mr. Kariotis served as Chairman of the Board since his re-election in 1983 up until his election to Chairman Emeritus in April 2000. Mr. Kariotis has been a Director since 1962 and continues to serve in that capacity.

Thomas C. Leonard was elected Chairman of the Board in April 2000. Prior to his election, Mr. Leonard served as Chief Executive Officer since July 1996. Mr. Leonard also served as our President from July 1996 to September 1999. In August 1996, Mr. Leonard was elected a Director. Mr. Leonard joined us in 1992 as a division General Manager, and, in 1994, he was elected a Vice President. Mr. Leonard has over 30 years experience in the microwave industry, having held a variety of executive and senior level management and marketing positions at M/A-COM, Inc., Varian Associates, Inc. and Sylvania.

David J. Aldrich was elected President, Chief Executive Officer and a member of the Board of Directors in April 2000. Mr. Aldrich joined us in 1995 as Vice President, Chief Financial Officer and Treasurer. He served as Vice President and General Manager of the Semiconductor Products segment until his election in September 1999 to President and Chief Operating Officer. From 1989 to 1995, Mr. Aldrich held senior management positions at M/A-COM, Inc., including Manager Integrated Circuits Active Products, Corporate Vice President Strategic Planning, Director of Finance and Administration, and Director of Strategic Initiatives with the Microelectronics Division.

Paul E. Vincent joined us as Controller in 1979 and has been Vice President and Chief Financial Officer since January 1997. Mr. Vincent was elected Secretary in September 1999. Prior to joining us, Mr. Vincent worked at Applicon Incorporated and, prior to that, Arthur Andersen & Co. Mr. Vincent is a CPA.

Richard Langman joined us in January 1997 as Vice President, and as President and General Manager of our Trans-Tech, Inc. subsidiary. Prior to joining us, Mr. Langman worked for Coors Ceramics Company for 23 years, holding senior executive positions in operations and sales.

Jean-Pierre Gillard joined us in 1992 as Manager of GaAs integrated circuit operations and has been Vice President of Business Development since June 1996. Before 1992, he held a number of management positions at M/A-COM, Inc. in both marketing and sales.

Bruce Nonnemaker joined us in 1997 as Director of Operations for the Semiconductor Products segment. Mr. Nonnemaker served in this capacity until his election to Vice President, Operations in September 1999. Prior to joining us, Mr. Nonnemaker held senior operations management positions at Digital Equipment Corporation. Before this, he held senior operations positions at Western Digital, Commodore Computer and Solid State Scientific.

EMPLOYEES

As of April 1, 2001, we employed approximately 1,120 persons, compared with 1,090 persons as of April 2, 2000.

ITEM 2 PROPERTIES

The following information describes the major facilities we own and lease. We believe we have adequate production capacity to meet our current business needs, but we are adding the capacity required to better serve the wireless and broadband markets as demand continues to grow. In September 1999, we announced the completion of the first phase of a major expansion program to enhance and expand the available clean room space in our GaAs IC fabrication facility in Woburn, Massachusetts. The new clean room space is complete and in use, and additional manufacturing equipment has been installed and brought to full operation. The second phase, which involved the installation of additional production equipment within the existing facility, has also been completed. The third phase of the expansion program involves the creation of a GaAs IC line that will allow the manufacture of product on six-inch wafers. We are in the initial stages of development of this production line and expect to complete this phase within twelve to fifteen months.

a) We own a 158,000 square foot building in Woburn, Massachusetts. This facility houses our primary GaAs IC fabrication facility and our corporate headquarters. We doubled output capacity in this facility in 1999 and again in 2000. The completion of the six-inch GaAs IC production line will enable us to double capacity for a third time at this location.

b) We own a 125,000 square foot facility in Haverhill, Massachusetts. This facility was purchased in September 2000 and provides additional manufacturing and office space. Initial operations at this site commenced in January 2001 and include design engineering as well as GaAs IC, silicon semiconductor and multi-chip module assembly and testing.

c) We lease a 27,000 square foot building in Sunnyvale, California. This facility houses our second GaAs IC fabrication facility and was acquired in our purchase of Network Device, Inc. in April 2000.

d) We own a 92,000 square foot facility in Adamstown, Maryland. This facility is occupied by a subsidiary, and is our primary electrical ceramic product manufacturing facility. During 2000, we began expanding the capacity of this facility to meet increased demand for its products. We are in the final stages of this expansion project and expect to complete the project by the end of calendar year 2001.

e) We lease a 33,000 square foot facility in Frederick, Maryland. This building is used to manufacture ceramic components, including filters.

ITEM 3 LEGAL PROCEEDINGS

We do not have any material pending legal proceedings other than routine litigation incidental to our business.

We have been notified by federal and state environmental agencies of our 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. We continue to deny that we have any responsibility with respect to this site other than as a de minimis party. Management is of the opinion that the outcome of this environmental matter will not have a material effect on our operations.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fiscal quarter ended April 1, 2001.

PART II

ITEM 5 MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

In April 2000, we issued an aggregate 2.67 million shares of common stock to all shareholders of NDI in exchange for all outstanding shares of NDI, pursuant to an exemption from registration under Section 3(a)(10) of the Securities Act of 1933, as amended.

Our common stock is traded on the NASDAQ National Market under the symbol AHAA. The number of stockholders of record as of May 31, 2001 was approximately 950.

We have not paid cash dividends on our common stock since fiscal 1986, and we do not anticipate paying cash dividends in the foreseeable future. Our current practice is to retain all of our earnings to finance future growth. We are subject to financial and operating covenants, including restrictions on the payment of cash dividends, under our bank financing agreement. See Notes 4 and 6 to the Consolidated Financial Statements beginning on pages 30 and 34, respectively, for information regarding dividend restrictions and the stock split.

The following table sets forth high and low market prices for our common stock for the periods indicated.

	HIGH	LOW
FISCAL YEAR ENDED APRIL 1, 2001:		
First quarter..................................	$63.875	$35.000
Second quarter...............................	50.438	32.000
Third quarter.................................	54.000	24.750
Fourth quarter...............................	35.938	13.938
FISCAL YEAR ENDED APRIL 2, 2000:		
First quarter..................................	$23.125	$ 8.938
Second quarter................................	28.906	21.500
Third quarter.................................	33.125	23.875
Fourth quarter................................	74.734	27.016

ITEM 6 SELECTED FINANCIAL DATA

You should read the data set forth below in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. The selected consolidated financial data set forth below as of April 1, 2001 and April 2, 2000 and for the fiscal years ended April 1, 2001, April 2, 2000 and March 28, 1999 has been derived from our audited consolidated financial statements and are included elsewhere in this Annual Report on Form 10-K. The selected consolidated financial data set forth below as of March 28, 1999, March 29, 1998 and March 30, 1997 and for the years ended March 29, 1998 and March 30, 1997 has been derived from our consolidated financial statements that are not included in this Annual Report on Form 10-K.

On April 24, 2000, we completed our acquisition of privately-held NDI. The acquisition has been accounted for as a pooling-of-interests and accordingly, all prior period consolidated financial data set forth below has been restated to include the combined results of operations, financial position and cash flows of NDI.

	FISCAL YEAR				
	2001	2000	1999	1998	1997
(In thousands, except per share amounts and financial ratios)					
RESULTS OF OPERATIONS					
Sales	$271,568	$186,402	$126,413	$116,881	$ 85,253
Net income (loss)	33,373	17,982	19,263	10,161	(15,572)
Per share data					
Net income (loss) basic	$ 0.78	$ 0.44	$ 0.56	$ 0.31	$ (0.48)
Net income (loss) diluted	$ 0.75	$ 0.42	$ 0.54	$ 0.30	$ (0.48)
Weighted average common shares basic	43,029	40,659	34,314	33,268	32,208
Weighted average common shares diluted	44,752	42,822	35,406	34,088	32,208
FINANCIAL RATIOS					
Return (based on net income (loss))					
On sales	12.3%	9.6%	15.2%	8.7%	(18.3)%
On average assets	10.8%	9.0%	18.1%	12.4%	(21.1)%
On average equity	12.3%	10.7%	23.3%	16.7%	(28.9)%
Current ratio	6.94	6.15	3.45	3.24	3.35
Long-term debt to equity	0.1%	0.1%	0.8%	2.3%	7.2%
FINANCIAL POSITION					
Working capital	$188,288	$170,357	$ 51,154	$ 38,620	$ 32,647
Additions to property, plant and equipment...	54,748	39,660	20,793	13,037	7,963
Total assets	337,019	281,024	120,683	92,524	71,979
Long-term debt	235	345	713	1,625	3,606
Long-term capital lease obligations	--	--	--	--	8

Stockholders' equity	299,178	242,093	94,252	71,287	50,108
OTHER STATISTICS					
New orders (net of cancellations)	254,600	203,500	126,500	121,100	81,300
Backlog at year end	$ 38,700	$ 55,700	$ 36,900	$ 36,800	$ 32,500

ITEM 7 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 and discrete semiconductors for the wireless and broadband communications markets. During our second quarter ended October 1, 2000, we reorganized into two reportable segments based on management's methods of evaluating operations and performance. Our reportable segments are: Semiconductor Products and Ceramic Products.The Semiconductor Products segment is comprised of two of the Company's former segments: Wireless Semiconductor Products and Application Specific Products. A description of the reportable segments follows:

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. This segment represented 82.7% of our total sales in fiscal 2001.

The Ceramic Products segment designs and manufactures technical ceramic and magnetic products primarily for the global wireless infrastructure and broadband markets. This segment represented 17.3% of our total sales in fiscal 2001.

On April 24, 2000, we completed our acquisition of privately-held Network Device, Inc. (NDI) of Sunnyvale, California. Approximately 2.67 million shares of common stock of the Company were exchanged for all outstanding shares of NDI. Approximately 185,000 shares of Company stock were reserved for the conversion of NDI stock options into Company options. The acquisition has been accounted for as a pooling-of-interests and accordingly, all prior period consolidated financial statements and related notes to the consolidated financial statements have been restated to include the combined results of operations, financial position and cash flows of NDI.

Our customers include leading OEMs in the wireless and broadband communications industry and their principal suppliers. During fiscal 2001, sales to our 15 largest customers accounted for 69.1% of our total sales. During that period, sales to Motorola and Ericsson accounted for 26.0% and 11.3%, respectively, of total sales.

RESULTS OF OPERATIONS

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

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
Sales	100.0%	100.0%	100.0%
Cost of sales	55.8	56.6	56.4
Gross margin	44.2	43.4	43.6
Research and development expenses	13.3	13.6	12.6
Selling and administrative expenses	15.9	18.3	18.8
Operating income	15.0	11.5	12.2
Other income, net	3.2	3.1	1.0
Income before income taxes	18.1	14.6	13.2
Provision (benefit) for income taxes	5.9	5.0	(2.0)
Net income	12.3%	9.6%	15.2%

FISCAL YEARS ENDED APRIL 1, 2001, APRIL 2, 2000 AND MARCH 28, 1999

Sales. Sales increased 45.7% to $271.6 million in fiscal 2001 from $186.4 million in fiscal 2000. The increase is principally the result of high growth experienced by our Semiconductor and Ceramic Products segments during the first nine months of fiscal 2001 as demand for wireless and broadband products increased during this period. During the fourth quarter of fiscal 2001, a downturn in the wireless and broadband markets resulted in lower quarterly sales, reducing the overall increase in sales during fiscal 2001 when compared to fiscal 2000. Sales increased 47.5% to $186.4 million in fiscal 2000 from $126.4 million in fiscal 1999. The increase was primarily attributable to increased demand for wireless products, as well as demand for products in emerging broadband data applications. Sales of products for the defense market decreased to 6.5% of total sales in fiscal 2001 from 7.7% in fiscal 2000 and 17.2% in 1999, as we continue to exit the defense market by offering last time buys to our customers and concluding existing contracts. Deliveries to Motorola represented 26.0% of our total sales in fiscal 2001 compared to 34.1% in fiscal 2000 and 28.1% in fiscal 1999. Deliveries to Ericsson represented 11.3% of our total sales in fiscal 2001 and represented less than 10% of our total sales in fiscal 2000 and fiscal 1999.

Gross Profit. Gross profit increased 48.4% to $119.9 million in fiscal 2001 from $80.8 million in fiscal 2000. Gross margin increased to 44.2% in fiscal 2001 from 43.4% in fiscal 2000. These increases were primarily attributable to our continued ability to leverage capacity and improve operating efficiencies in both our Semiconductor and Ceramic Products segments during the first nine months of fiscal 2001, offset by the effect of high fixed costs on lower sales experienced in the fourth quarter of fiscal 2001. Gross profit increased 46.6% to $80.8 million in fiscal 2000 from $55.1 million in fiscal 1999. The increase in gross profit was primarily a result of increased sales, as well as improved operating efficiencies in our Semiconductor and Ceramic Products segments, as both continued to leverage capacity and improve yields. Gross margin decreased slightly to 43.4% in fiscal 2000 from 43.6% in fiscal 1999. The slight decrease in gross margin was attributable to our acquisition of NDI on April 24, 2000. NDI experienced a negative gross margin during fiscal 2000 as it initiated a ramp in production during this period without the offsetting sales volume.

Research and Development Expenses. Research and development expenses increased 42.2% to $36.0 million or 13.3% of sales in fiscal 2001 from $25.3 million or 13.6% of sales in fiscal 2000. The increase in research and development expenses is primarily attributable to our ongoing development of processes and applications within our Semiconductor Products segment in order to address our targeted markets: wireless and broadband. More than 90% of our total research and development spending in fiscal 2001 was within the Semiconductor Products segment. Research and development expenses increased 58.9% to $25.3 million or 13.6% of sales in fiscal 2000 from $15.9 million or 12.6% of sales in fiscal 1999. The increase in research and development expenses was primarily attributable to the development of processes and applications in the Semiconductor Products segment.

Selling and Administrative Expenses. Selling and administrative expenses increased 26.8% to $43.3 million or 15.9% of sales in fiscal 2001 from $34.1 million or 18.3% of sales in fiscal 2000. Included in the $43.3 million is approximately $1.8 million in one-time transaction costs associated with the acquisition of NDI on April 24, 2000. Excluding these one-time costs, selling and administrative expenses for fiscal 2001 would have totaled $41.5 million or 15.3% of sales, an increase of 21.6% compared to fiscal 2000. The increase in selling and administrative expenses was primarily attributable to increased direct selling costs resulting from higher sales volumes, as well as increased costs related to training and recruiting employees. Due to our continued ability to support our sales growth without incurring substantial additional costs, selling and administrative expenses as a percentage of sales declined in fiscal 2001 when compared to fiscal 2000.

Selling and administrative expenses increased 43.7% to $34.1 million or 18.3% of sales in fiscal 2000 from $23.7 million or 18.8% of sales in fiscal 1999. The increase in selling and administrative expenses was attributable to increased sales commissions and direct selling costs resulting from higher sales volumes, as well as increased expenses related to training, recruiting and an increased sales force. As a result of our ability to support our sales growth without incurring substantial additional costs, selling and administrative expenses as a percentage of sales declined in fiscal 2000 over fiscal 1999.

Other Income, Net. Other income, net, increased 47.1% to $8.6 million or 3.2% of sales in fiscal 2001 from $5.9 million or 3.1% of sales in fiscal 2000. The increase in other income, net, was primarily attributable to an increase in interest income as a result of higher average levels of cash, cash equivalents and short-term investments. Other income, net, more than quadrupled to $5.9 million or 3.1% of sales in fiscal 2000 from $1.2 million or 1.0% of sales in fiscal 1999. The increase was also primarily the result of considerably higher levels of cash, cash equivalents and short-term investments.

Provision (Benefit) for Income Taxes. The provision for income taxes in fiscal 2001 was $15.9 million compared to $9.3 million in fiscal 2000. The fiscal 2001 provision reflects a tax rate of approximately 32% compared to a tax rate of 34% in fiscal 2000. The decrease in the fiscal 2001 tax rate is primarily the result of research and development tax credits utilized in fiscal 2001. The $2.6 million benefit reflected in fiscal 1999 reflects a 10% tax rate offset by a $3.3 million tax benefit. The tax benefit of $3.3 million resulted from a reduction in the valuation allowance against deferred tax assets because of the expected use of net operating loss carryforwards in future periods.

BUSINESS SEGMENTS

The table below displays sales and operating income by business segment for fiscal 2001, 2000 and 1999. See Note 10 to the consolidated financial statements.

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
	(in thousands)		
SALES			
Semiconductor Products.....	$224,560	$150,348	$100,873
Ceramic Products	47,008	36,054	25,540
	$271,568	$186,402	$126,413
OPERATING INCOME			
Semiconductor Products.....	$ 33,496	$ 16,761	$ 13,580
Ceramic Products	7,164	4,632	1,879
	$ 40,660	$ 21,393	$ 15,459

Semiconductor Products. Sales for the Semiconductor Products segment increased 49.4% to $224.6 million in fiscal 2001 from $150.3 million in fiscal 2000. The increase was primarily attributable to increased demand and penetration into our two targeted markets, wireless communications and broadband during the first nine months of fiscal 2001. During the fourth quarter of fiscal 2001, a downturn in the wireless and broadband markets resulted in lower quarterly sales, reducing the overall increase in sales during fiscal 2001. Sales for the Semiconductor Products segment increased 49.0% to $150.3 million in fiscal 2000 from $100.9 million in fiscal 1999. The increase reflects a growing wireless market to include data, increased market penetration and gains in market share.

Operating income for the Semiconductor Products segment increased 99.8% to $33.5 million in fiscal 2001 from $16.8 million in fiscal 2000. Included in the $33.5

million is approximately $1.8 million in one-time transaction costs associated with the acquisition of NDI. Excluding these one-time costs, operating income

for fiscal 2001 would have totaled $35.3 million, an increase of 110.5% when compared to fiscal 2000. The increase was primarily attributable to increased sales and improved operating efficiencies as this segment continued to leverage capacity, improve yields and control selling and administrative costs. Operating income for the Semiconductor Products segment increased 23.4% to $16.8 million in fiscal 2000 from $13.6 million in fiscal 1999. The increase was primarily attributable to increased sales and improved operating efficiencies as this segment continued to leverage capacity and control material costs. Additionally, as this segment continued its development of processes and applications for the wireless and broadband markets, it was able to control administrative costs.

Ceramic Products. Sales for the Ceramic Products segment increased 30.4% to $47.0 million in fiscal 2001 from $36.1 million in fiscal 2000. The increase was primarily due to growth in demand and increased penetration in the wireless infrastructure and broadband markets for the first nine months of fiscal 2001. During the fourth quarter of fiscal 2001, a downturn in the wireless and broadband markets resulted in lower quarterly sales, reducing the overall increase in sales during fiscal 2001. Sales for the Ceramic Products segment increased 41.2% to $36.1 million in fiscal 2000 from $25.5 million in fiscal 1999. The increase in sales was primarily attributable to growth in wireless infrastructure combined with added customer penetration, as well as an increasing demand from emerging broadband customers.

Operating income for the Ceramic Products segment increased 54.7% to $7.2 million in fiscal 2001 from $4.6 million in fiscal 2000. The increase in operating income was primarily the result of increased sales and improved operating efficiencies, including the leveraging of existing capacity and the investment in more cost-effective equipment. Operating income for the Ceramic Products segment more than doubled to $4.6 million in fiscal 2000 from $1.9 million in fiscal 1999. The increase in operating income was primarily attributable to an increase in sales and improved operating efficiencies, including the leveraging of capacity and increased manufacturing automation.

LIQUIDITY AND CAPITAL RESOURCES

As of April 1, 2001, we had working capital of $188.3 million, including $153.8 million in cash, cash equivalents and short-term investments. In fiscal 2001, operations generated $57.6 million of cash primarily attributable to net income of $33.4 million. In addition, we effectively managed working capital as evidenced by an increase in average annual inventory turns to 11.0 in fiscal 2001 compared to 10.2 in fiscal 2000, and by a decrease in average annual days sales outstanding to 48 days in fiscal 2001 compared to 56 days in fiscal 2000.

Capital expenditures during fiscal 2001 totaled $54.7 million. Of the $54.7 million, approximately $48.4 million was related to the Semiconductor Products segment as we continued our investment in the semiconductor GaAs wafer fabrication operation and the integrated circuit and discrete semiconductor assembly and test areas. Of the $48.4 million, $12.3 million relates to the purchase of a 125,000 square foot facility in Haverhill, Massachusetts. This facility was purchased in September 2000 and provides additional manufacturing and office space. Initial operations at this site commenced in January 2001 and include design engineering as well as GaAs IC, silicon semiconductor and multi-chip module assembly and testing. The relocation of these operations to the Haverhill facility has provided additional space for the expansion of fabrication operations at our facility in Woburn, Massachusetts.

In September 1999, we announced the completion of the first phase of a major expansion program to enhance and expand the available clean room space in our GaAs IC facility in Woburn, Massachusetts. The new clean room space is complete and in use, and additional manufacturing equipment has been installed and brought to full operation. The second phase, which involved the installation of additional production equipment within the existing facility, has been completed. The third phase of the expansion program involves the creation of a GaAs IC line that will allow the manufacture of product on six-inch wafers. We are in the initial stages of development of this six-inch wafer production line, which we estimate will cost approximately $30 million dollars. We expect to complete this phase within twelve to fifteen months. 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 $6.3 million of capital expenditures.

In November 2000, we extended our $10 million revolving credit agreement through November 15, 2002. The revolving credit agreement had an initial expiration date of October 31, 2000. There were no borrowings under this agreement at April 1, 2001. We expect to continue to maintain a debt facility upon expiration of the existing credit agreement.

In June 1999, we completed a public offering of our common stock that raised net proceeds of $109.4 million. Substantially all of the proceeds were invested in commercial paper and securities issued by various federal agencies and corporations. The net proceeds may be used for the purchase of equipment, the expansion of facilities and the acquisition of businesses, technologies or products that complement our business.

On April 24, 2000, we announced the completion of our acquisition of privately-held Network Device, Inc. based in Sunnyvale, California. Approximately 2.67 million shares of common stock of the Company were exchanged for all outstanding shares of NDI. Approximately 185,000 shares of Company stock were reserved for the conversion of NDI stock options into Company options. The acquisition has been accounted for as a pooling-of-interests.

We believe that anticipated cash from operations, available funds and borrowings under our revolving credit agreement, together with the net proceeds from our fiscal 1999 stock offering, will be adequate to fund our currently planned working capital and capital expenditure requirements at least through fiscal 2002.

OTHER MATTERS

Inflation did not have a significant impact upon our results of operations during the three-year period ended April 1, 2001.

On April 1, 2001, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Instruments" and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," an amendment to SFAS No. 133. The adoption of these statements had no material effect on our consolidated financial position, results of operations or cash flows.

FORWARD-LOOKING STATEMENTS

This report and other documents we have filed with the Securities and Exchange Commission contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent our judgment regarding future events. Although we would not make forward-looking statements unless we believe we have a reasonable basis for doing so, we cannot guarantee their accuracy and actual results may differ materially from those we anticipated due to a number of uncertainties. We urge you to consider the risks and uncertainties discussed below and elsewhere in this report and in the other documents filed with the SEC in evaluating our forward-looking statements. We have no plans to update our forward-looking statements to reflect events or circumstances after the date of this report. We generally identify forward-looking statements with the words "plans," "expects," "anticipates," "estimates," "will," "should" and similar expressions.

CURRENT MARKET CONDITIONS MAKE IT ESPECIALLY DIFFICULT TO PREDICT OPERATING RESULTS. Our operating results have been materially and adversely affected in the past by the failure of anticipated orders to be realized and by deferrals and cancellations of orders as a result of changes in customer requirements. Current market conditions make predictions of future operations particularly difficult. These factors include, but are not limited to, the following:

- significant variations in and unpredictability of customer orders;
- more frequent customer requests for order cancellations and deferrals
- customers' inability to make accurate forecasts or predictions of their future requirements; and
- customers' increased efforts to minimize their inventories and attain just-in-time delivery.

OUR RELIANCE ON A SMALL NUMBER OF CUSTOMERS FOR A LARGE PORTION OF OUR SALES COULD HAVE A MATERIAL ADVERSE EFFECT ON OUR RESULTS OF OPERATIONS. A significant portion of our sales in each fiscal period has been concentrated among a limited number of customers. If we lost one or more of these major customers, or if one or more major customers significantly decreases its orders, our business would be materially and adversely affected. In fiscal 2001, sales to our five largest customers accounted for 52.9% of our sales, with Motorola and Ericsson accounting for 26.0% and 11.3% of sales, respectively. Our future operating results depend on the success of these customers and our success in selling products to them.

OUR SALES VOLUME IS AFFECTED BY OUR OEM CUSTOMERS' SALES VOLUME. A substantial portion of our sales is derived from sales of products to OEMs. These OEMs demand highly reliable products and often require up to several months to evaluate and test our integrated circuits and devices before deciding to design them into their products. If our products are designed into an OEM's product, our sales volume will depend upon the commercial success and the length and timing of the product cycle of the OEM's product. We are also subject to sales variations arising from our OEM customers' inventory management. Our operating results have been materially affected and will probably be affected in the future by unexpected changes in our OEM customers' order patterns.

DIFFICULTIES IN PRODUCTION WOULD ADVERSELY AFFECT OUR OPERATING RESULTS. Our products are very complex, have sophisticated designs and are manufactured using complex process technologies. Difficulties in production can occur which would limit our ability to ship product and adversely affect our operating results. In most cases, our products are customized for our customers who insist that our products meet their exact specifications for quality, performance and reliability. If we are unable to manufacture to our customers' specifications, our operating results will suffer.

OUR OPERATING RESULTS ARE DEPENDENT ON THE DEVELOPMENT OF NEW PRODUCTS AND ON OUR ABILITY TO INCREASE PRODUCT REVENUE PER PLATFORM. Our future success will depend on our ability to develop new products in a timely and cost-effective manner and on our continued ability to increase product revenue per platform. The development of our new products is highly complex. We have sometimes experienced delays in completing the development and introduction of new products. The successful development and introduction of new products depends on a number of factors, including our timely completion of product designs and development, our ability to develop manufacturing processes for new products, and commercial acceptance of our new products and enhancements.

OUR FAILURE TO KEEP PACE WITH RAPID TECHNOLOGICAL CHANGES IN THE WIRELESS AND BROADBAND COMMUNICATIONS INDUSTRY WOULD IMPAIR OUR GROWTH. The wireless and broadband communications markets are characterized by frequent introductions of new products, services and protocols. New products, services and protocols respond to evolving product and process technologies and consumer demand for greater functionality, lower costs, smaller products and better performance. As a result, we have experienced, and will continue to experience, product design obsolescence. We must continue to improve our product designs and develop new products with new technologies to meet our customers' demands.

WE OPERATE IN VERY COMPETITIVE INDUSTRIES AND WE MAY BE UNABLE TO COMPETE SUCCESSFULLY. Competition in the markets for our products is intense. We compete with several companies primarily engaged in the business of designing, manufacturing and selling integrated circuits, discrete semiconductors and ceramic products, as well as suppliers of other discrete products. For example, we compete with our largest customer in the production of power amplifiers. Our competitors could develop new process technologies that may be superior to ours. In addition, many of our existing and potential customers manufacture or assemble wireless communications devices and have substantial in-house technological capabilities. If one of our large customers decided to design and manufacture integrated circuits internally, it could have an adverse effect on our operating results.

Many of our existing and potential competitors have strong market positions, considerable internal manufacturing capacity, established intellectual property rights and substantial technological capabilities. Moreover, a number of our existing and potential competitors have greater financial, technical, manufacturing and marketing resources than we do. We cannot guarantee that we will be able to compete successfully with our competitors.

We expect competition to increase. This could mean lower prices for our products or reduced demand for our products. Any of these developments would have an adverse effect on our operating results.

AVERAGE SELLING PRICES FOR OUR PRODUCTS TYPICALLY DECLINE OVER TIME. Average selling prices for our products decline over time. Many of our manufacturing costs are fixed. For a given level of sales, when our manufacturing costs decline, our gross margins improve, and when our manufacturing costs increase, our gross margins decline. Our operating results suffer when gross margins decline. We may experience these problems in the future and we cannot predict when they may occur or their severity.

OUR OPERATING RESULTS WOULD SUFFER IF ONE OF OUR KEY SUPPLIERS FAILS TO DELIVER MATERIALS OR SERVICES FOR THE FABRICATION OF OUR PRODUCTS. We obtain certain materials and services for our products from one or a limited number of suppliers. For example, we procure GaAs substrates, a critical raw material, from a small number of suppliers. In addition, we obtain some GaAs wafers from a single external foundry, and we buy silicon substrates for semiconductors and certain chemical powders for ceramic manufacturing from single sources. We purchase these materials and services on a purchase order basis. We do not carry significant inventories and have long-term supply contracts with only a limited number of our vendors. Our inability to obtain critical materials or services in required quantities or in acceptable quality would result in significant delays or reductions in product shipments. This would materially and adversely affect our operating results.

OUR OPERATING RESULTS MAY FLUCTUATE SIGNIFICANTLY. Our quarterly and annual sales, earnings and other operating results have fluctuated significantly in the past and may fluctuate significantly in the future primarily as a result of variations in our customers' orders and the potential for delay or deferral of customer implementation of our technology into their products.

THE BENEFITS OF OUR GaAs PRODUCTS COMPARED TO SILICON ALTERNATIVES MAY NOT CONTINUE. The production of GaAs integrated circuits is more costly than the production of silicon circuits. As a result, we must offer GaAs products that provide superior performance to that of silicon for specific applications to be competitive with silicon products. If we do not continue to offer products that provide sufficiently superior performance to offset the cost differential, our operating results may be materially and adversely affected. We believe our costs of producing GaAs integrated circuits will continue to exceed the costs associated with the production of silicon circuits. The costs differ because of higher costs of raw materials for GaAs, lower production yields in GaAs technology and higher unit costs associated with lower production volumes. Silicon semiconductor technologies are widely used process technologies for certain integrated circuits and these technologies continue to improve in performance. We cannot assure you that we will continue to identify products and markets that require performance superior to that offered by silicon solutions.

WE FACE SIGNIFICANT CHALLENGES MANAGING OUR GROWTH. We have experienced periods of significant growth, and expect to do so in the future. To manage our growth effectively, we must continue to:

- improve operational systems;
- maintain adequate physical plant, manufacturing facilities and equipment to meet customer demand;
- add experienced senior level managers; and
- attract and retain qualified people with experience in engineering, design and manufacturing.

We will spend substantial amounts of money in connection with our growth and may have additional unexpected costs. Our manufacturing equipment may not be adequate to support rapid increases in orders for our products, and we may not be able to expand quickly enough to exploit potential market opportunities. If we cannot attract qualified people or manage growth effectively, our business, operating results and financial condition could be adversely affected.

THERE MAY BE UNANTICIPATED COSTS ASSOCIATED WITH INCREASING OUR CAPACITY. We anticipate that any future growth of our business will require increased manufacturing capacity. In response to this need, we have begun the implementation of a conversion of our Woburn, Massachusetts GaAs IC fabrication facility that will allow the manufacture of product on six-inch wafers. We also purchased a 125,000 square foot facility in Haverhill, Massachusetts, which provides additional manufacturing and office space for our Massachusetts operations. We may be required to purchase significant additional equipment or further expand our facilities in the future. Expansion activities such as these are subject to a number of risks, including:

- unavailability or late delivery of the advanced, and often customized, equipment used in the production of our products;
- delays in bringing new production equipment on-line;
- work stoppages and delays in supplying products for our existing customers during expansion activities; and
- unforeseen environmental or engineering problems relating to existing or new facilities.

These and other risks may affect the ultimate cost and timing of our present expansion or any future expansion of our capacity.

OUR INTERNATIONAL SALES COULD DECLINE AS A RESULT OF CURRENCY EXCHANGE FLUCTUATIONS AND OTHER FACTORS. Our sales outside of the United States were approximately $133.7 million in fiscal 2001, $84.8 million in fiscal 2000, and $45.8 million in fiscal 1999. Because most of our foreign sales are denominated in United States dollars, our products, particularly our ceramic products, become less price competitive with products manufactured by competitors based in countries whose currencies decline in value against the dollar. International sales involve a number of additional risks, including:

- imposition of government controls;
- potential insolvency of international distributors and representatives;
- fluctuation of economies outside the United States;
- political instability outside the United States;
- generally longer receivables collection periods for foreign customers; and
- tariffs and other trade barriers.

In addition, due to the technological advantage provided by GaAs in many military applications, a portion of our sales outside of North America are subject to export controls. Although we have not experienced any difficulty in obtaining necessary export licenses, failure to obtain such licenses in the future could have a material adverse effect on our operating results.

OUR COMPLIANCE WITH ENVIRONMENTAL REGULATIONS MAY BE COSTLY. We are subject to a variety of federal, state and local requirements governing the protection of the environment. These requirements relate to the use, storage, handling, discharge and disposal of toxic or otherwise hazardous materials used in our manufacturing processes. We may incur significant expense in complying with these requirements, and these requirements may become more stringent in the future. In the past, compliance with environmental regulations and our response to environmental claims and litigation has been costly. Failure to comply with environmental regulations could subject us to substantial liability or force us to change our manufacturing operations. In addition, under some of these regulations, we could be held financially responsible for remedial measures if our properties are contaminated, even if we did not cause the contamination.

WE MAY HAVE DIFFICULTY IN PROTECTING OUR INTELLECTUAL PROPERTY. Our ability to compete is affected by our ability to protect our intellectual property. A significant aspect of our intellectual property is our product and process technology. We rely primarily on trade secret laws, confidentiality procedures and licensing arrangements to protect our trade secrets and intellectual property. The laws of certain foreign countries in which our products are or may be developed, manufactured or sold may not protect our trade secrets or intellectual property rights to the same extent as do the laws of the United States. This may make the possibility of misappropriation of our technology and trade secrets more likely. We cannot assure you that the steps taken by us to protect our trade secrets and intellectual property will be adequate to prevent misappropriation of our technology.

OUR OPERATIONS COULD INFRINGE ON THE INTELLECTUAL PROPERTY RIGHTS OF OTHERS. Aspects of our technology could be found to infringe on the intellectual property rights or patents of others. Other companies may hold or obtain patents on inventions or may otherwise claim proprietary rights to technology necessary to our business. We cannot predict the extent to which we may be required to seek licenses. We cannot guarantee that the terms of any licenses we may be required to seek will be reasonable.

WE MAY HAVE DIFFICULTY IN MANAGING AND INTEGRATING ACQUISITIONS. From time to time, we explore opportunities to acquire businesses to expand our production capacity and our product offerings, such as our acquisition of NDI. Acquisitions involve numerous risks, including:

- difficulties in integrating operations, products and corporate cultures;
- difficulties in completing the development of acquired technologies;
- difficulties in managing different geographic units;
- entering markets or businesses in which we have limited experience; and
- the loss of key employees of the acquired businesses.

Moreover, any delay or failure to integrate an acquired company, technology or product line could result in the additional expenditure of money and in increased demands on our management's time. These expenditures and demands could have a material adverse effect on our business, financial condition and results of operations. Acquisitions may involve expending significant funds and the issuance of additional securities, which may be dilutive to stockholders.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk represents the risk of changes in the value of short-term investments and financial instruments caused by fluctuations in investment prices and interest rates.

INVESTMENT PRICE RISK

The fair value of the Company's short-term investment portfolio at April 1, 2001, approximated carrying value due to its short-term duration. Market risk, estimated as the potential decrease in fair value resulting from a hypothetical 10% decrease in interest rates for the issues contained in the investment portfolio, is not considered to be material because of the short-term nature of the investments.

INTEREST RATE RISK

The carrying value of the Company's long-term debt, including current maturities, was $235,000 at April 1, 2001. Due to the nature of the debt instruments, management has determined that the fair value was not materially different from the year-end carrying value.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO FINANCIAL STATEMENTS

	Page
Consolidated Balance Sheets - April 1, 2001 and April 2, 2000	22
Consolidated Statements of Operations - Years ended April 1, 2001, April 2, 2000 and March 28, 1999	23
Consolidated Statements of Cash Flows - Years ended April 1, 2001, April 2, 2000 and March 28, 1999	24
Consolidated Statements of Stockholders' Equity - Years ended April 1, 2001, April 2, 2000 and March 28, 1999	25
Notes to Consolidated Financial Statements	26
Independent Auditors' Report	43

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)

	APRIL 1, 2001	APRIL 2, 2000
ASSETS		
Current assets		
Cash and cash equivalents	$ 68,802	$ 21,620
Short-term investments	84,982	124,990
Accounts receivable, trade, less allowance for doubtful accounts of $921 and $796	36,984	33,844
Inventories (Note 3)	15,661	11,916
Prepayments and other current assets	3,169	2,583
Prepaid income taxes	735	1,191
Deferred income taxes	9,668	7,261
Total current assets	220,001	203,405
Property, plant and equipment		
Land, building and improvements	50,328	32,456
Machinery and equipment	142,115	110,106
	192,443	142,562
Less-accumulated depreciation and amortization	78,247	67,042
	114,196	75,520
Other assets	2,822	2,099
Total assets	$337,019	$281,024
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Current maturities of long-term debt (Note 4)	$ 129	$ 3,011
Accounts payable	20,820	20,537

Accrued liabilities		
Payroll and related expenses	7,283	6,975
Other	3,481	2,525
Total current liabilities	31,713	33,048
Long-term debt (Note 4)	235	345
Other long-term liabilities	2,081	2,237
Deferred income taxes	3,812	3,301
Total liabilities	37,841	38,931
Commitments and contingencies (Note 8)		
Stockholders' equity (Notes 4 and 6)		
Common stock par value $0.25 per share; authorized 100,000,000 shares; issued 43,520,880 and 42,576,518	10,880	10,644
Additional paid-in capital	221,147	197,711
Retained earnings	67,179	33,806
	299,206	242,161
Less - Treasury shares 26,539 and 64,786 at cost	28	68
Total stockholders' equity	299,178	242,093
Total liabilities and stockholders' equity	$337,019	$281,024

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

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
Sales	$ 271,568	$ 186,402	$ 126,413
Cost of sales	151,632	105,566	71,280
Research and development expenses	36,026	25,336	15,947
Selling and administrative expenses	43,250	34,107	23,727
Total operating expenses	230,908	165,009	110,954
Operating income	40,660	21,393	15,459
Other income (expense)			
Interest expense	(56)	(223)	(267)
Interest income	8,733	6,685	1,552
Other expense, net	(67)	(608)	(42)
Total other income, net	8,610	5,854	1,243
Income before income taxes	49,270	27,247	16,702
Provision (benefit) for income taxes (Note 5)	15,897	9,265	(2,561)
Net income	$ 33,373	$ 17,982	$ 19,263
Basic earnings per share	$ 0.78	$ 0.44	$ 0.56
Diluted earnings per share	$ 0.75	$ 0.42	$ 0.54
Shares used in computing:			
Basic earnings per share	43,029	40,659	34,314
Diluted earnings per share	44,752	42,822	35,406

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

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	YEARS ENDED APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
CASH PROVIDED BY OPERATIONS:			
Net income	$ 33,373	$ 17,982	$ 19,263
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization of property, plant and equipment:	16,010	10,681	8,257
Deferred income taxes	(1,896)	658	(4,618)
Amortization of unearned compensation - restricted stock	--	14	90
Gain on sales of property, plant and equipment	(61)	--	--
Loss on sales and retirements of property, plant and equipment	3	544	12
(Increase) decrease in other assets	(723)	(605)	469
Increase (decrease) in other long-term liabilities	(156)	573	(706)
Issuance of treasury stock to 401(k) plan	1,512	1,120	960
Changes in operating assets and liabilities:			
Accounts receivable	(3,140)	(10,791)	(4,553)
Inventories	(3,745)	(3,117)	(858)
Prepayments and other current assets	(130)	(2,853)	(6)
Accounts payable	283	9,321	5,491
Accrued liabilities	16,263	9,902	(196)
Net cash provided by operations	57,593	33,429	23,605
CASH USED IN INVESTING:			
Additions to property, plant and equipment excluding capital leases	(54,748)	(39,660)	(20,793)
Purchases of short-term investments	(134,813)	(226,242)	(24,167)
Maturities of short-term investments	174,821	117,523	18,195
Proceeds from sale of property, plant and equipment	120	60	34
Net cash used in investing	(14,620)	(148,319)	(26,731)
CASH PROVIDED BY FINANCING:			
Payments on notes payable	(92)	(1,169)	(1,876)
(Payments on) proceeds from line of credit	(2,900)	2,900	--
Payments on capital lease obligations	--	--	(8)
Deferred charges related to long-term debt	--	28	16
Exercise of stock options	6,579	3,393	1,724
Proceeds from sale of stock	622	116,196	225
Net cash provided by financing	4,209	121,348	81
Net increase (decrease) in cash and cash equivalents	47,182	6,458	(3,045)
Cash and cash equivalents, beginning of year	21,620	15,162	18,207
Cash and cash equivalents, end of year	$ 68,802	$ 21,620	$ 15,162
Supplemental disclosure of non-cash operating activities:			
Tax benefit from the exercise of stock options	$ 14,840	$ 7,027	$ 703
Compensation expense	$ 159	$ 2,109	$ --
Supplemental cash flow disclosures:			
Cash paid for income taxes	$ 2,380	$ 3,300	$ 915
Cash paid for interest	$ 119	$ 191	$ 265

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

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	COMMON STOCK SHARES	PAR VALUE	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS (ACCUMULATED DEFICIT)	TREASURY STOCK	UNEARNED COMPENSATION RESTRICTED STOCK

Balance, March 29, 1998 as previously reported	31,635	$ 7,908	$ 51,486	$ (3,214)	$ (315)	$ (43)
Adjustment for pooling of interests	2,665	666	21,614	(225)	--	--
Balance, March 29, 1998 as restated	34,300	8,574	73,100	(3,439)	(315)	(43)
Net income	--	--	--	19,263	--	--
Employee Stock Purchase Plan	52	13	212	--	--	--
Issuance of restricted stock	12	3	58	--	--	(61)
Amortization of unearned compensation restricted stock	--	--	--	--	--	90
Issuance of 175,828 treasury shares to 401(k) plan	--	--	778	--	182	--
Exercise of stock options	404	102	1,622	--	--	--
Tax benefit from the exercise of stock options	--	--	703	--	--	--
Balance at March 28, 1999	34,768	8,692	76,473	15,824	(133)	(14)
Net income	--	--	--	17,982	--	--
Employee Stock Purchase Plan	21	5	283	--	--	--
Amortization of unearned compensation restricted stock	--	--	--	--	--	14
Issuance of 59,972 treasury shares to 401(k) plan	--	--	1,055	--	65	--
Exercise of stock options	1,159	290	3,103	--	--	--
Tax benefit from the exercise of stock options	--	--	7,027	--	--	--
Compensation expense	--	--	2,109	--	--	--
Proceeds from stock offering	6,629	1,657	107,661	--	--	--
Balance at April 2, 2000	42,577	10,644	197,711	33,806	(68)	--
Net income	--	--	--	33,373	--	--
Employee Stock Purchase Plan	21	5	617	--	--	--
Issuance of 38,247 treasury shares to 401(k) plan	--	--	1,472	--	40	--
Exercise of stock options	923	231	6,348	--	--	--
Tax benefit from the exercise of stock options	--	--	14,840	--	--	--
Compensation expense	--	--	159	--	--	--
Balance at April 1, 2001	43,521	$ 10,880	$ 221,147	$ 67,179	$ (28)	$ --

---

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

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year:

The Company's fiscal year ends on the Sunday closest to March 31. There were 52 weeks in fiscal 2001 and 1999. There were 53 weeks in fiscal 2000.

Use of Estimates:

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Revenue Recognition:

Revenue from product sales is recorded when the product is shipped, when persuasive evidence of an arrangement exists, when the price to the buyer is fixed or determinable, and collectibility of the sales price is reasonably assured. Provisions for product returns and allowances are recorded in the same period as the related revenue.

Foreign Currency Translation:

The accounts of foreign subsidiaries are translated in accordance with Statement of Financial Accounting Standards ("SFAS") No. 52. Foreign operations are remeasured as if the functional currency were the U.S. dollar. Monetary assets and liabilities are translated at the year end rates of exchange. Revenues and expenses (except cost of sales and depreciation) are translated at the average rate for the period. Non-monetary assets, equity, cost of sales and depreciation are remeasured at historical rates. Remeasurement gains and losses are reflected currently in operations and are not material.

Research and Development Expenditures:

Research and development expenditures are charged to income as incurred.

Cash, Cash Equivalents and Short-Term Investments

Cash and cash equivalents include cash deposited in demand deposits at banks and highly liquid investments with original maturities of 90 days or less.

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. 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.

Inventories:

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or market.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment:

Property, plant and equipment are carried at cost. Depreciation is calculated using the straight-line method for financial reporting and accelerated methods for tax purposes.

Estimated useful lives used for depreciation purposes are 5 to 30 years for buildings and improvements and 3 to 10 years for machinery and equipment.

During fiscal 2001 and 2000, the Company removed $4.4 million and $6.0 million, respectively, of fully depreciated fixed assets from the related property, plant and equipment and accumulated depreciation accounts.

Fair Value of Financial Instruments:

Financial instruments of the Company consist of cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value because of the short maturity of these instruments. Based upon borrowing rates currently available to the Company for issuance of similar debt with similar terms and remaining maturities, the estimated fair value of long-term debt approximates its carrying amount. The Company does not currently use derivative instruments.

Income Taxes:

The Company uses the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. This method also requires the recognition of future tax benefits such as net operating loss carryforwards, to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Earnings Per Share:

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share includes the dilutive effect of stock options, if their effect is dilutive, using the treasury stock method.

A reconciliation of the weighted average number of shares outstanding used in the computation of the basic and diluted earnings per share for each of the following years is as follows:

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
	(in thousands)		
Weighted average shares (basic)	43,029	40,659	34,314
Effect of dilutive stock options	1,723	2,163	1,092
Weighted average shares (diluted).....	44,752	42,822	35,406

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At April 1, 2001, April 2, 2000 and March 28, 1999, options to purchase approximately 2.5 million, 7,000 and 3,000 shares, respectively, were outstanding but not included in the computation of diluted earnings per share because the exercise prices of the options were greater than the average market prices of the Company's common stock during those periods.

Impairment of Long-Lived Assets and Long-Lived Assets to be Disposed of:
The Company accounts for impairment of long-lived assets in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of." This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. This Statement has not had a material impact on the Company's financial position, results of operations, or liquidity.

Stock Option Plans:
The Company accounts for its stock-based compensation under the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations and provides disclosure related to its stock-based compensation under the provisions of SFAS No. 123, "Accounting for Stock-Based Compensation."

Comprehensive Income:
During fiscal 1999, the Company adopted the provisions of SFAS No. 130, "Reporting Comprehensive Income." SFAS No. 130 is a financial statement presentation standard, which requires the Company to disclose non-owner changes included in equity but not included in net income or loss. There were no differences between net income and comprehensive income for fiscal 2001, 2000 and 1999.

Recent Accounting Pronouncements:
On April 1, 2001, the Company adopted SFAS No. 133, "Accounting for

Derivative Instruments and Hedging Instruments" and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," an amendment to SFAS No. 133. The adoption of these standards had no material effect on our consolidated financial position, results of operations or cash flow.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 ACQUISITION OF NETWORK DEVICE, INC.

On April 24, 2000, the Company completed its acquisition of privately-held Network Device, Inc. ("NDI") based in Sunnyvale, California. Approximately 2.67 million shares of common stock of the Company were exchanged for all outstanding shares of NDI. Approximately 185,000 shares of Company stock were reserved for the conversion of NDI stock options into Company options.

The acquisition has been accounted for as a pooling-of-interests and accordingly, all prior period consolidated financial statements and related notes to the consolidated financial statements have been restated to include the combined results of operations, financial position and cash flows of NDI.

Prior to the merger, NDI's fiscal year ended on September 30. In recording the business combination, NDI's prior period financial statements have been restated to conform with the Company's year end.

The following information presents certain income statement data of the separate companies for the prior periods reflected:

	YEARS ENDED	
	APRIL 2, 2000	MARCH 28, 1999
	(in thousands)	
Net sales:		
Alpha Industries, Inc.	$ 184,705	$ 126,339
Network Device, Inc.	2,642	74
Adjustments/ Eliminations....	(945)	--
	$ 186,402	$ 126,413
Net income (loss):		
Alpha Industries, Inc.	$ 24,380	$ 21,490
Network Device, Inc.	(9,299)	(3,515)
Adjustments/Eliminations	2,901	1,288
	$ 17,982	$ 19,263

The effects of conforming NDI's accounting policies to those of the Company were not material.

NOTE 3 INVENTORIES

Inventories consisted of the following:	APRIL 1, 2001	APRIL 2, 2000
	(in thousands)	
Raw materials	$ 5,187	$ 3,473

Work-in-process....................	7,868	7,397
Finished goods.....................	2,606	1,046
	$15,661	$11,916

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 BORROWING ARRANGEMENTS AND COMMITMENTS

LINES OF CREDIT

In November 1999, the Company entered into a $10.0 million unsecured Revolving Credit Agreement that was scheduled to expire on October 31, 2000. In November 2000, the Company extended the agreement through November 15, 2002. The agreement includes various covenants that require maintenance of certain financial ratios and balances and restrict creation of funded debt and payment of dividends. There were no borrowings under this Agreement at April 1, 2001.

LONG-TERM DEBT

Long-term debt consisted of the following:	APRIL 1, 2001	APRIL 2, 2000
	(in thousands)	
Line of credit (a)	$ --	$2,900
CDBG Grant (b)	364	456
	364	3,356
Less - current maturities.........	129	3,011
	$ 235	$ 345

a) Network Device, Inc. had a $3.0 million line of credit at April 2, 2000 with a maturity date of May 31, 2000. Borrowings under this agreement totaled $2.9 million at April 2, 2000. The line of credit was paid in full during the first quarter of fiscal 2001.

b) The Company obtained a ten-year $960,000 loan from the State of Maryland under the Community Development Block Grant program. Quarterly payments are due through December 2003 and represent principal plus interest at 5% of the unamortized balance.

Aggregate annual maturities of long-term debt are as follows:

FISCAL YEAR	(in thousands)
2002.....................	$129
2003.....................	136
2004.....................	99
	$364

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 INCOME TAXES

Income before income taxes consisted of:

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
	(in thousands)		
Domestic..........	$49,270	$26,929	$15,920
Foreign	--	318	782
Total	$49,270	$27,247	$16,702

The income tax provision (benefit) consisted of the following:

FISCAL 2001	CURRENT	DEFERRED	TOTAL
	(in thousands)		
Federal..........	$16,921	$(1,757)	$15,164
State	872	(139)	733
Total	$17,793	$(1,896)	$15,897

FISCAL 2000	CURRENT	DEFERRED	TOTAL
	(in thousands)		
Federal..........	$8,202	$ 760	$8,962
State	305	(101)	204
Foreign..........	99	--	99
Total	$8,606	$ 659	$9,265

FISCAL 1999	CURRENT	DEFERRED	TOTAL
	(in thousands)		
Federal..........	$ 447	$(3,826)	$(3,379)
State	670	(97)	573
Foreign..........	245	--	245
Total	$ 1,362	$(3,923)	$(2,561)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 INCOME TAXES (CONTINUED)

Income tax expense (benefit) for income taxes is different from that which would be obtained by applying the statutory federal income tax rate of 35% to pretax income as a result of the following:

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
	(in thousands)		
Tax expense at U.S. statutory rate	$ 17,245	$ 9,536	$ 5,846
Loss on foreign investment	(560)	--	--
Foreign sales corporation	(600)	(416)	--
Foreign tax rate difference	--	(12)	(29)
Nondeductible transaction expenses	625	--	--
Utilization of research and development credit	(1,883)	--	--
State income taxes, net of federal benefit	477	133	372
Change in valuation allowance	1,011	40	(9,298)
Net U.S. tax on distribution of foreign earnings	--	216	--
Other, net	(418)	(232)	548
Total	$ 15,897	$ 9,265	$ (2,561)

Total income tax expense (benefit) was allocated as follows:

	YEAR ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
	(in thousands)		
Income from continuing operations	$ 15,897	$ 9,265	$2,561
Stockholders equity, for compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes	(14,840)	(7,027)	(703)
Total	$ 1,057	$ 2,238	$3,264

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 INCOME TAXES (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	APRIL 1, 2001	APRIL 2, 2000
	(in thousands)	
Deferred tax assets:		
Accounts receivable due to bad debts	$ 340	$ 234
Inventories due to reserves and inventory capitalization	2,786	981
Accrued liabilities	2,101	965
Deferred compensation	889	777

Federal net operating loss carryforwards	2,883	4,463
Minimum tax credit, state tax credit and state tax net operating loss carryforwards	4,825	1,819
Total gross deferred tax assets	13,824	9,239
Less valuation allowance	(1,881)	(870)
Net deferred tax assets	11,943	8,369
Deferred tax liabilities:		
Property, plant and equipment due to depreciation	(5,871)	(4,193)
Net U.S. tax on distribution of foreign earnings	(216)	(216)
Total gross deferred tax liability	(6,087)	(4,409)
Net deferred tax assets	$ 5,856	$ 3,960

Deferred income taxes are presented in the accompanying consolidated balance sheets as follows:

	APRIL 1, 2001	APRIL 2, 2000
	(in thousands)	
Current deferred tax assets	$9,668	$7,261
Non-current deferred tax liabilities	3,812	3,301
Net deferred tax assets	$5,856	$3,960

The valuation allowance for deferred tax assets as of April 1, 2001 and April 2, 2000 was $1.9 million and $870,000, respectively. The net change in the total valuation allowance for the years ended April 1, 2001 and April 2, 2000 was an increase of $1.0 million and $40,000, respectively. The increase in the valuation allowance during fiscal 2001 reflects the estimated amount of deferred tax asset which may not be realized due to the expiration of state net operating loss carryforwards. As of April 1, 2001, the Company has available for income tax purposes approximately $8.2 million in federal net operating loss carryforwards (NOLs). The NOLs relate to operating losses of NDI, which was acquired on April 24, 2000. These losses are subject to an annual limitation and begin to expire in fiscal year 2019. In addition, the Company has minimum federal and state tax credit carryforwards of approximately $699,000 and $870,000 respectively, that are available to reduce future federal and state regular income taxes over an indefinite period. The Company also has research and development credits of approximately $1.9 million that will begin to expire in fiscal year 2012.

NOTE 6 COMMON STOCK

COMMON STOCK SPLIT

On January 27, 2000, the Board of Directors approved a two-for-one split of the Company's common stock, subject to stockholder approval of an increase in the Company's authorized shares from 30 million to 100 million. On March 28, 2000, the increase in authorized shares was approved at a Special Meeting of Stockholders. The two-for-one split was effected in the form of a stock dividend paid on April 19, 2000 to shareholders of record as of March 29, 2000. All agreements concerning stock options and other commitments payable in shares of the Company's common stock provide for the issuance of additional shares due to the declaration of the stock split. An amount equal to the par value of the common shares issued was transferred from additional paid-in capital to the common stock account. All share and per share data in these consolidated financial statements and related footnotes has been restated to reflect the stock split on a retroactive basis for all periods presented.

LONG-TERM INCENTIVE PLANS

The Company adopted a long-term incentive plan in 1999 pursuant to which non-qualified stock options may be granted. The Company also adopted a long-term incentive plan in 1996 pursuant to which stock options, with or without stock appreciation rights, may be granted and restricted stock awards and book value awards may be made.

Common Stock Options
These options may be granted in the form of incentive stock options or non-qualified stock options. The option price may vary but shall not be less than the greater of fair market value or par value. The option term may not exceed ten years. The options may be exercised in cumulative annual increments commencing one year after the date of grant. A total of 13,314,250 shares are authorized for grant under the Company's long-term incentive plans. The number of common shares reserved for granting of future awards was 3,076,551 at April 1, 2001.

Restricted Stock Awards
No restricted shares of the Company's common stock were issued during fiscal 2001 and 2000. During fiscal 1999, a total of 12,132 restricted shares of the Company's common stock were granted to certain employees. The market value of these shares was $61,000 and the vesting period was one year. This amount was recorded as unearned compensation - restricted stock and is shown as a separate component of stockholders' equity. Unearned compensation was amortized to expense over the vesting period. Unearned compensation - restricted stock was fully amortized at April 2, 2000. Unearned compensation expense amounted to $14,000 and $90,000 in fiscal 2000 and 1999, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 COMMON STOCK (CONTINUED)

A summary of stock option and restricted stock award transactions follows:

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE OF SHARES UNDER PLAN
Balance outstanding at March 29, 1998.....	2,786,332	$ 2.83
Granted	1,047,184	4.03
Exercised	(358,910)	2.53
Restricted	(32,008)	--
Cancelled	(85,500)	3.26
Balance outstanding at March 28, 1999.....	3,357,098	3.20
Granted	1,441,400	17.37
Exercised	(1,075,106)	2.79
Restricted	(32,134)	--
Cancelled	(168,620)	6.57
Balance outstanding at April 2, 2000	3,522,638	8.99
Granted	2,403,497	37.57
Exercised	(884,458)	6.88
Cancelled	(274,604)	27.20

Balance outstanding at April 1, 2001.....	4,767,073	$22.75

Options exercisable at the end of each fiscal year:

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
2001	794,275	$ 6.86
2000	858,346	$ 5.81
1999	830,638	$ 2.40

NOTE 6 COMMON STOCK (CONTINUED)

The following table summarizes information concerning currently outstanding and exercisable options as of April 1, 2001:

RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE OUTSTANDING OPTION PRICE	OPTIONS EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
$ 0.92 - $10.00	1,649,052	6.72	$ 3.80	646,725	$ 3.54
$10.01 - $20.00	672,090	8.21	$16.68	96,210	$16.77
$20.01 - $30.00	468,215	9.18	$27.86	37,800	$26.41
$30.01 - $40.00	834,466	9.40	$31.99	7,500	$30.53
$40.01 - $50.00	1,112,750	9.07	$44.47	3,400	$44.44
$50.01 - $60.00	21,400	9.05	$54.92	1,040	$55.68
$60.01 - $67.00	9,100	8.96	$65.40	1,600	$66.06
	4,767,073			794,275	

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for its stock option and employee stock purchase plans. Had compensation cost for the Company's stock option plans been determined based upon the fair value at the grant date for awards under these plans consistent with the methodology prescribed under SFAS No. 123, "Accounting for Stock-based Compensation," the Company's net income would have been as follows:

		YEARS ENDED		
		APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
			(in thousands)	
Net income	As reported	$33,373	$17,982	$ 19,263
	Pro forma	$25,958	$15,088	$ 18,181
Net income per share diluted	As reported	$ 0.75	$ 0.42	$ 0.54
	Pro forma	$ 0.58	$ 0.35	$ 0.51

NOTE 6 COMMON STOCK (CONTINUED)

The effect of applying SFAS No. 123 as shown in the above pro forma disclosure is not representative of the pro forma effect on net income in future years because it does not take into consideration pro forma compensation expense related to grants made prior to fiscal year 1996.

The fair value of each option grant was estimated on the grant date using the Black Scholes Option Pricing Model with the following weighted average assumptions:

	2001	2000	1999
Expected volatility	125%	69%	85%
Risk free interest rate	5%	6%	5%
Dividend yield	--	--	--
Expected option life (years).....	3	3	4

Weighted average fair value of options granted during the year:

2001............................	$ 7.46
2000............................	$ 5.02
1999............................	$ 1.89

STOCK OPTION PLANS FOR NON-EMPLOYEE DIRECTORS

The Company has two stock option plans for non-employee directors -- the 1994 Non-Qualified Stock Option Plan and the 1997 Non-Qualified Stock Option Plan. Under the two plans, a total of 450,000 shares have been authorized for option grants. The two plans have substantially similar terms and conditions and are structured to provide options to non-employee directors as follows: a new Director receives a total of 45,000 options upon becoming a member of the Board; and continuing Directors receive 15,000 options after each Annual Meeting of Shareholders. Under both of these plans the option price is the fair market value at the time the option is granted. Options granted during fiscal 2001 become exercisable 25% per year beginning one year from the date of grant. Options granted prior to fiscal 2001 become exercisable at a rate of 20% per year beginning one year from the date of grant. During fiscal 2001, 45,000 options were granted under these plans at a price of $36.50. During fiscal 2000, 105,000 options were granted with 45,000 granted at a price of $16.36 and 60,000 granted at a price of $27.28. During fiscal 1999, 60,000 shares were granted at a price $6.59. At April 1, 2001, a total of 441,000 options, net of cancellations, have been granted under these two plans. During fiscal 2001, 39,000 options were exercised at a weighted average exercise price of $4.60. At April 1, 2001, 54,000 shares were exercisable.

NOTE 6 COMMON STOCK (CONTINUED)

STOCK PURCHASE PLAN

The Company maintains an employee stock purchase plan. Under the plan, eligible employees may purchase common stock through payroll deductions of up to 10% of compensation. The price per share is the lower of 85% of the market price at the beginning or end of each six-month offering period. The plan provides for purchases by employees of up to an aggregate of 900,000 shares through December 31, 2001. Shares of 20,904, 21,086 and 51,506 were purchased under this plan in fiscal 2001, 2000 and 1999, respectively.

NOTE 7 EMPLOYMENT BENEFIT PLAN

The Company maintains a 401(k) plan covering substantially all of its employees. All of the Company's employees who are at least 21 years old are eligible to receive a Company contribution. Discretionary Company contributions are determined by the Board of Directors and may be in the form of cash or the Company's stock. The Company contributes a match of 100% of the first 1% and a 50% match on the next 4% of an employee's salary for employees with 5 years or less of service. For employees with more than 5 years of service, the Company contributes a 100% match on the first 1% and a 75% match on the next 5% of an employee's salary. For fiscal 2001, 2000 and 1999, the Company contributed 55,500, 39,374 and 161,336 shares, respectively, of the Company's common stock valued at $1.5 million, $1.2 million and $995,000, to fund the Company's obligation under the 401(k) plan.

NOTE 8 COMMITMENTS AND CONTINGENCIES

The Company has various operating leases primarily for computer equipment and buildings. Rent expense amounted to $1.4 million in fiscal 2001 and $1.7 million in fiscal 2000 and fiscal 1999, respectively. Purchase options may be exercised at various times for some of these leases. Future minimum payments under these leases are as follows:

FISCAL YEAR	(IN THOUSANDS)
2002	$ 1,788
2003	1,437
2004	926
2005	843
2006	758
Thereafter	1,255
	$ 7,007

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

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 RELATED PARTY TRANSACTIONS

The Company has had transactions in the normal course of business with various related parties. Scientific Components Corporation, a beneficial owner of the Company's common stock during fiscal 2000 and fiscal 1999, purchased approximately $7.4 million of products during fiscal 2000 and 1999, respectively. Scientific Components Corporation was not a beneficial owner of the Company's common stock during fiscal 2001.

NOTE 10 SEGMENT INFORMATION

The Company is engaged in the design and manufacture of discrete semiconductors, integrated circuits and electrical ceramic components for a wide range of applications in the wireless and broadband communications markets.

The Company has adopted SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information." SFAS No. 131 establishes standards for the way public business enterprises report information about operating segments in annual financial statements and in interim reports to shareholders. The method for determining what information to report is based on the way that management organizes the segments within the Company for making operating decisions and assessing financial performance. In evaluating financial performance, management uses sales and operating profit as the measure of the segments' profit or loss.

During the Company's second quarter ended October 1, 2000, the Company reorganized into two reportable segments based on management's methods of evaluating operations and performance. The new reportable segments are: Semiconductor Products and Ceramic Products. The Semiconductor Products segment is comprised of two of the Company's former segments: Wireless Semiconductor Products and Application Specific Products. A description of the reportable segments 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.

NOTE 10 SEGMENT INFORMATION (CONTINUED)

The table below presents selected financial data by business segment for fiscal 2001, 2000 and 1999. The accounting policies of the segments are the same as those described in the "Summary of Significant Accounting Policies."

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
		(in thousands)	
Sales			
Semiconductor Products.....	$224,560	$150,348	$100,873
Ceramic Products	47,008	36,054	25,540
	$271,568	$186,402	$126,413
Operating Income			
Semiconductor Products.....	$ 33,496	$ 16,761	$ 13,580
Ceramic Products	7,164	4,632	1,879
	$ 40,660	$ 21,393	$ 15,459

	APRIL 1, 2001	APRIL 2, 2000
	(in thousands)	
Net Long-lived Assets		
Semiconductor Products.....	$ 97,568	$ 62,459
Ceramic Products	16,628	13,061
	$114,196	$ 75,520
Total Assets		
Semiconductor Products.....	$138,614	$108,443
Ceramic Products	29,217	25,892
Corporate	169,188	146,689
	$337,019	$281,024

Customer Concentration:

During fiscal year 2001, two customers accounted for 26% and 11%, respectively of the Company's total sales. In fiscal 2000 and 1999, one customer accounted for 34% and 28%, respectively, of the Company's total sales. In fiscal 2001, sales to the Company's 15 largest customers accounted for 69% of total sales. In fiscal 2000 and 1999, sales to these customers accounted for 65% and 64%, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 SEGMENT INFORMATION (CONTINUED)

Geographic Information

Sales include export sales primarily to Europe and Asia of $133.7 million, $84.8 million and $45.8 million, in fiscal 2001, 2000 and 1999, respectively. During fiscal 2001, the Company closed its sales subsidiary in the United Kingdom. This sales subsidiary was in operation during fiscal 2000 and 1999. The following table shows certain financial information relating to the Company's operations in various geographic areas:

	YEARS ENDED		
	APRIL 1, 2001	APRIL 2, 2000	MARCH 28, 1999
		(in thousands)	
Sales			
United States			
Customers	$ 271,510	$ 180,576	$ 118,534
Intercompany	18	4,698	6,497
Europe			
Customers	58	5,826	7,879
Eliminations	(18)	(4,698)	(6,497)
Net sales	$ 271,568	$ 186,402	$ 126,413

	=========	=========	=========
Income before taxes			
United States.........	$ 49,260	$ 26,929	$ 15,920
Europe	10	318	782
Income before taxes	$ 49,270	$ 27,247	$ 16,702
Assets			
United States	$ 333,626	$ 276,540	$ 115,214
Europe	3,393	4,484	5,469
Total assets	$ 337,019	$ 281,024	$ 120,683

Substantially all of the Company's long-lived assets were located in the United States as of April 1, 2001.

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 QUARTERLY FINANCIAL DATA (UNAUDITED)

(In thousands, except per share data)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR
FISCAL 2001					
Sales	$65,688	$73,201	$78,684	$53,995	$271,568
Gross profit	29,538	33,747	36,358	20,293	119,936
Net income	7,841	10,567	11,580	3,385	33,373
Per share data (1)					
Net income basic	.18	.25	.27	.08	.78
Net income diluted.....	.18	.24	.26	.08	.75
Market price range					
High	63.875	50.438	54.000	35.938	63.875
Low	35.000	32.000	24.750	13.938	13.938
FISCAL 2000					
Sales	$38,653	$41,921	$48,043	$57,785	$186,402
Gross profit	16,997	18,035	20,955	24,849	80,836
Net income	3,319	4,313	5,451	4,899	17,982
Per share data					
Net income basic	.09	.10	.13	.12	.44
Net income diluted.....	.09	.10	.12	.11	.42
Market price range					
High	23.125	28.906	33.125	74.734	74.734
Low	8.938	21.500	23.875	27.016	8.938

The Company's common stock is traded on the NASDAQ National Market under the symbol AHAA. The number of stockholders of record as of May 31, 2001 was approximately 950.

(1) Earnings per share calculations for each of the quarters are based on the weighted average number of shares outstanding and included common stock equivalents in each period. Therefore, the sums of the quarters do not necessarily equal the full year earnings per share.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Alpha Industries, Inc.:

We have audited the consolidated financial statements of Alpha Industries, Inc. and subsidiaries as listed in the accompanying index under Item 8. In connection with our audits of the consolidated financial statements, we have also audited the financial statement schedule as listed in the accompanying index under Item 14. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alpha Industries, Inc. and subsidiaries at April 1, 2001 and April 2, 2000, and the results of their operations and their cash flows for each of the years in the three-year period ended April 1, 2001 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP
Boston, Massachusetts
May 1, 2001

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10 DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

See the section entitled "Election of Directors" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 10, 2001, to be filed within 120 days of the end of the Company's fiscal year, which section is incorporated herein by reference, and the section entitled "Executive Officers" under Item 1 of this Annual Report on Form 10-K.

ITEM 11 EXECUTIVE COMPENSATION

See the section entitled "Executive Compensation" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 10, 2001, which section is incorporated herein by reference.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

See the section entitled "Securities Beneficially Owned by Certain Persons" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 10, 2001, which section is incorporated herein by reference.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

See the section entitled "Certain Relationships and Related Transactions" appearing in the Company's Proxy Statement for the Annual Meeting of Stockholders to be held on September 10, 2001, which section is incorporated herein by reference.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Index to Financial Statements

The financial statements filed as part of this report are listed on the index appearing on page 21.

2. Index to Financial Statement Schedules

The following financial statement schedule is filed as part of this report (page reference is to this report):

Schedule II   Valuation and Qualifying Accounts (page 48)

Other schedules have been omitted because of the absence of conditions under which they are required or because the required information is presented in the financial statements or notes thereto.

3. Exhibits

NO.	DESCRIPTION
2.a	Agreement and Plan of Merger, dated as of February 10, 2000, by and among Alpha Industries, Inc., Aries Acquisition Corporation and Network Device, Inc. (1)
3.a	Restated Certificate of Incorporation (2)
3.b	Amended and restated By-laws of the Corporation dated April 30, 1992 (3)
3.c	Certificate of Amendment of Restated Certificate of Incorporation of Alpha Industries, Inc., dated March 30, 2000 (17)
4.a	Specimen Certificate of Common Stock (2)
4.b	Loan and Security Agreement dated December 15, 1993 between Trans-Tech, Inc., and County Commissioners of Frederick County (4)
4.c	Revolving Credit Agreement dated November 1, 1999 between Alpha Industries, Inc., Trans-Tech, Inc., Fleet Bank of Massachusetts and Silicon Valley Bank (5); as amended by that Agreement and Amendment No 1. dated November 16, 2000 between Alpha Industries, Inc., Trans-Tech, Inc., Fleet Bank of Massachusetts and Silicon Valley Bank (6)
10.a	Alpha Industries, Inc., 1986 Long-Term Incentive Plan as amended (7)*
10.b	Alpha Industries, Inc., Long-Term Compensation Plan dated September 24, 1990 (8); amended March 28, 1991 (9); and as further amended October 27, 1994 (10)*
10.c	Severance Agreement dated May 20, 1997 between the Registrant and David J. Aldrich (11)*
10.d	Severance Agreement dated January 14, 1997 between the Registrant and Richard Langman (11)*
10.e	Consulting Agreement dated August 13, 1992 between the Registrant and Sidney Topol (12)*
10.f	Alpha Industries, Inc., 1994 Non-Qualified Stock Option Plan for Non-Employee Directors (7)*
10.g	Alpha Industries Executive Compensation Plan dated January 1, 1995 and Trust for the Alpha Industries Executive Compensation Plan dated January 3, 1995 (10)*
10.h	Severance Agreement dated September 4, 1998 between the Registrant and Paul E. Vincent (13)*
10.i	Alpha Industries, Inc., 1997 Non-Qualified Stock Option Plan for Non-Employee Directors (14)*
10.j	Severance Agreement dated September 13, 1999 between the Registrant and Thomas C. Leonard (15)*
10.k	Purchase and Sale Agreement dated July 27, 2000 between the Registrant and C.R. Bard, Inc. (16)
10.l	Severance Agreement dated May 30, 2000 between the Registrant and Jean-Pierre Gillard*
10.m	Alpha Industries, Inc. 1996 Long-Term Incentive Plan*
11	Statement regarding computation of per share earnings. See Note 1 to the Consolidated Financial Statements
21	Subsidiaries of the Registrant
23	Consent of Independent Auditors

----

*Management contract or compensatory plan

(1) Incorporated by reference to the exhibit filed with our Form 8-K dated May 8, 2000.
(2) Incorporated by reference to the exhibit filed with our Registration Statement on Form S-3 (Registration No. 33-63857).
(3) Incorporated by reference to the exhibit filed with our Annual Report on Form 10-K for the fiscal year ended March 29, 1992.
(4) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended July 3,1994.
(5) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended December 26, 1999.
(6) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2000.
(7) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended October 2, 1994.
(8) Incorporated by reference to the exhibit filed with our Annual Report on Form 10-K for the fiscal year ended March 29, 1992.
(9) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended June 27, 1993.
(10) Incorporated by reference to the exhibit filed with our Annual Report on Form 10-K for the fiscal year ended April 2, 1995.
(11) Incorporated by reference to the exhibit filed with our Annual Report on Form 10-K for the fiscal year ended March 30, 1997.
(12) Incorporated by reference to the exhibit filed with our Annual Report on Form 10-K for the fiscal year ended April 3, 1994.
(13) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended September 27, 1998.
(14) Incorporated by reference to the exhibit filed with our Annual Report on Form 10-K for the fiscal year ended March 29, 1998.
(15) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended September 26, 1999.
(16) Incorporated by reference to the exhibit filed with our Quarterly Report on Form 10-Q for the fiscal quarter ended October 1, 2000.
(17) Incorporated by reference to the exhibit filed with our Registration Statement on Form S-8 (Registration No. 33-63818).

(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 April 1, 2001.

(c) Exhibits

The exhibits required by Item 601 of Regulation S-K are FILED HEREWITH and INCORPORATED BY REFERENCE herein. The response to this portion of Item 14 is submitted under Item 14(a)(3).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ALPHA INDUSTRIES, INC.
(REGISTRANT)

BY: /s/ DAVID J. ALDRICH

DAVID J. ALDRICH, PRESIDENT

Date: June 27, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on June 27, 2001.

SIGNATURE AND TITLE	SIGNATURE AND TITLE
/s/ THOMAS C. LEONARD Thomas C. Leonard Chairman of the Board	/s/ TIMOTHY R. FUREY Timothy R. Furey Director
/s/ DAVID J. ALDRICH David J. Aldrich Chief Executive Officer President and Director	/s/ JAMES W. HENDERSON James W. Henderson Director
/s/ PAUL E. VINCENT Paul E. Vincent Chief Financial Officer Principal Financial Officer Principal Accounting Officer Secretary	/s/ GEORGE S. KARIOTIS George S. Kariotis Director
	/s/ DAVID MCLACHLAN David McLachlan Director
	/s/ ARTHUR PAPPAS Arthur Pappas Director
	/s/ SIDNEY TOPOL Sidney Topol Director

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	DEDUCTIONS	BALANCE AT END OF YEAR
Year Ended April 1, 2001				
Allowance for doubtful accounts	$796	$434	$309	$921
Year Ended April 2, 2000				
Allowance for doubtful accounts	$741	$418	$363	$796
Year Ended March 28, 1999				
Allowance for doubtful accounts	$634	$295	$188	$741
Allowance for estimated losses on contracts.....	$ 36	$ --	$ 36	$ --

Exhibit 10.L

[ALPHA INDUSTRIES, INC. LETTERHEAD]

May 30, 2000

Jean Pierre Gillard
Alpha Industries, Inc.
20 Sylvan Road
Woburn, MA 01801

Re: Separation Arrangement

Dear J.P.:

This letter is to confirm the separation arrangements that we have agreed on. This letter implements the Severance Agreement between you and Alpha dated December 11, 1998 (the "Agreement"), with certain changes noted below.

In consideration of your willingness to continue providing consulting services after your separation and to be subject to a longer noncompetition period, Alpha is willing to provide you with certain benefits provided for in the Agreement. The full statement of this arrangement is set out below.

1. Effective on May 31, 2000, you will move to part-time employee status and will cease to be an officer of the corporation. Your responsibilities will be as mutually agreed to between you and Alpha's Chief Executive Officer.

2. You will continue to receive your full base salary, as currently set, paid weekly, subject to normal withholding. You will be eligible for medical and dental insurance coverage and for the deferred compensation plan, subject to the same terms, conditions and payments as active employees of Alpha, but you will not be eligible for any other employee benefits. You will continue to be eligible to receive stock options or other incentive compensation so long as you are an employee, but the decision to grant such options or compensation will be in the sole discretion of Alpha's CEO.

3. Effective on May 31, 2000, all of your then outstanding Alpha stock options, whether or not by their terms then exercisable, will, subject to their other terms and conditions, become immediately exercisable and remain exercisable until May 30, 2001.

4. You may elect to retire at any time after May 31, 2000, in which case you will become an independent consultant to Alpha, advising the company on business

development, mergers and acquisitions, wireless markets and other areas within your expertise. Your activities and schedule will be as mutually agreed to between you and Alpha's Chief Executive Officer. This consulting arrangement will continue until May 30, 2002, unless otherwise mutually agreed to by you and Alpha's CEO. As a consultant, you will receive consulting fees for your availability and services equal to your current base salary, paid weekly. You will be reimbursed for your reasonable out-of-pocket expenses incurred in the performance of your consulting duties. You will be eligible for medical and dental insurance coverage and for the deferred compensation plan, subject to the same terms, conditions and payments as active employees of Alpha, but you will not be eligible for any other employee benefits.

5. From the date of this letter until May 30, 2002 (the "Noncompete Period"),

you will not, directly or indirectly, whether as owner, partner, shareholder, director, consultant, agent, employee, or otherwise, or through any person, engage in any employment, consulting or other activity which competes with the business of Alpha or any subsidiary or affiliate of Alpha (collectively, the "Company"). You acknowledge and agree that your direct or indirect participation in the conduct of such competing business alone or with any person will materially impair the business and prospects of Alpha. During the Noncompete Period, you will not (i) attempt to hire any director, officer, employee or agent of the Company, (ii) assist in such hiring by any other person, (iii) encourage any person to terminate his or her employment or business relationship with the Company, (iv) encourage any customer or supplier of the Company to terminate its relationship with the Company, or (v) obtain, or assist in obtaining, for your own benefit (other than indirectly as an employee of the Company) any customer of the Company. If any of the restrictions provided for in this Section 6 are adjudicated to be excessively broad as to scope, geographic area, time or otherwise, said restriction shall be reduced to the extent necessary to make the restriction reasonable and shall be binding on you as so reduced. Any provisions of this Section 6 not so reduced shall remain in full force and effect. You understand and acknowledge that the Company's remedies at law for breach of any of the restrictions in this Section are inadequate and that any such breach will cause irreparable harm to the Company. You therefore agree that in addition and as a supplement to such other rights and remedies as may exist in the Company's favor, the Company may apply to any court having jurisdiction to enforce the specific performance of the restrictions in this Section, and may apply for injunctive relief against any act which would violate those restrictions.

6. Alpha agrees that you may provide consulting services to other companies, but only subject to your noncompetition obligations under section 5.

7. This agreement contains the entire understanding of the parties concerning its subject matter. This agreement may be modified only by a written instrument executed by both parties. This agreement supersedes all prior agreements relating to your employment or severance, including without limitation the Severance Agreement dated December 11, 1998. This agreement will be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

Please sign both copies of this letter and return one to me. If you have any questions, please feel free to call me or Jim Nemiah.

Sincerely,

/s/ David J. Aldrich

David J. Aldrich
President and CEO

AGREED TO:

/s/ J. P. Gillard

Date: 5/30/00

Exhibit 10.M

ALPHA INDUSTRIES, INC.

1996 LONG-TERM INCENTIVE PLAN

SECTION I. PURPOSE OF THE PLAN.

The purposes of this Alpha Industries, Inc. 1996 Long-term Incentive Plan (the "1996 Plan") are (i) to provide long-term incentives and rewards to those key employees (the "Employee Participants") of Alpha Industries, Inc. (the "Corporation") and its subsidiaries (if any), and any other persons (the "Non-employee Participants") who are in a position to contribute to the long-term success and growth of the Corporation and its subsidiaries, (ii) to assist the Corporation in retaining and attracting executives and key employees with requisite experience and ability, and (iii) to associate more closely the interests of such executives and key employees with those of the Corporation's stockholders.

SECTION II. DEFINITIONS.

"Code" is the Internal Revenue Code of 1986, as it may be amended from time to time.

"Common Stock" is the $.25 par value common stock of the Corporation.

"Committee" is defined in Section III, paragraph (a).

"Corporation" is defined in Section I.

"Corporation ISOs" are all stock options (including 1996 Plan ISOs) which (i) are Incentive Stock Options and (ii) are granted under any plans (including this 1996 Plan) of the Corporation, a Parent Corporation and/or a Subsidiary Corporation.

"Employee Participants" is defined in Section I.

"Expiration Date" is defined in Section IV(a)(ii).

"Fair Market Value" of any property is the value of the property as reasonably determined by the Committee.

"Free Shares" are Restricted Shares as to which the restrictions against disposition and the obligation of resale to the Corporation have lapsed.

"Incentive Stock Option" is a stock option which is treated as an incentive stock option under Section 422 of the Code.

"1996 Plan" is defined in Section I.

"1996 Plan ISOs" are Stock Options which are Incentive Stock Options.

"Non-employee Participants" is defined in Section I.

"Non-qualified Option" is a Stock Option which does not qualify as an Incentive Stock Option or for which the Committee provides, in the terms of such option and at the time such option is granted, that the option shall not be treated as an Incentive Stock Option.

"Parent Corporation" has the meaning provided in Section 424(e) of the Code.

"Participants" are all persons who are either Employee Participants or Non-employee Participants.

"Permanent and Total Disability" has the meaning provided in Section 22(e)(3) of the Code.

"Restricted Share Awards" are grants of Restricted Shares.

"Restricted Shares" are shares of Common Stock acquired by a Participant subject to the restrictions set forth in Section IV.

"Section 16" means Section 16 of the Securities Exchange Act of 1934, as amended, or any similar or successor statute, and any rules, regulations, or policies adopted or applied thereunder.

"Stockholder Approval" means the affirmative vote of at least a majority of the shares of Common Stock present and entitled to vote at a duly held meeting of the stockholders of the Corporation, unless a greater vote is required by state law or Section 16, if applicable to the Corporation, in which case such greater requirement shall apply. Stockholder approval may be obtained by written consent or other means, to the extent permitted by applicable state law. Awards may be made hereunder prior to the date of, but subject to, such approval.

"Stock Options" are rights granted pursuant to this 1996 Plan to purchase shares of Common Stock at a fixed price.

"Subsidiary Corporation" has the meaning provided in Section 424(f) of the Code.

"Ten Percent Stockholder" means, with respect to a 1996 Plan ISO, any individual who directly or indirectly owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any Parent Corporation or any Subsidiary Corporation at the time such 1996 Plan ISO is granted.

SECTION III. ADMINISTRATION.

(a) The Committee. This 1996 Plan shall be administered by a compensation committee designated by the Board of Directors of the Corporation, which may include any persons (including any or all of the directors) designated by the Board of Directors (the administering body is hereafter referred to as the "Committee"). The Committee shall serve at the pleasure of the Board of Directors, which may from time to time, and in its sole discretion, discharge any member, appoint additional new members in substitution for those previously appointed and/or fill vacancies however caused. A majority of the Committee shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present shall be deemed the action of the Committee. No person shall be eligible to be a member of the Committee if that person's membership would prevent the plan from complying with Section 16, if applicable to the Corporation. At such time as any class of equity security of the Corporation is registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Act"), (i) the Committee shall consist of at least two members of the Board of Directors and (ii) to the extent required by Rule 16b-3 promulgated under the Act, each member of the Committee while a member thereof shall be a "Non-Employee Director" as defined in Rule 16b-3.

(b) Authority and Discretion of the Committee. Subject to the express provisions of this 1996 Plan and provided that all actions taken shall be consistent with the purposes of this 1996 Plan, and subject to ratification by the Board of Directors only if required by applicable law, the Committee shall have full and complete authority and the sole discretion to: (i) determine those persons who shall constitute key employees eligible to be Employee Participants; (ii) select the Participants to whom awards shall be granted under this 1996 Plan; (iii) determine the size and the form of the award or, if any, to be granted to any Participant; (iv) determine the time or times such awards shall be granted including the grant of Stock Options and Restricted Share Awards in connection with other awards made, or compensation paid, to the Participant; (v) establish the terms and conditions upon which such awards may be exercised and/or transferred, including the exercise of Stock Options in connection with other awards made, or compensation paid, to the Participant; (vi) make or alter any restrictions and conditions upon such awards; and (vii) adopt such rules and regulations, establish, define and/or interpret these and any other terms and conditions, and make all determinations (which may be on a case-by-case basis) deemed necessary or desirable for the administration of this 1996 Plan. Notwithstanding any provision of this 1996 Plan to the contrary, only Employee Participants shall be eligible to receive 1996 Plan ISOs.

(c) Applicable Law. This 1996 Plan, and all awards shall be governed by the law of the state in which the Corporation is incorporated.

SECTION IV. AWARDS.

Awards under this 1996 Plan may include Stock Options and Restricted Share Awards, all as described herein.

(a) STOCK OPTIONS.

(i) Form of Agreement. Stock Options shall be evidenced by a writing or written agreement between the Corporation and the Participant awarded the Stock Option. This document shall be in such form, and contain such terms and conditions (not inconsistent with this 1996 Plan) as the Committee may determine. If the Stock Option described therein is not intended to be an Incentive Stock Option, but otherwise qualifies as an Incentive Stock Option, the agreement shall include the following, or a similar, statement: "This stock option is not intended to be an Incentive Stock Option, as that term is described in Section 422 of the Internal Revenue Code of 1986, as amended."

(ii) Period of Exercisability. Stock Options shall be for such periods as may be determined by the Committee. In no event may a 1996 Plan ISO be exercisable (including provisions, if any, for exercise in installments) subsequent to ten years after the date of grant, or, in the case of 1996 Plan ISOs granted to Ten Percent Stockholders, more than five years after the date of grant. The date upon which a Stock Option ceases to be exerciseable is the Stock Option's "Expiration Date".

(iii) Purchase Price and Payment. The purchase price of shares purchased pursuant to any Stock Option shall be determined by the Committee, and shall be paid by the Participant or other person permitted to exercise the Stock Option in full upon exercise, (A) in cash, (B) by delivery of shares of Common Stock (valued at their Fair Market Value on the date of such exercise), (C) any other property (valued at its Fair Market Value on the date of such exercise), or (D) any combination of cash, stock and other property, with any payment made pursuant to clauses (B), (C) or (D) only as permitted by the Committee, in its sole discretion. In no event will the purchase price of Common Stock be less than the greater of Fair Market Value on the date of issuance of the Stock Option or the par value of the Common Stock, provided that in the case of 1996 Plan ISOs granted to Ten Percent Stockholders, the purchase price shall not be less than 110% of the Fair Market Value of the Common Stock on the date of issuance of the 1996 Plan ISO.

(iv) Incentive Options Over $100,000. To the extent that the aggregate Fair Market Value of Common Stock with respect to which Corporation ISOs (determined without regard to this section) are exercisable for the first time by any Employee Participant during any calendar year exceeds $100,000, such Corporation ISOs shall be treated as options which are not Incentive Stock Options. For the purpose of this limitation, options shall be taken into account in the order granted, and the Committee may designate that portion of any Corporation ISO that shall be treated as not an Incentive Stock Option in the event that the provisions of this paragraph apply to a portion of any option, unless otherwise required by the Code or regulations of the Internal Revenue Service. The designation described in the preceding sentence may be made at such time as the Committee considers appropriate, including after the issuance of the Stock Option or at the time of its exercise. For the purpose of this section, Fair Market Value shall be determined as of the time the option with respect to such stock is granted. For the purposes of this limitation, options shall be taken into account in the order granted.

(v) Vesting and Transferability. At the discretion of the Committee, the Common Stock issued pursuant to the Stock Options granted hereunder may be subject to restrictions on vesting or transferability.

(vi) Termination of Employment and Other Events. If a Participant's employment or relationship with the Corporation is terminated, then that Participant's Stock 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 --

a. In the event of termination by reason of a Participant's death, the Participant's Stock Options may be exercised as to all vested and unvested shares until the earlier of the Expiration Date or twelve (12) months after the date of death.

b. In the event of termination by reason of a Participant's permanent and total disability, the Participant's Stock Options may be exercised as to all shares vested as of the date of the termination until the earlier of the Expiration Date or six (6) months after the date of termination. Shares not vested as of the date of the termination may not be exercised.

c. In the event of termination for Cause, the Participant's Stock Options may not be exercised as to any shares, whether or not they were previously vested. "Cause" shall mean: (i) deliberate dishonesty significantly detrimental to the best interests of the Corporation or any subsidiary or affiliate; (ii) conduct constituting an act of moral turpitude; (iii) willful disloyalty to the Corporation or refusal or failure to obey the directions of supervisors; or (iv) inadequate performance or inattention to or neglect of duties. The Corporation's appropriate management personnel shall determine whether termination was for Cause.

d. In the event of termination for any other reason, including without limitation termination without Cause and voluntary resignation, the Participant's Stock Options may be exercised as to all shares vested as of the date of the termination until the earlier of the Expiration Date or three (3) months after the date of termination. Shares not vested as of the date of the termination may not be exercised.

(b) Restricted Share Awards. Restricted Shares may be issued for any lawful consideration and on such terms as may be determined by the Committee, subject to the restrictions described in the following subsections.

(i) Nontransferability and Repurchase. Shares may not be sold, transferred or otherwise disposed of, pledged or otherwise encumbered, except (A) if they become Free Shares in accordance with their terms and the terms of this 1996 Plan, (B) if the Corporation declines to repurchase such shares, as provided in this paragraph, or (C) as provided in paragraph (g) of Section VIII. In the event of the recipient's termination of employment for any reason except death, retirement or permanent disability, Restricted Shares which have not become Free Shares shall be delivered to the Corporation within 30 days following such termination. Within 60 days following a timely delivery of said shares, the Corporation may repurchase all or a portion of said shares by paying to the recipient the original acquisition price, if any, for the number of shares that the Corporation elects to purchase, and the Corporation will return to the recipient any shares not so purchased. The restrictions against disposition and the obligation of resale to the Corporation shall lapse as to any shares which the Corporation declines to purchase. Any of such shares which are not delivered to the Corporation within 30 days following the termination of employment shall be deemed void for all corporate purposes, and shall remain subject to the restrictions imposed thereon which restrictions shall not lapse as otherwise provided. Nothing in this Section shall require the Company to repurchase Restricted Shares issued to Participants under the 1996 Plan.

(ii) Transferability after Death, Retirement or Disability. Upon the occurrence of the earlier of the death, retirement or permanent disability of the recipient of a Restricted Share Award, the restrictions against disposition and the obligation of resale to the Corporation of shares as to which such restrictions and obligations have not otherwise lapsed shall immediately lapse.

(iii) Terms of Restricted Shares Discretionary with Committee. In addition to or in lieu of the terms provided in paragraph (b)(ii) above, the Committee may, in its discretion, provide terms pursuant to which Restricted Shares issued to a Participant shall become Free Shares. In this regard, the Committee may, in its discretion, provide that the Restricted Shares shall immediately become Free Shares upon issuance. Such terms shall be incorporated into the terms of the Restricted Share Award at the time of the granting

of the award, and may also be made a part of an agreement between the Corporation and the recipient at the time of the transfer of the Restricted Shares.

(iv) Registration and Legend. Certificates issued in respect of Restricted Shares awarded under the 1996 Plan shall be registered in the name of the recipient but shall bear the following legend if such Restricted Shares do not immediately become Free Shares:

"The transferability of this certificate and the shares of stock represented hereby is restricted and the shares are subject to the further terms and conditions contained in the Alpha Industries, Inc. 1996 Long-Term Incentive Plan and in a repurchase agreement executed pursuant thereto. Copies of said plan and agreement are on file in the office of the Treasurer of the Company at the Company's offices in Woburn, Massachusetts."

(v) Deposit of Restricted Shares. In order to enforce the restrictions, terms and conditions on Restricted Shares, the Committee may in its discretion require each recipient thereof, immediately upon receipt of a certificate or certificates representing such shares, to deposit such certificates together with stock powers and other instructions of transfer as the Committee may require, appropriately endorsed in blank, with the Corporation as Escrow Agent under an escrow agreement in such form as shall be determined by the Committee.

(vi) Restricted Shares Subject to the Plan. Notwithstanding the provisions of Section VII below, the total number of Restricted Shares which may be awarded under this 1996 Plan shall not exceed 200,000.

SECTION V. AMENDMENT AND TERMINATION; ADJUSTMENTS UPON CHANGES IN STOCK.

(a) Power to Amend and Restrictions on Amendment. The Board of Directors of the Corporation may at any time, and from time to time, amend, suspend or terminate this 1996 Plan in whole or in part; provided, however, that, in the case of Incentive Stock Options, to the extent required by the Internal Revenue Code, as amended, neither the Board of Directors nor the Committee may amend or modify the definition of Employee Participants, or increase the number of shares of Common Stock reserved for purposes of this 1996 Plan, without Stockholder Approval in compliance with the Code and the rules and regulations thereunder. Except as provided herein, no amendment, suspension or termination of this 1996 Plan may affect the rights of a Participant to whom an award has been granted without such Participant's consent. The Committee is specifically authorized to convert, in its discretion, the unexercised portion of any 1996 Plan ISO granted to an Employee Participant to a Non-qualified Option at any time prior to the exercise, in full, of such 1996 Plan ISO.

(b) Merger or Consolidation. 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 of Directors (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 Restricted Shares and unexpired Stock Options, for the substitution of new options for, or the assumption by another corporation of, any Restricted Shares or unexpired Stock Options then outstanding hereunder.

(c) Adjustment of Exercise Price after Corporate Event. If by reason of recapitalization, reclassification, stock split-up, combination of shares, separation (including a spin-off) or dividend on the stock payable in shares of Common Stock, the outstanding shares of Common Stock 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 of Directors shall conclusively determine the appropriate adjustment in the exercise prices of outstanding Stock Options and repurchase price of outstanding Restricted Shares and in the number and kind of shares as to which outstanding Stock Options shall be exercisable.

(d) Adjustment of Number of Shares after Corporate Event. In the event of a transaction of the type described in paragraphs (b) and (c) above, the total number of shares of Common Stock on which Stock Options or as to which Restricted Shares may be granted under this 1996 Plan shall be appropriately adjusted by the Board of Directors.

SECTION VI. 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 Alpha shall have ceased for any reason to constitute a majority of the Board of Directors of Alpha. For this purpose, a "Continuing Director" will include any member of the Board of Directors of Alpha as of the Effective Date and any person nominated for election to the Board of Directors of Alpha by a majority of the then Continuing Directors.

SECTION VII. SHARES OF STOCK SUBJECT TO THE PLAN.

The number of shares of Common Stock that may be the subject of awards under this 1996 Plan shall not exceed an aggregate of 1,400,000 shares. Shares to be delivered under this 1996 Plan may be either authorized but unissued shares of Common Stock or treasury shares. Any shares subject to a Stock Option hereunder which for any reason terminates, is canceled or otherwise expires unexercised, shares reacquired by the Corporation because restrictions do not lapse and any shares reacquired by the Corporation due to restrictions imposed on the shares, shares returned because payment is made hereunder in stock of equivalent value rather than in cash, and/or shares reacquired from a recipient for any other reason shall, at such time, no longer count towards the aggregate number of shares which have been the subject of Stock Options and Restricted Shares issued hereunder, and such number of shares shall be subject to further awards under this 1996 Plan.

SECTION VIII. MISCELLANEOUS PROVISIONS.

(a) Indemnity. Neither the Board of Directors nor the Committee, nor any members of either, nor any employees of the Corporation or any parent, subsidiary, or other affiliate, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with their responsibilities with respect to this 1996 Plan, and the Corporation hereby agrees to indemnify the members of the Board of Directors, the members of the Committee, and the employees of the Corporation and its parent or subsidiaries in respect of any claim, loss, damage, or expense (including reasonable counsel fees) arising from any such act, omission, interpretation, construction or determination to the full extent permitted by law.

(b) Participation by Foreigners. Without amending this 1996 Plan, except to the extent required by the Code in the case of Incentive Stock Options, the Committee may modify grants made to participants who are foreign nationals or employed outside the United States so as to recognize differences in local law, tax policy, or custom.

(c) Rights of Recipients of Awards. The holder of any Stock Option granted under the 1996 Plan shall have no rights as a stockholder of the Corporation with respect thereto unless and until certificates for shares are issued. Except as otherwise provided herein, the holder of Restricted Shares will be entitled to receive any dividends on such shares in the same amount and at the same time as declared on shares of Common Stock of the Company and shall be entitled to vote such shares as a stockholder of record.

(d) Assignment of Stock Options. No Stock Option or Restricted Shares or any rights or interests of the recipient therein shall be assignable or transferable by such recipient except by will or the laws of descent and distribution. During the lifetime of the recipient, such Stock Option shall be exercisable only by, or payable only to, the recipient thereof.

(e) Legal and Other Requirements. No shares of Common Stock shall be issued or transferred upon grant or exercise of any award under the 1996 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 1996 Plan have been complied with to the satisfaction of the Committee. Furthermore, the Corporation is not obligated to register or qualify Restricted Shares or the shares of Common Stock to be issued upon exercise of a Stock Option under federal or state securities laws (or to register them at any time thereafter), and it may refuse to issue such shares if, in its sole discretion, registration or exemption from registration is not practical or available. The Committee may

require that prior to the issuance or transfer of Common Stock hereunder, the recipient thereof shall enter into a written agreement to comply with any restrictions on subsequent disposition that the Committee or the Company deem necessary or advisable under any applicable law, regulation or official interpretation thereof. Certificates of stock issued hereunder may be legended to reflect such restrictions.

(f) 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 awards to, or exercise of a Stock Option by, a holder. The Corporation may require, as a condition to the issuance of Restricted Shares or the exercise of a Stock Option, or demand, at such other time as it may consider appropriate, that the Participant pay the Corporation the amount of any taxes which the Corporation may determine is required to be withheld or collected, and the Participant shall comply with the requirement or demand of the Corporation. In its discretion, the Corporation may withhold shares to be received upon exercise of a Stock Option if it deems this an appropriate method for withholding or collecting taxes.

(g) Pledge of Shares. Notwithstanding restrictions against disposition of any award made pursuant to the 1996 Plan, the Committee, in its discretion, may permit any shares acquired under the 1996 Plan to be pledged or otherwise encumbered to secure borrowing by the recipient thereof solely for the purpose of obtaining the acquisition price to be paid for such shares, provided, that the amount of such borrowing may not exceed the acquisition price of such shares, and the recipient must provide the Corporation with a copy of the documents executed in connection with such borrowing. Any borrowing made by the recipient of an award pursuant to this paragraph (g) must permit the Corporation to repay the outstanding indebtedness and reacquire the pledged shares in the event of a default by the recipient under the borrowing documents. Nothing in this paragraph (g) shall require the Corporation to repay any indebtedness of a Participant or reacquire shares pledged hereunder.

(h) Right to Awards. No employee of the Corporation or other person shall have any claim or right to be a Participant in this 1996 Plan or to be granted an award hereunder. Neither this 1996 Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ of the Corporation. Nothing contained hereunder shall be construed as giving any Participant or any other person any equity or interest of any kind in any assets of the Company or creating a trust of any kind or a fiduciary relationship of any kind between the Company and any such person. As to any claim for any unpaid amounts under the 1996 Plan, any Participant or any other person having a claim for payments shall be an unsecured creditor.

SECTION IX. EFFECTIVE DATE AND TERM OF THIS PLAN.

Provided there is Stockholder Approval on or before June 14, 1997, the effective date of this 1996 Plan is June 14, 1996 (the "Effective Date") and awards under this 1996 Plan may be made for a period of ten years commencing on the Effective Date. The period during which a Stock Option or other award may be exercised may extend beyond that time as provided herein.

As amended through September 11, 2000

ALPHA INDUSTRIES, INC. AND SUBSIDIARIES

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

Name	Jurisdiction of Incorporation
Alpha Industries Limited	England
Alpha Industries GmbH	Germany
Alpha Securities Corporation	Massachusetts
CFP Holding Company, Inc.	Washington
Trans-Tech, Inc.	Maryland
Alpha FSC, Inc.	Barbados

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Alpha Industries, Inc.:

We hereby consent to incorporation by reference in the registration statements (No. 33-63541, No. 33-63543, No. 33-71013, No. 33-71015, No. 33-48394, No. 33-38832 and No. 33-63818) on Form S-8 of Alpha Industries, Inc. of our report dated May 1, 2001 relating to the consolidated balance sheets of Alpha Industries, Inc. and subsidiaries as of April 1, 2001 and April 2, 2000 and the related consolidated statements of operations, stockholders' equity, and cash flows and related schedule for each of the years in the three-year period ended April 1, 2001, which report appears in the April 1, 2001 annual report on Form 10-K of Alpha Industries, Inc.

/s/KPMG LLP
KPMG LLP
Boston, Massachusetts
June 29, 2001