UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)
(x) Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2001

or

( ) Transition Report Pursuant to Section 13 or 15(d) of the Securities and Exchange Act of 1934 (No Fee Required)

Commission File No. 0-12718

SUPERTEX, INC.
(Exact name of Registrant as specified in its Charter)

California	**94-2328535**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification #)

1235 Bordeaux Drive
Sunnyvale, California 94089
(Address of principal executive offices)

Registrant's Telephone Number, Including Area Code: **(408) 744-0100**

Securities registered pursuant to Section 12(b) of the Act: **None**
Securities registered pursuant to Section 12(g) of the Act: **Common Stock**

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

The total number of shares outstanding of the Registrant's common stock as of October 16, 2001 were 12,420,429

Total number of pages: 10

SUPERTEX, INC.
QUARTERLY REPORT - FORM 10Q

Table of Contents | Page No.

PART I - FINANCIAL INFORMATION

PART II- OTHER INFORMATION

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SUPERTEX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in thousands, except per share amounts)

	Three-months Ended, September 30,		Six-months Ended, September 30,	
	2001	2000	2001	2000
Net sales	$ 14,243	$ 22,512	$ 29,324	$ 44,815
Cost and expenses:				
Cost of sales	8,505	13,018	17,696	26,407
Research and development	2,706	2,512	5,976	4,942
Selling, general and administrative	1,905	2,920	3,721	5,200
Total costs and expenses	13,116	18,450	27,393	36,549
Income from operations	1,127	4,062	1,931	8,266
Interest income	441	595	968	1,114
Other income (expense), net	148	651	524	623
Income before provision for income taxes	1,716	5,308	3,423	10,003
Provision for income taxes	583	1,805	1,164	3,401
Net income	$ 1,133	$ 3,503	$ 2,259	$ 6,602
Net income per share:				
Basic	$ 0.09	$ 0.28	$ 0.18	$ 0.54
Diluted	$ 0.09	$ 0.27	$ 0.18	$ 0.50
Shares used in per share computation:				
Basic	12,417	12,342	12,414	12,309
Diluted	12,642	13,167	12,628	13,116

See accompanying *Notes to Unaudited Condensed Consolidated Financial Statements.*

SUPERTEX, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited, in thousands)

	September 30, 2001	March 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 48,504	$ 44,282
Trade accounts receivable, net of allowance of $1,827 and $2,412	12,274	13,536
Inventories	14,295	14,388
Prepaid expenses and other current assets	1,190	1,404
Deferred income taxes	4,388	4,388
Total current assets	80,651	77,998
Property, plant and equipment, net	15,171	15,200
Intangible and other assets, net	1,987	2,499
Deferred income taxes	2,998	2,998
TOTAL ASSETS	$ 100,807	$ 98,695
LIABILITIES		
Current liabilities:		
Trade accounts payable	$ 5,689	$ 6,659
Accrued salaries, wages and employee benefits	6,552	7,173
Other accrued liabilities	801	645
Deferred revenue	1,866	1,262
Income taxes payable	987	597
Total current liabilities	15,895	16,336
SHAREHOLDERS' EQUITY		
Preferred stock, no par value - *10,000 shares authorized, none outstanding*	--	--
Common stock, no par value - *30,000 shares authorized; issued and outstanding 12,420 and 12,394 shares*	25,875	25,318
Retained earnings	59,037	57,041
Total shareholders' equity	84,912	82,359
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 100,807	$ 98,695

See accompanying *Notes to Unaudited Condensed Consolidated Financial Statements.*

SUPERTEX, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in thousands)

	Six months Ended September 30, 2001	Six months Ended September 30, 2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 2,259	$ 6,602
Non-cash adjustments to net income:		
Depreciation and amortization	1,801	2,531
Provision for doubtful accounts and sales returns	405	1,211
Provision for excess and obsolete inventories	58	277
Gain on sale of long-term investments	(127)	(628)
Changes in operating assets and liabilities:		
Accounts receivable	857	(4,545)
Inventories	35	184
Prepaid expenses and other assets	178	(880)
Trade accounts payable and accrued expenses	(1,435)	2,170
Income taxes payable	390	1,919
Deferred revenue	604	371
Total adjustments	2,766	2,610
Net cash provided by operating activities	5,025	9,212
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(1,724)	(3,659)
Proceeds from disposal of assets		717
Purchases of short-term investments	--	28,228
Proceeds from maturities of investments	--	(16,636)
Sales (purchases) of long-term investments	627	(1,000)
Net cash provided by (used in) investing activities	(1,097)	7,650
CASH FLOWS FROM FINANCING ACTIVITIES		
Stock options exercised	610	928
Repurchase of stock	(316)	--
Net cash provided by financing activities	294	928
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,222	17,790
CASH AND CASH EQUIVALENTS:		
Beginning of period	44,282	22,584
End of period	$ 48,504	$ 40,374

See accompanying *Notes to Unaudited Condensed Consolidated Financial Statements* .

SUPERTEX, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 - Basis of Presentation

In the opinion of management, the unaudited condensed consolidated financial statements for the quarters ended September 30, 2001 and 2000 include all adjustments (consisting of normal recurring adjustments) necessary for fair presentation of the consolidated financial condition, results of operations, and cash flows for those periods in accordance with accounting principles generally accepted in the United States of America.

The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the audited consolidated financial statements of Supertex, Inc. for the fiscal year ended March 31, 2001, which were included in the Annual Report on Form 10-K (File Number 0-12718).

Interim results are not necessarily indicative of results for the full fiscal year. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and such differences may be material to the financial statements.

Note 2 - Inventories

Inventories consisted of *(in thousands)*:

	September 30, 2001	March 31, 2001
Raw materials	$ 1,420	$ 1,662
Work-in-process	9,985	9,281
Finished goods	2,890	3,445
	$ 14,295	$ 14,388

Note 3 - Net Income per Share

Basic earnings per share ("EPS") is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants, and other convertible securities. A reconciliation of the numerator and denominator of basic and diluted earnings per share is provided as follows (in thousands, except per share amounts).

	Three-months Ended, September 30,		Six-months Ended September 30,	
	2001	2000	2001	2000
BASIC:				
Net income	$ 1,133	$ 3,503	$ 2,259	$ 6,602
Weighted average shares outstanding for the period	12,417	12,342	12,414	12,309
Net income per share	$ 0.09	$ 0.28	$ 0.18	$ 0.54
DILUTED:				
Net income	$ 1,133	$ 3,503	$ 2,259	$ 6,602
Weighted average shares outstanding for the period	12,417	12,342	12,414	12,309
Dilutive effect of stock options	225	825	214	807
Total	12,642	13,167	12,628	13,116
Net income per share	$ 0.09	$ 0.27	$ 0.18	$ 0.50

Note 4 - Recent Accounting Pronouncements

Recent Accounting Pronouncements In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133, ("SFAS No. 133"), "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes new standards of accounting and reporting for derivative instruments and hedging activities. SFAS No. 133 requires that all derivatives be recognized at fair value in the statement of financial position and that the corresponding gains or losses be reported either in the statement of operations or as a component of comprehensive income, depending on the type of hedging relationship that exists. SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. Earlier application is allowed as of the beginning of any quarter beginning after issuance. The Company adopted SFAS No. 133 effective April 1, 2001. The adoption of SFAS 133 did not have a material impact on the Company's financial position or results of operations.

In July 2001, FASB issued FASB Statements Nos. 141 and 142 (FAS 141 and FAS 142), "Business Combinations" and "Goodwill and Other Intangible Assets." FAS 141 replaces APB 16 and eliminates pooling-of-interests accounting prospectively. It also provides guidance on purchase accounting related to the recognition of intangible assets and accounting for negative goodwill. FAS 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Under FAS 142, goodwill will be tested annually and whenever events or circumstances occur indicating that goodwill might be impaired. FAS 141 and FAS 142 are effective for all business combinations completed after June 30, 2001. Upon adoption of FAS 142, amortization of goodwill recorded for business combinations consummated prior to July 1, 2001 will cease, and intangible assets acquired prior to July 1, 2001 that do not meet the criteria for recognition under FAS 141 will be reclassified to goodwill. Companies are required to adopt FAS 142 for fiscal years beginning after December 15, 2001, but early adoption is permitted. The Company expects to adopt FAS 142 effective April 1, 2002. The Company has determined that the adoption of FAS 142 will not have a material impact on its results of operations and financial position.

In June 2001, the FASB issued FASB Statement No. 143 (FAS 143), "Accounting for Asset Retirement Obligations". FAS 143 requires that the fair value of a liability for an asset retirement obligation be realized in the period which it is incurred if a reasonable estimate of fair value can be made. Companies are required to adopt FAS 143 for fiscal years beginning after June 15, 2002, but early adoption is encouraged. The Company has not yet determined the impact this standard will have on its financial position and results of operations, although it does not anticipate that the adoption of this standard will have a material impact on the Company's financial position or results of operations.

In August 2001, the FASB issued FASB Statement No. 144 (FAS 144). "Accounting for the Impairment or Disposal of Long-lived Assets". FAS 144 supercedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Results of Operations -- Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for the disposal of a segment of a business (as previously defined in that Opinion). This Statement also amends ARB No. 51, Consolidated Financial Statements, to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. Companies are required to adopt FAS 144 for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, but early adoption is encouraged. The Company has not yet determined the impact this standard will have on its financial position and results of operations, although it does not anticipate that the adoption of this standard will have a material impact on the Company's financial position or results of operations.

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations.

Cautionary Statement Regarding Forward Looking Statements This 10-Q includes forward-looking statements. These forward-looking statements are not historical facts, and are based on current expectations, estimates, and projections about our industry, our beliefs, our assumptions, and our goals and objectives. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", and "estimates ", and variations of these words and similar expressions, are intended to identify forward-looking statements. An example of such a statement in this 10-Q is that the Company anticipates available funds and expected cash generated from operations to be sufficient to meet cash and working capital requirements through at least the next twelve months. This statement is only a prediction, is not a guaranty of future performance, and is subject to risks, uncertainties, and other factors, some of which are beyond our control and are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. These risks and uncertainties include those described in "Risk Factors" under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operation" in our Annual Report of Form 10-K for the fiscal year ended March 31, 2001. Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Overview

Supertex designs, develops, manufactures, and markets high voltage analog and mixed signal integrated circuits utilizing state-of-the-art high voltage DMOS, HVCMOS and HVBiCMOS analog and mixed signal technologies. We supply standard and custom interface products primarily for use in the telecommunications, imaging, and medical electronics markets. We also provide wafer foundry services for the manufacture of integrated circuits for customers using customer-owned designs and mask toolings.

Results of Operations

Net Sales Net sales for the quarter ended September 30, 2001 were $14,243,000, a 37% decrease compared to $22,512,000 for the same quarter last year. Net sales for the six months ended September 30, 2001 were $29,324,000, a 35% decrease compared to $44,815,000 for the same period of the prior fiscal year. Sales for the second quarter were adversely affected by the decline in the telecommunications infrastructure spending and general economic slowdown with weakness in all the markets we serve. Many of our customers reduced their demands for our component products as they face slower customer orders and rising inventory levels.

As a percentage of total sales for the quarter ended September 30, 2001, sales to customers in the medical electronics, imaging, and telecommunications markets represented 38%, 30%, and 22% of total sales, respectively, compared to 38%, 26% and 25% of total sales for the quarter ended September 30, 2000. Sales to customers in other markets for the quarter ended September 30, 2001 was 10% of total sales, compared to 11% of the same period of last fiscal year.

Approximately 27% of the Company's net sales for the quarter ended September 30, 2001 and 28% for the six-month period ended September 30, 2001 were derived from international customers as compared to 41% and 40% of the same periods of last year. The decrease in international sales resulted from decreased shipments to our customers in Asia and Europe primarily due to the sharp decline of orders from contract manufacturers in Asia and the lack of telecommunications infrastructure spending.

Gross Profit As a percent of sales, the Company's gross profit was 40% for the three-month and six-month periods ended September 30, 2001 compared with 42% and 41% for the respective periods in the prior fiscal year. Rigorous cost reduction measures allowed the Company to quickly lower manufacturing expenditures to adjust to a much lower sales level thereby retaining the gross profit percentage to sales.

Research and Development Research and development (R&D) expense increased 8% to $2,706,000 for the quarter ended September 30, 2001 as compared to $2,512,000 for the same quarter of the prior fiscal year. For the six months ended September 30, 2001, research and development increased 21% to $5,976,000 from $4,942,000 for the same period last year. The increase in R&D expense in absolute dollars as well as in percentage of sales is primarily due to the Company's continued development efforts in new integrated circuits (ICs) to drive the optical micro-electro-mechanical systems (MEMS) and in network power interface circuits to drive photonic and gigabit Ethernet modules and voice over Internet Protocol (VoIP) telephone systems. The increase in R&D expenses in the three and six-month periods ended September 30, 2001 included labor costs for additional headcount, rent, purchases of mask toolings, and data processing costs to support new product development activities in our design centers.

Selling, General and Administrative Selling, general and administrative expense (SG&A) was $1,905,000 or 13% of net sales for the quarter ended September 30, 2001 as compared with $2,920,000 or 13% of net sales in the same quarter of the prior fiscal year. For the six months ended September 30, 2001, selling, general and administrative expense was $3,721,000 or 13% of net sales compared to $5,200,000 or 12% for the same period of the prior fiscal year. In absolute dollars, SG&A expenditures for the three-month period decreased by 35% when compared to the same period in the prior fiscal year primarily due to a reduction in sales commissions of $184,000 attributed to a declining sales, a drop in provision for bad debts of $296,000 and a decrease in labor costs and related benefits of $420,000 due to a reduction in headcount. For the six-month period, the reduction in SG&A dollar expenditures when compared to the same period in the prior fiscal year was due to a reduction in sales commissions of $340,000, a reduction in the provision for bad debts of $606,000, and a decrease in labor costs and related benefits of $322,000 due to a reduction in headcount.

Income from Operations Income from operations was $1,127,000, or 8% of net sales for the quarter ended September 30, 2001 compared to $4,062,000, or 18% of net sales for the quarter ended September 30, 2000. For the six months ended September 30, 2001, income from operations was $1,931,000 or 7% of net sales, compared to $8,266,000 or 18% of net sales for the same period of the prior fiscal year. The decrease in operating income as a percentage of sales is attributable to the increase in research and development expense at a time of declining sales.

Interest and Other Income Interest and other income, net for the three-month and six-month periods ended September 30, 2001, were $589,000 and $1,492,000, respectively. For the three-month and six-month periods ended September 30, 2000, interest and other income were $1,246,000 and $1,737,000, respectively. The decrease in other income compared with the same period of prior fiscal year is primarily due to a decrease in proceeds from disposal of surplus equipment and lower yields on cash deposit accounts.

Provision for Income Taxes The Company's effective tax rate for the three months ended September 30, 2001 remained unchanged at 34%.

Liquidity and Capital Resources On September 30, 2001, the Company had $48,504,000 in cash and cash equivalents, compared with $44,282,000 on March 31, 2001. This increase is due primarily to a positive cash flow from operating activities of $5,025,000 consisting principally of net income of $2,259,000 and non-cash charges for depreciation and amortization of $1,801,000. Factors affecting cash flow from operating activities include (a) a decrease in accounts receivable of $857,000 with a corresponding reduction in the provision for doubtful accounts and sales return of $405,000 largely due to lower sales; (b) an increase in deferred revenue of $604,000, of which $425,000 is derived from a technology licensing agreement; and (c) a decrease in accounts payable and other accrued items of $1,435,000 due to a decrease in purchasing activities.

Net cash used in investing activities during the six-month period was $1,097,000 of which $1,724,000 was used to purchase equipment for the wafer fab and testing operations offset in part by $627,000 provided by the proceeds from the sale of long-term investments in Galleon New Media Funds.

Net cash provided by financing activities for the six-month period was $294,000 generated by proceeds from the issuance of common stock through the exercise of employee stock options of $226,000, and by proceeds from the issuance of common stock through the Employee Stock Purchase Plan of $384,000. This amount was offset by our repurchase of 25,000 shares of common stock for $316,000 as authorized by the Company's Stock Repurchase Program.

The Company anticipates that available funds and expected cash to be generated from operations will be sufficient to meet cash and working capital requirements through at least the next twelve months.

Item 2. – Quantitative and Qualitative Disclosures About Market Risk and Interest Rate Risk.

Interest Rate Sensitivity The Company is exposed to financial market risks due primarily to changes in interest rates. The Company does not use derivatives to alter the interest characteristics of its investment securities. The Company has no holdings of derivative or commodity instruments. The fair value of the Company's investment portfolio or related income would not be significantly impacted by changes in interest rates since the investment maturities are short and the interest rates are primarily fixed. As of September 30,2001, the Company maintained its funds primarily in money market funds and it plans to continue to invest a significant portion of its existing cash in interest bearing money market funds and other short-term debt securities with maturities of less than a year.

PART II - OTHER INFORMATION

Item 4. – Submission of Matters to a Vote of Security Holders

The Company's Annual Shareholders' Meeting was held on August 17, 2001 at 10:00 a.m., at which the following matters were acted upon:

Matter Acted Upon	Votes For	Votes Against	Votes Withheld/ Abstentions	Broker Non-Votes
1. Election of Directors				
Benedict Choy	11,012,937	0	906,922	0
Henry C. Pao	11,039,682	0	880,177	0
Richard Siegel	11,216,221	0	703,638	0
W. Mark Loveless	11,422,756	0	497,103	0
Elliott Schlam	11,422,392	0	497,467	0
Milton Feng	11,422,392	0	497,467	0
2. Approval of the adoption of the 2001 Stock Option Plan and the reservation of 2,000,000 shares of common stock.	7,487,709	2,304,866	21,090	2,106,194
3. Ratification of the appointment of PricewaterhouseCoopers LLP as the independent accountants of the Company for the fiscal year ending March 30, 2002.	11,904,366	8,825	6,668	0

Item 6. - Exhibits and Reports on Form 8-K

(a) Exhibits: None

(b) Reports on Form 8-K

No report on Form 8-K was filed during the quarter for which this Form 10-Q is filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPERTEX, INC.
(Registrant)

Date: October 22, 2001

By: ______________________________
Henry C. Pao, Ph.D.
President
(Principal Executive and Financial Officer)