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 period ended September 27, 1997, or

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from __________ to __________

Commission File No. 0-12719

GIGA-TRONICS INCORPORATED

(Exact name of Registrant as specified in its charter)

California	94-2656341
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

4650 Norris Canyon Road, San Ramon, CA	94583
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number: (510) 328-4650

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 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 [ ]

Common stock outstanding as of September 27, 1997: 3,802,896

GIGA-TRONICS INCORPORATED

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<TABLE>
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GIGA-TRONICS INCORPORATED

CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share data)

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ASSETS

	September 27, 1997	March 29, 1997
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Current Assets:		
Cash and cash equivalents	$ 3,360	$ 6,796
Investments	8,386	7,010
Trade accounts receivable, net	5,016	3,794
Inventories, net	7,254	6,461
Prepaid expenses	497	422
Deferred income taxes	1,966	1,729
Total current assets	26,479	26,212
Property and Equipment:		
Machinery and equipment	8,142	7,756
Office furniture and fixtures	676	672
Land	279	279
Building and leasehold improvements	744	744
Gross cost property and equipment	9,841	9,451
Less accumulated depreciation and amortization	(7,150)	(6,701)
Net property and equipment	2,691	2,750
Patents and licenses	800	1,030
Other assets	59	107

Total assets	$ 30,029	$ 30,099
	========	========

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities:		
Line of credit	$ --	$ 189
Notes payable	--	76
Accounts payable	2,303	2,136
Accrued commissions	326	305
Other current liabilities	779	813
Accrued payroll and benefits	895	791
Accrued warranty	695	670
Customer advances	379	540
	--------	--------
Total current liabilities	5,377	5,520
Long term debt	--	909
Obligation under capital lease	36	57
Deferred income taxes	120	121
	--------	--------
Total liabilities	5,533	6,607
Shareholders' Equity:		
Preferred stock of no par value; Authorized 1,000,000 shares; no shares outstanding at September 27, 1997 and March 29, 1997	--	--
Common stock of no par value; Authorized 40,000,000 shares; 3,802,896 shares at September 27, 1997 and 3,799,196 shares at March 29, 1997 issued and outstanding	11,090	11,064
Unrealized gain (loss) on investments	(10)	11
Retained earnings	13,416	12,417
	--------	--------
Total shareholders' equity	24,496	23,492
	--------	--------
Total liabilities and shareholders' equity	$ 30,029	$ 30,099
	========	========

</TABLE>

See accompanying notes to unaudited consolidated financial statements

GIGA-TRONICS INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(In thousands, except per share data)

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	Three Months Ended		Six Months Ended	
	Sept. 27, 1997	Sept. 28, 1996	Sept. 27, 1997	Sept. 28, 1996
<S>	<C>	<C>	<C>	<C>
Net sales	$ 8,212	$ 7,558	$ 16,122	$ 16,138
Cost of sales	4,633	4,807	8,897	10,173
	--------	--------	--------	--------
Gross profit	3,579	2,751	7,225	5,965
Product development	964	806	1,910	1,774
Selling, general and administrative	1,884	1,496	3,894	3,314
	--------	--------	--------	--------

Operating expenses	2,848	2,302	5,804	5,088
Net operating income	731	449	1,421	877
Other income (expense)	3	(3)	16	18
Amortization of intangibles	(103)	(139)	(230)	(279)
Interest income, net	98	146	220	251
Earnings before income taxes	729	453	1,427	867
Provision for income taxes	219	114	428	216
Net earnings	$ 510	$ 339	$ 999	$ 651
Earnings per share of common stock	$ 0.13	$ 0.09	$ 0.26	$ 0.17
Weighted average common and common equivalent shares outstanding	3,825	3,840	3,817	3,838

</TABLE>

See accompanying notes to unaudited consolidated financial statements.

GIGA-TRONICS INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

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	Six Months Ended	
	Sept. 27, 1997	Sept. 28, 1996
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Cash flows provided from operations:		
Net earnings as reported	$ 999	$ 651
Adjustments to reconcile net earnings to net cash provided from operations:		
Depreciation and amortization	687	799
Gain on sale of fixed assets	(3)	(9)
Deferred income taxes, net	(238)	39
Changes in operating assets and liabilities	(1,968)	1,041
Net cash provided by (used in) operations	(523)	2,521
Cash flows provided by investing activities:		
Investment maturities (purchases), net	(1,397)	(4,189)
Additions to property and equipment, net	(395)	(615)
Other assets	48	48
Net cash used in investing activities	(1,744)	(4,756)
Cash flows from financing activities:		
Issuance of common stock	26	329
Payment on line of credit	(189)	(55)
Payment on notes payable and long term debt	(985)	(415)
Payment on capital lease	(21)	--

Net cash provided by financing activities	(1,169)	(141)
Increase in cash and cash equivalents	(3,436)	(2,376)
Beginning cash and cash equivalents	6,796	5,923
Ending cash and cash equivalents	$ 3,360	$ 3,547

</TABLE>

Supplementary disclosure of cash flow information:

(1) Cash paid for interest in the six month period ending September 27, 1997 was $43,000.

(2) Cash paid for income taxes in the six month period ending September 27, 1997 was $673,000.

(3) Non-cash investing and financing activities:

The Company incurred an unrealized loss of $21,000 (after tax effect) on investments held available for sale during the six month period ending September 27, 1997. The Company incurred an unrealized gain of $58,000 (after tax effect) during the six-month period ended September 28, 1996.

The Company purchased $62,000 of equipment under capital lease obligation in the six months ended September 28, 1996.

See accompanying notes to unaudited consolidated financial statements.

GIGA-TRONICS INCORPORATED
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) Basis of Presentation

The financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission. The results of operations for the interim periods shown in this report are not necessarily indicative of results to be expected for the fiscal year. In the opinion of management, the information contained herein reflects all adjustments necessary to make the results of operations for the interim periods a fair statement of such operations. For further information, refer to the financial statements and footnotes thereto, included in the Annual Report on Form 10-K, filed with the Securities and Exchange Commission for the year ended March 29, 1997.

Earnings (loss) per share is based on the weighted average number of shares of common stock and dilutive common stock equivalent shares outstanding during the year.

(2) Business Combinations

Effective June 27, 1997, Giga-tronics completed a merger with Viking Semiconductor Equipment, Inc. (Viking) by issuing approximately 420,000 shares of the Company's common stock in exchange for all of the common stock of Viking. The merger has been accounted for using the pooling-of-interest method of accounting and accordingly, the consolidated financial statements for periods prior to the combination have been restated to include the accounts and results of operations of Viking. The results of operations previously reported by the separate enterprises and the combined amounts presented in the accompanying consolidated financial statements are summarized below:

(In thousands)	Three months ended June 28, 1997	Three months ended June 29, 1996
Net Sales		
Viking	$ 1,313	$ 787
Giga-tronics	6,597	7,793
Combined	$ 7,910	$ 8,580
Net Income		
Viking	$ 141	$ (193)
Giga-tronics	348	505
Combined	$ 489	$ 312

Prior to the combination, Viking's fiscal year ended May 31. In recording the pooling-of-interest combination, Viking's financial statements for the twelve months ended March 31, 1997 were combined with Giga-tronic's financial statements for the same period, and Viking's financial statements for the year ended May 31, 1996 were combined with Giga-tronic's financial statements for the year ended March 30, 1996. An adjustment has been made to shareholders' equity for fiscal 1997 to eliminate the effect of including Viking's results of operations for the two month period ended May 31, 1996, in both the years ended March 31, 1997 and 1996.

Viking manufactures and markets a line of optical inspection equipment used to manufacture and test semiconductor devices. Products include die attachments, automatic die sorters, tape and reel equipment, and wafer inspection equipment.

On October 29, the Company reached an agreement in principle to acquire Ultracision, Inc., a private company located in Santa Clara, California. Ultracision is a manufacturer of automation equipment for the test and inspection of silicon wafers. Ultracision additionally produces a line of probers for the testing and inspection of silicon devices. Ultracision will be the second acquisition of a company that conducts operations in the semiconductor industry.

The Company intends to exchange 517,000 shares of Giga-tronics common stock for all of the presently outstanding shares of Ultracision. The transaction is intended to be accounted for using the "pooling of interests" method of accounting. The merger is expected to be effective in the third quarter and is subject to completion of due diligence and the approval of the transaction by the Ultracision shareholders.

(3) Recent Accounting Pronouncements

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per share" (SFAS No. 128). SFAS No. 128 establishes a different method of computing net income per share than is currently required under the provisions of Accounting Principles Board Opinion No. 15. Under SFAS No. 128, the Company will be required to present both basic net income per share and diluted net income per share. Basic net income per share is expected to be higher than the currently presented income per share as the effect of dilutive stock options will not be considered in computing basic net income per share. Diluted net income per share is expected to be comparable to earnings per share as presented in the accompanying consolidated financial statements. The Company plans to adopt SFAS No. 128 in its fiscal quarter ending December 27, 1997, and at that time all historical net income per share data presented will be restated to conform to the provisions of SFAS No. 128.

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(4) Inventories

Inventories consist of the following (in thousands):

	Sept. 27, 1997	March 29, 1997
Raw materials	$ 2,905	$ 2,531
Work-in-process	3,171	2,522
Finished goods	1,178	1,408
	$ 7,254	$ 6,461

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATIONS AND FINANCIAL CONDITION

The forward-looking statements included in Management's Discussion and Analysis of Financial Condition and Results of Operations, which reflect management's best judgment based on factors currently known, involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including but not limited to those discussed below. Forward-looking information provided by Giga-tronics pursuant to the safe harbor established by recent securities legislation should be evaluated in the context of these factors.

GENERAL

The Company designs, manufactures and markets microwave and radio frequency signal generation and power measurement instruments, switching devices, and semiconductor inspection equipment. These products are used in the development, test and maintenance of wireless communications products and systems, electronic defense systems, automatic testing systems (ATE) and semiconductor devices.

The Company intends to broaden its product lines and expand its markets, both by internal development of new products and through the acquisition of other business entities. In that regard, on October 29, the Company reached an agreement in principle to acquire Ultracision, Inc., a private company located in Santa Clara, California. Ultracision is a manufacturer of automation equipment used in the test and inspection of silicon wafers. Ultracision additionally produces a line of probers for the testing and inspection of silicon devices. Ultracision will be the second acquisition related to the semiconductor industry.

Ultracision reported sales of approximately $5,653,000 (unaudited) for its last fiscal year ended March 1997. The Company intends to exchange 517,000 shares of Giga-tronics common stock for all of the presently outstanding shares of Ultracision. The transaction is intended to be accounted for using the "pooling of interests" method of accounting. The merger is expected to be effective in the third quarter and is subject to completion of due diligence and the approval of the transaction by the Ultracision shareholders.

THREE MONTHS AND SIX MONTHS ENDED SEPTEMBER 27, 1997 AND SEPTEMBER 28, 1996

Net sales for the three month and six month periods ended September 27, 1997 increased 8.7% ($654,000) and decreased .1% ($16,000), respectively, compared with the same periods last year. The sales increase in the quarter was principally due to an increase of $1.0 million in semiconductor products and $1.4 million in power measurement products (PM), which were partially offset by declining signal generator (SG) and switching module sales. The decline for the six month period resulted from a decrease of approximate $3.3 million in the SG product line and $.7 million in the switching modules product line, which were partially offset by an increase of approximately $2.6 million in PM and $1.6 million in the semiconductor equipment related products. The decline in SG sales is attributable to maturing of the product line, delays in new product releases and constraints on military budgets. The change in the switching modules reflects normal

fluctuations in periods due to timing of large orders. The increase in PM products is due to new product releases and growth in the commercial wireless telecommunications market. The growth in the semiconductor products reflects increased manufacturing throughput and the introduction of new products.

Gross profit for the three month and six month periods increased by 30.1% ($828,000) and 21.1% ($1,260,000), respectively. Gross margin as a percent of sales for the six months increased to 44.8% compared to 37.0% for the prior year. The increase in profit is attributable to lower manufacturing labor costs, lower depreciation, and lower controllable manufacturing expenses. The prior year also included a heavily discounted sale of signal generators.

Operating expenses for the three month and six month periods increased 23.7% ($546,000) and 14.1% ($716,000), respectively, compared with the prior year. Operating expenses as a percent of sales for the six months increased to 8.8% compared to 5.4% for the prior year. The increase is principally due to higher advertising expenses, sales and administrative salaries, and commission expenses related to the semiconductor and switching module product lines. The Company also increased research and development costs in an effort to develop new products.

Interest income for the three month and six month periods declined over the prior year due to lower cash available for investment. The cash decline resulted from extinguishing the debt of Viking Semiconductor and increased funding required for inventory and accounts receivable balances.

Earnings before income taxes for the three month and six month periods increased 60.9% ($276,000) and 64.6% ($560,000), respectively, compared to the same period last year. The change was primarily due to improved gross margins, partially offset by higher operating expenses.

Orders for the current quarter were slightly lower (1.4%) than the comparable period last year. Orders for the six month period were 4.4% ($712,000) lower than the prior year. Orders were lower for switching modules and semiconductor products, caused by normal fluctuations between periods for large orders. Backlog at September 1997 was $6,797,000 compared to $7,593,000 at the March year end.

The Company anticipates the level of sales in the third quarter to approximate the level of sales in each of the first two quarters. When compared to the prior year, the Company expects third quarter sales to be lower due to the high volume of shipments in the third quarter of the prior year. The Company anticipates earnings for the third quarter to also be lower as compared to the prior year. However, earnings for the nine months are expected to compare favorably to the corresponding nine month period of the prior year.

FINANCIAL CONDITION

The company maintains a strong financial position, with working capital of $21,102,000 and a ratio of current assets to current liabilities of 4.9 at September 27, 1997. In the most recent quarter, cash was used to liquidate the debt of the acquired Viking Semiconductor Equipment subsidiary. The Company continues to fund all of its working capital needs from cash provided by operations. Cash used from operations for the six months ended September 27, 1997 was $523,000 due to the increase in inventory and accounts receivable related to the growth of the semiconductor product line.

During the six month period, the Company spent $395,000 on new manufacturing and test equipment and other capital items. The Company will continue to invest in capital items that support growth and new product development, raise productivity and improve quality. Historically the Company has satisfied its cash needs internally for both operating and capital expenses, and management expects to continue to do so.

Management believes that cash reserves and investments remain adequate to meet anticipated operating needs. It is also the Company's intention to increase research and development expenditures for the purpose of broadening its product base. From time to time, the Company considers a variety of acquisition opportunities to also broaden its product lines and expand its market. Such acquisition activity could also increase the Company's operating expenses and require the additional use of capital resources.

FACTORS THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS

As part of its business strategy, the Company intends to broaden its product lines and expand its markets, in part through the acquisition of other business entities. The Company has recently acquired Viking Semiconductor Equipment and entered into an agreement in principle to acquire Ultracision, Inc. The Company is subject to various risks in connection with these and any future acquisitions. Such risks include, among other things, the difficulty of assimilating the operations and personnel of the acquired companies, the potential disruption of the Company's business, the inability of the Company's management to maximize the financial and strategic position of the Company by the successful incorporation of acquired technology and rights into the Company's product offerings, the maintenance of uniform standards, controls, procedures and policies, and the potential loss of key employees of acquired companies. No assurance can be given that any acquisition by the Company will or will not occur, that if an acquisition does occur, that it will not materially and adversely affect the Company or that any such acquisition will be successful in enhancing the Company's business. The Company currently contemplates that future acquisitions may be made on a pooling basis and may therefore involve the issuance of additional shares of the Company's Common Stock. Any such issuances may result in dilution to all shareholders of the Company and sales of such shares in significant volume by the shareholders of acquired companies may depress the price of the Company's Common Stock.

PART II, Item 4

SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(A) Annual Meeting of Stockholders was held on August 5, 1997.

(1) The vote for the nominated Directors was as follows:

Nominee	In Favor	Withheld
George H. Bruns, Jr.	2,961,728	189,768
James A. Cole	2,960,828	190,668
Edward D. Sherman	2,957,828	193,668
Robert C. Wilson	2,951,028	200,468

(2) (a) Other matters voted upon at the meeting were as follows:

Ratification of the selection of KPMG Peat Marwick LLP as independent public accountants for fiscal year 1998 was approved as follows:

	No. of Votes on Proposal	% of Votes Cast
For	3,148,096	99.89%
Against	2,700	0.09%
Abstain	700	0.02%
Quorum	3,151,496	100.0%

Non-voted Shares = 227,953

Outstanding shares on Record Date = 3,379,449

(b) Ratification of the Employee Stock Purchase Plan was approved as follows:

	No. of Votes on Proposal	% of Votes Cast
For	2,316,938	90.61%
Against	110,230	4.31%
Abstain	129,982	5.08%
Quorum	2,557,150	100.0%

Non-voted Shares = 822,299

Outstanding shares on Record Date = 3,379,449

(c) Ratification of the amendment to the Stock Option Plan to increase the number of authorized shares from 400,000 to 700,000 and make the other changes described in the Proxy Statement was approved as follows:

	No. of Votes on Proposal	% of Votes Cast
For	1,935,328	78.15%
Against	409,912	16.55%
Abstain	131,167	5.30%
Quorum	2,476,407	100.0%

Non-voted Shares = 903,042

Outstanding shares on Record Date = 3,379,449

SIGNATURES

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

GIGA-TRONICS INCORPORATED
(Registrant)

Date: 11/10/97 /s/ George H. Bruns, Jr.

George H. Bruns, Jr.
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: 11/10/97 /s/ Mark H. Cosmez II

Mark H. Cosmez II
Vice President, Finance and
Chief Financial Officer
(Principal Accounting Officer)

EXHIBIT 11

Part II, Item 6

EXHIBIT 11

COMPUTATION OF NET EARNINGS PER SHARE AND
COMMON SHARE EQUIVALENTS
(Unaudited)
(In thousands, except per share data)

Earnings per share were computed using the weighted average number of shares outstanding plus, when dilutive, incremental shares issuable upon exercise of outstanding options under the treasury stock method.

<TABLE>
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	Three Months Ended		Six Months Ended	
	Sept. 27, 1997	Sept. 28, 1996	Sept. 27, 1997	Sept. 28, 1996
<S>	<C>	<C>	<C>	<C>
Weighted average:				
Common shares outstanding	3,802	3,787	3,802	3,778
Common shares equivalents	23	53	15	60
	3,825	3,840	3,817	3,838
Net earnings	$ 510	$ 339	$ 999	$ 651
Net earnings per share of common stock	$ 0.13	$ 0.09	$ 0.26	$ 0.17

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