DGT HOLDINGS CORP.

FORM 10-Q
(Quarterly Report)

Filed 03/11/99 for the Period Ending 01/30/99

Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
CIK	0000027748
Symbol	DGTC
SIC Code	3679 - Electronic Components, Not Elsewhere Classified
Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

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

For Quarter Ended January 30, 1999
Commission File Number 0-3319

DEL GLOBAL TECHNOLOGIES CORP.
(Exact name of registrant as specified in its charter)

New York	13-1784308
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(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Commerce Park, Valhalla, NY 10595
(Address of principal executive offices)

(Zip Code)

(914) 686-3600
(Registrant's telephone number including area code)

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the business on March 11, 1999.

Common Stock - 7,709,985

PART I

Item 1. Financial Statements

Consolidated Balance Sheets - January 30, 1999 and August 1, 1998

Consolidated Statements of Income for the Three Months and Six Months ended January 30, 1999 and January 31, 1998

Consolidated Statements of Cash Flows for the Six Months ended January 30, 1999 and January 31, 1998

Notes to Consolidated Financial Statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)

ASSETS

	January 30, 1999	August 1, 1998
CURRENT ASSETS		
Cash and cash equivalents	$ 883,299	$ 3,401,697
Investments available-for-sale	1,084,088	913,125
Trade receivables - net	15,353,620	14,341,744
Cost and estimated earnings in excess of billings on uncompleted contracts	4,761,238	3,306,673
Inventory	33,658,710	29,195,262
Prepaid expenses and other current assets	2,183,709	1,358,847
Total current assets	57,924,664	52,517,348
FIXED ASSETS - Net	13,398,554	12,739,509
INTANGIBLES - Net	855,669	941,443
GOODWILL - Net	5,539,085	4,809,255
DEFERRED CHARGES	325,687	387,044
OTHER ASSETS	971,291	962,028
TOTAL	$79,014,950	$72,356,627

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

	January 30, 1999	August 1, 1998
Current portion of long-term debt	$ 552,478	$ 120,410
Accounts payable - trade	6,665,750	5,403,403
Accrued liabilities	4,109,372	3,938,623
Deferred compensation liability	1,125,052	913,046
Income taxes	1,021,581	394,540
Total current liabilities	13,474,233	10,770,022
LONG-TERM LIABILITIES		
LONG-TERM DEBT (less current portion included above)	1,191,906	240,273
OTHER	429,370	484,366
DEFERRED INCOME TAXES	1,590,536	1,406,162
Total liabilities	16,686,045	12,900,823
SHAREHOLDERS' EQUITY		
Common stock, $.10 par value; Authorized 20,000,000 shares; Issued and outstanding 8,119,272 shares at January 30, 1999 and 7,988,993 shares at August 1, 1998	811,926	798,898
Additional paid-in capital	49,713,213	49,124,456
Retained earnings	15,394,436	12,360,906
	65,919,575	62,284,260
Less common stock in treasury - 396,887 shares at January 30, 1999 and 299,746 at August 1, 1998	3,590,670	2,828,456
Total shareholders' equity	62,328,905	59,455,804
TOTAL	$79,014,950	$72,356,627

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

	Three Months Ended		Six Months Ended	
	January 31, 1999	January 30, 1998	January 30, 1999	January 31, 1998
NET SALES	$ 15,921,952	$ 14,403,182	$ 30,731,618	$ 27,883,251
COSTS AND EXPENSES:				
Cost of sales	9,308,253	8,503,015	17,987,421	16,550,560
Research and development	1,522,929	1,464,357	2,954,243	2,700,246
Selling, general and administrative	2,749,659	2,476,438	5,370,821	4,878,837
Interest expense (income) - net	15,831	(44,275)	22,712	(98,550)
	13,596,672	12,399,535	26,335,197	24,031,093
INCOME BEFORE PROVISION FOR INCOME TAXES	2,325,280	2,003,647	4,396,421	3,852,158
PROVISION FOR INCOME TAXES	720,836	641,167	1,362,890	1,232,691
NET INCOME	$ 1,604,444	$ 1,362,480	$ 3,033,531	$ 2,619,467
NET INCOME PER COMMON SHARE AND COMMON SHARE EQUIVALENTS:				
BASIC	$ .21	$ .18	$ .40	$ .35
DILUTED	$ .20	$ .17	$ .37	$ .32
Weighted average number of common shares outstanding	7,648,308	7,472,140	7,648,361	7,455,775
Weighted average number of common shares outstanding and common share equivalents	8,205,600	8,172,285	8,174,078	8,172,142

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six months ended	
	January 30, 1999	January 31, 1998
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 3,033,530	$ 2,619,467
Adjustments to reconcile net income to net cash (used in) provided by operating activities net of effects of purchase of Acoma Medical Imaging Inc.:		
Depreciation	843,725	657,821
Amortization	322,676	264,646
Deferred income tax provision	184,374	114,759
Tax benefit from exercise of stock options and warrants	131,391	325,594
Imputed interest	10,974	46,793
Amortization of stock based compensation	11,215	79,047
Changes in assets and liabilities:		
Increase in trade receivables	(1,011,876)	(1,171,081)
Increase in cost and estimated earnings in excess of billings on uncompleted contracts	(1,454,565)	(193,669)
Increase in inventory	(4,013,448)	(1,620,728)
Increase in prepaid and other current assets	(869,686)	(652,476)
Increase in other assets	(9,983)	(17,259)
Increase in accounts payable - trade	1,262,347	559,812
Increase (decrease) in accrued liabilities	170,749	(242,319)
Increase in deferred compensation liability	212,006	94,141
Increase (decrease) in income taxes payable	627,041	(77,745)
Net cash (used in) provided by operating activities	(549,530)	786,803
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash paid on acquisition of subsidiaries	(509,219)	--
Expenditures for fixed assets	(1,502,770)	(1,218,395)
Investment in marketable securities	(170,963)	(131,888)
Payments to former shareholders of subsidiary acquired	(60,186)	(27,829)
Net cash used in investing activities	(2,243,138)	(1,378,112)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from (repayment of) bank borrowing	583,701	(66,198)
Payment for repurchase of shares	(692,474)	(918,129)
Proceeds from exercise of stock options and warrants	328,500	841,153
Other	54,543	41,453
Net cash provided by (used in) financing activities	274,270	(101,721)

(Continued)

See notes to consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended January 30, 1999	Six months ended January 31, 1998
NET DECREASE IN CASH AND CASH EQUIVALENTS	$(2,518,398)	$ (693,030)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,401,697	6,070,608
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 883,299	$ 5,377,578
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest paid	$ 75,698	$ 62,587
Income taxes paid	$ 419,469	$ 865,083
SUPPLEMENTAL SCHEDULE OF INVESTING AND FINANCING ACTIVITIES:		
Acquisition of selected assets	$ 1,309,219	
Payment due under acquisition term note	(800,000)	
Net cash paid to acquire selected assets	$ 509,219	

See notes to consolidated financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

NOTE 1 In the opinion of the Company's management, the accompanying
unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the results of the Company's financial position as of January 30, 1999 and the results of its operations and its cash flows for the six months ended January 30, 1999 and January 31, 1998.

The accounting policies followed by the Company are set forth in Note 1 to the Company's financial statements as of August 1, 1998.

The consolidated financial statements should be read in conjunction with the notes to the financial statements as of August 1, 1998.

Certain reclassifications have been made in the prior period's financial statements to correspond to the current period's presentation.

NOTE 2 The results of operations for the three month and six month
periods ended January 30, 1999 are not necessarily indicative of the results to be expected for the full year.

NOTE 3 INVESTMENTS AND DEFERRED COMPENSATION

At January 30, 1999, the Company had set aside $1,125,042 of deferred compensation for its President and certain key executives. Of this amount $123,963 was in cash and $1,001,089 was in investments available-for-sale. Included in investments available-for-sale are $82,999 are U. S. Treasury bonds and equity securities held by the Company for its own account and are recorded at fair market. At August 1, 1998, the Company had $913,046 of deferred compensation for its President which was in investments available-for sale. The deferred compensation liability at January 30, 1999 and August 1, 1998 was $1,125,042 and $913,046, respectively. Gains and losses on the investments held to fund the deferred compensation, either recognized or realized, inure to the benefit or detriment of the President's or key executives' individual deferred compensation. Realized and unrealized gains and losses on investments held for the Company's account in the six month period ended January 30, 1999 were not material and are recorded in the financial statements.

NOTE 4 PERCENTAGE OF COMPLETION ACCOUNTING

	January 30, 1999	August 1, 1998	Six Months Ended January 30, 1999
Costs incurred on uncompleted contracts	$10,460,295	$ 6,804,554	$ 3,655,741
Estimated earnings	6,422,245	4,178,103	2,244,142
	16,882,540	10,982,657	5,899,883
Less billings to date	12,121,302	7,675,984	4,445,318
Costs and estimated earnings in excess of billings on uncompleted contracts	$ 4,761,238	$ 3,306,673	$ 1,454,565

The backlog of unshipped contracts being accounted for under the percentage of completion method of accounting was approximately $4.7 million at January 30, 1999.

NOTE 5 INVENTORY

Inventory is stated at the lower of cost (first-in, first-out) or market.

Inventories and their effect on cost of sales are determined by physical count for annual reporting purposes and are estimated by management for interim reporting purposes.

Inventory consists of the following:	January 30, 1999	August 1, 1998
Finished goods	$ 5,589,834	$ 4,848,572
Work-in-process	15,956,247	11,333,936
Raw material and purchased parts	12,112,629	13,012,754
Total	$33,658,710	$29,195,262

NOTE 6 FIXED ASSETS

Fixed assets consist of the following:

	January 30, 1999	August 1, 1998
Land	$ 694,046	$ 694,046
Building	2,146,025	2,146,025
Machinery and equipment	12,724,509	11,370,262
Furniture and fixtures	1,541,532	1,484,310
Leasehold improvements	1,628,043	1,613,883
EDP equipment	1,968,413	1,891,272
Transportation equipment	30,103	30,103
	20,732,671	19,229,901
Less accumulated depreciation and amortization	7,334,117	6,490,392
Net fixed assets	$13,398,554	$12,739,509

NOTE 7 NET INCOME PER COMMON SHARE AND COMMON SHARE EQUIVALENTS

During the year ended August 1, 1998, the Company adopted Statement of Financial Accounting Standard "SFAS" No. 128, "Earnings Per Share." This statement is effective for financial statements issued for periods ending after December 15, 1997. Basic and diluted earnings per share have been restated for all prior periods to reflect the adoption of SFAS No. 128.

NOTE 8 ACQUISITION

In December 1998, the Company acquired certain selected assets of Acoma Medical Imaging Inc. for approximately $1.4 million in cash, including expenses, payable over a three year period. The acquired assets consisted of inventory and technology.

NOTE 9 EFFECT OF NEW ACCOUNTING PRONOUNCEMENTS

Reporting Comprehensive Income. In June 1997, the Financial Accounting Standards Board "FASB" issued SFAS No. 130, "Reporting Comprehensive Income." This statement is effective for years beginning after December 15, 1997. Management has evaluated the effect of this statement on its financial reporting from the adoption of this statement and has found that no further disclosures are needed.

Disclosures About Segments of an Enterprise and Related Information. In June 1997, the FASB issued SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information." SFAS No. 131 requires the reporting of profit and loss, specific revenue and expense items and assets for reportable segments. It also requires the reconciliation of total segment revenues, total segment profit and loss, total segment assets and other amounts disclosed for segments, to the corresponding amounts in the general purpose financial statements. This statement is effective for fiscal years beginning after December 15, 1997. The Company has not yet determined what additional disclosures may be required in connection with adopting SFAS No. 131.

Disclosures about Pensions and Other Postretirement Benefits. In February 1998, the FASB issued SFAS No. 132, "Employers Disclosures about Pensions and Other Postretirement Benefits." This statement revises employers' disclosures about pensions and other postretirement benefit plans. It does not change the measurement or recognition of those plans. SFAS No. 132 is effective for fiscal years beginning after December 15, 1997. Management does not anticipate that this statement will have a significant effect on the Company's consolidated financial statements.

Disclosures about Derivative Instruments and Hedging Activities. In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments and hedging activities. SFAS No. 133 is effective for all quarters of all fiscal years beginning after December 15, 1999. Management does not anticipate that this statement will have any effect on the Company's consolidated financial statements.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management Discussion and Analysis of Financial Condition and Results of Operations contains forward looking statements. Such statements involve various risks that may cause actual results to differ materially. These risks include, but are not limited to, the ability of the Company to grow internally or by acquisition and to integrate acquired businesses, changing industry or competitive conditions, and other risks referred to in the Company's registration statements and periodic reports filed with the Securities and Exchange Commission.

OVERVIEW

The Company's net sales have increased as a result of both internal growth and acquisitions. The Company has completed five acquisitions in the past five years: Dynarad (a designer and manufacturer of medical imaging systems and critical electronic subsystems) in fiscal 1993; Bertan (a designer and manufacturer of precision high voltage power supplies and instrumentation for medical and industrial applications) in fiscal 1994; Gendex-Del (a manufacturer of medical imaging systems) in fiscal 1996, X-Ray Technologies, Inc. (a manufacturer of medical imaging systems) in fiscal 1998 and Acoma Medical Imaging Inc. (a manufacturer of medical imaging systems) in fiscal 1999. The Company's net sales have increased from approximately $24.3 million in fiscal 1994 to approximately $62.3 million in fiscal 1998, a compounded annual growth rate of 26.5%.

During the past five years the Company has grown internally and through acquisitions into a company whose predominant business is serving the medical imaging and diagnostic markets. The Company's net sales attributable to medical imaging products have increased from approximately $9.4 million or 38.7% of total net sales in fiscal 1994 to approximately $35.6 million or 65% of total net sales and approximately $43.9 million or 71% of total net sales in fiscal years 1997 and 1998, respectively.

Management believes that recent cost containment trends in the healthcare industry have created opportunities for its cost-effective medical imaging systems and subsystems in domestic and international markets. Some of these trends are increased demand for lower cost medical equipment, outsourcing of systems and critical electronic subsystems by leading original equipment manufacturers ("OEMs"), increased demand for certain diagnostic procedures and lower cost medical services in the global marketplace.

RESULTS OF OPERATIONS

Net sales for the three months ended January 30, 1999 were approximately $15.9 million as compared to approximately $14.4 million for the three months ended January 31, 1998, an increase of 10.5%. Net sales for the six months ended January 30, 1999 were approximately $30.7 million as compared to approximately $27.9 million for the six months ended January 31, 1998, an increase of 10.2%. These increases were due to internal growth from existing operations.

Cost of sales, as a percentage of net sales, for the three and six months ended January 30, 1999 were 58.5% compared to 59.0% and 59.7% for the prior corresponding periods. This improvement in margins is due to operating efficiencies and a change in product mix in the period.

Research and development expenses were approximately $1.5 million for the three month periods ended January 30, 1999 and January 31, 1998. Research and development expenses increased to approximately $3.0 million for the six months ended January 30, 1999 from approximately $2.7 million for the six months ended January 31, 1998, an increase of 9.4%. The increase was primarily due to new product development. The Company continues to invest in research and development in order to introduce new state-of-the-art products for its medical and industrial markets.

Selling, general and administrative expenses were approximately $2.7 million, or 17.3% of net sales, for the three months ended January 30, 1999, as compared to approximately $2.5 million, or 17.2% of net sales, for the same period in the prior year, a decrease of .1%. Selling, general and administrative expenses were approximately $5.4 million, or 17.5% of net sales, for the six months ended January 30, 1999 as compared to approximately $4.9 million, or 17.5% of net sales, for the same period in the prior year.

Net interest expense was approximately $16,000 for the three months ended January 30, 1999 as compared to interest income of approximately $44,000 for the corresponding period in the prior year. Net interest expense was approximately $23,000 for the six months ended January 30, 1999, as compared to net interest income of approximately $99,000 for the corresponding period in the prior year. Interest expense resulted because the increase in long-term debt increased interest expense in excess of interest income for the three and six month periods ended January 30, 1999.

Income tax expense was 31% of pre-tax income for the three and six months ended January 30, 1999 and 32% for the three and six months ended January 31, 1998. The decrease from statutory rates is primarily due to sales being made through the Company's Foreign Sales Corporation, research and development and other tax credits.

Net income increased to approximately $1.6 million for the three months ended January 30, 1999, an increase of approximately 17.8%, from approximately $1.4 million for the prior corresponding period. Basic earnings per share for the three months ended January 30, 1999 increased to $.21 from $.18 for the three months ended January 31, 1998, an increase of 16.7%. Diluted earnings per share rose to $.20 from $.17 for the three months ended January 30, 1999 and January 31, 1998, respectively, an increase of 17.6%. The weighted average number of common shares outstanding at January 30, 1999 were 7,648,308, as compared to 7,472,140 at January 31, 1998. The weighted average number of common shares and common share equivalents at January 30, 1999 increased to 8,205,600 from 8,172,285 at January 31, 1998. Net income increased to approximately $3.0 million for the six months ended January 30, 1999, an increase of approximately 15.8%, from approximately $2.7 million for the prior corresponding period. Basic earnings per share for the six months ended January 30, 1999 increased to $.40 from $.35 for the six months ended January 31, 1998, an increase of 14.3%. Diluted earnings per share rose to $.37 from $.32 for the six months ended January 30, 1999 and January 31, 1998, respectively, an increase of 15.6%. The weighted average number of common shares outstanding at January 30, 1999 were 7,648,361 as compared to 7,455,775 at January 31, 1998. The weighted average number of common shares and common share equivalents at January 30, 1999 increased to 8,174,078 from 8,172,142 at January 31, 1998. The increase in net income for the three and six month periods ended January 30, 1999 was due to internal growth and improved gross margins.

The backlog of unshipped orders at January 30, 1999 was approximately $41.6 million.

LIQUIDITY AND CAPITAL RESOURCES

The Company has funded its operations and acquisitions through a combination of cash flow from operations, bank borrowing and the issuance of the Company's common stock.

Working Capital. At January 30, 1999 and August 1, 1998, the Company's working capital was approximately $44.5 million and $41.7 million, respectively. At such dates the Company had approximately $900,000 and $3.4 million, respectively, in cash and cash equivalents.

Trade receivables at January 30, 1999 increased approximately $1.0 million as compared to August 1, 1998, primarily due to increased sales levels.

Cost and estimated earnings in excess of billings on uncompleted contracts increased to approximately $4.8 million at January 30, 1999 from approximately $3.3 million at August 1, 1998 due to additional work performed during the period on long term contracts accounted for under the percentage of completion method of accounting.

Inventory at January 30, 1999 increased approximately $4.5 million, as compared to August 1, 1998, primarily because of higher levels of sales of medical systems and subsystems and the acquisition of Acoma Medical Imaging Inc. inventory during the period.

Prepaid expenses and other current assets at January 30, 1999 increased approximately $825,000, as compared to August 1, 1998, due to increases in prepaid trade show expenses and prepaid expenses related to increased acquisition activity.

Trade accounts payable increased approximately $1.3 million at January 30, 1999 from August 1, 1998 primarily because of higher levels of sales of medical systems and subsystems.

Credit Facility and Borrowing. At January 30, 1999, the Company had a $14.0 million revolving credit line and a $10.0 million acquisition credit line. The available portion of the revolving credit line was approximately $13.5 million, after deducting borrowings of $300,000 and outstanding letters of credit of approximately $208,000. $9.5 million was available under the Company's acquisition credit line.

Capital Expenditures. The Company continues to invest in capital equipment, principally for its manufacturing operations, in order to improve its manufacturing efficiency and capacity. The Company has expended approximately $1.5 million for capital equipment for the six month period ended January 30, 1999.

The Company anticipates that cash generated from operations and amounts available under its bank lending facilities will be sufficient to satisfy its current operating cash needs.

Shareholders' Equity. Shareholders' equity increased to approximately $62.3 million at January 30, 1999 from approximately $59.5 million at August 1, 1998, primarily due to the results of operations. Additionally, during the period 108,436 stock options and 15,000 warrants were exercised, with proceeds of $328,500 and 97,141 shares of common stock were repurchased at a cost of $692,474.

Year 2000. The Company has initiated a company-wide program and developed a formal plan to identify, evaluate and implement changes to products, computer systems, applications and infrastructure necessary to achieve a year 2000 date conversion with no effect on customers or disruption to business operations. These actions are necessary to ensure that all systems and business applications will recognize and process the year 2000 and beyond.

The Company uses purchased software programs for a variety of functions, including drafting and design, general accounting and manufacturing applications. Currently, all of the Company's products and software for design and drafting applications are fully compliant. The Company's systems for general accounting and manufacturing have been evaluated and steps to achieve compliance are being implemented and are expected to be fully compliant by July 31, 1999, although there can be no assurance that it will. At this time, the Company believes that it does not have any internal mission critical year 2000 issues that it cannot remedy.

As part of the year 2000 readiness process, significant customers, service providers, vendors and suppliers who are believed to be critical to business operations after January 1, 2000 have been identified and steps are underway in an attempt to reasonably ascertain their stage of readiness. The Company is surveying them primarily through written correspondence. With respect to mission critical third parties, the Company intends to create contingency plans to mitigate its exposure to such third parties that are not year 2000 compliant. In the event any mission critical third parties do not achieve full compliance, the Company believes it has sufficient alternative resources upon which to rely. Despite its efforts to ascertain the readiness of its customers, suppliers and service providers, the Company cannot be certain as to the actual year 2000 readiness of these third parties or the impact their non-compliance may have on the Company's future financial position, the results of its operations or its cash flows.

With respect to the Company's internal year 2000 compliance, the Company expects to incur internal staff costs, as well as consulting and other expenses and believes that the total costs to be incurred for all year 2000 compliance related projects will not have a material effect on the Company's future financial position, results of its operations or its cash flows.

The Company expects to achieve full compliance no later than September 30, 1999.

EFFECTS OF NEW ACCOUNTING PRONOUNCEMENTS

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Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

PART II

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults on Senior Securities

None

Item 4. Submission to a Vote of Security Holders

At the annual meeting of stockholders of the Company held on February 11, 1999, the stockholders elected the following directors: Natan V. Bertman, David Michael, Seymour Rubin, James Tiernan, Leonard A. Trugman and

Roger J. Winston.

Election of Directors	For	Withheld
Leonard A. Trugman	6,953,087	92,441
Natan V. Bertman	6,953,152	92,376
David Michael	6,954,106	91,422
Seymour Rubin	6,952,527	92,601
James Tiernan	6,952,801	92,727
Roger J. Winston	6,948,791	96,737

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: Exhibit 11 - Computation of Earnings per Common Share

Exhibit 27 - Financial Data Schedule

(b) Report on Form 8-K: None

SIGNATURES

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

DEL GLOBAL TECHNOLOGIES CORP.

/S/LEONARD A. TRUGMAN

Leonard A. Trugman
Chairman of the Board,
Chief Executive Officer
and President

/S/MICHAEL H. TABER

Michael H. Taber
Chief Financial Officer,
Vice President of Finance
and Secretary

Dated: March 11, 1999

EXHIBIT 11

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER COMMON SHARE

THREE AND SIX MONTHS ENDED JANUARY 30, 1999 AND JANUARY 31, 1998

	Three Months Ended January 30, 1999			Six Months Ended January 30, 1999		
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Basic Earnings Per Share:						
Income available to common shareholders	$1,604,444	7,648,308	$.21	$3,033,531	7,648,361	$.40
Effect of Dilutive Securities:						
Warrants		15,881			14,177	
Options		541,411			511,540	
Diluted Earnings Per Share	$1,604,444	8,205,600	$.20	$3,033,531	8,174,078	$.37

	Three Months Ended January 31, 1998			Six Months Ended January 31, 1998		
	Net Income	Shares	Per Share Amount	Net Income	Shares	Per Share Amount
Basic Earnings Per Share:						
Income available to common shareholders	$1,362,480	7,472,140	$.18	$2,619,467	7,455,775	$.35
Effect of Dilutive Securities:						
Warrants		17,938			19,718	
Options		682,207			696,649	
Diluted Earnings Per Share	$1,362,480	8,172,285	$.17	$2,619,467	8,172,142	$.32

ARTICLE 5

CIK: 0000027748

NAME: DEL GLOBAL TECHNOLOGIES CORP.

PERIOD TYPE	6 MOS
FISCAL YEAR END	JUL 31 1999
PERIOD START	AUG 02 1998
PERIOD END	JAN 30 1999
CASH	883,299
SECURITIES	1,084,088
RECEIVABLES	15,512,449
ALLOWANCES	158,829
INVENTORY	33,658,710
CURRENT ASSETS	57,924,664
PP&E	20,732,671
DEPRECIATION	7,334,117
TOTAL ASSETS	79,014,950
CURRENT LIABILITIES	13,474,233
BONDS	0
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	811,281
OTHER SE	61,517,624
TOTAL LIABILITY AND EQUITY	79,014,950
SALES	30,731,618
TOTAL REVENUES	30,731,618
CGS	17,987,421
TOTAL COSTS	17,987,421
OTHER EXPENSES	8,325,064
LOSS PROVISION	0
INTEREST EXPENSE	22,712
INCOME PRETAX	4,396,421
INCOME TAX	1,362,890
INCOME CONTINUING	3,033,531
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	3,033,531
EPS PRIMARY	.40
EPS DILUTED	.37

End of Filing