

KOPIN CORP

FORM 8-K (Current report filing)

Filed 10/23/03 for the Period Ending 10/23/03

Address	125 NORTH DRIVE WESTBOROUGH, MA 01581
Telephone	508-870-5959
CIK	0000771266
Symbol	KOPN
SIC Code	3674 - Semiconductors and Related Devices
Industry	Semiconductors
Sector	Technology
Fiscal Year	12/31

KOPIN CORP

FORM 8-K (Unscheduled Material Events)

Filed 10/23/2003 For Period Ending 10/23/2003

Address	695 MYLES STANDISH BLVD TAUNTON, Massachusetts 02780
Telephone	508-824-6696
CIK	0000771266
Industry	Electronic Instr. & Controls
Sector	Technology
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report: October 23, 2003

KOPIN CORPORATION

(Exact Name of Registrant as Specified in Charter)

DELAWARE

0-19882

04-2833935

(State or Other Jurisdiction
of Incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

695 Myles Standish Blvd., Taunton, MA 02780-1042
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (508) 824-6696

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits.

99.1 Kopin Corporation Press Release, dated October 23, 2003.

Item 12. Disclosure of Results of Operations and Financial Condition.

Kopin Corporation issued a press release on October 23, 2003, a copy of which is furnished as Exhibit 99.1 to this report and incorporated herein by this reference, in which it announced financial results for the third quarter ended September 27, 2003. This information shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933.

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 hereunto duly authorized.

KOPIN CORPORATION

Dated: October 23, 2003

By: /s/ Richard A. Sneider

Richard A. Sneider
Treasurer and Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press Release, dated October 23, 2003

Kopin Reports Third-Quarter 2003 Financial Results

TAUNTON, Mass.--(BUSINESS WIRE)--Oct. 23, 2003--

Company anticipates approximately 20% sequential revenue growth and CyberDisplay design wins in the fourth quarter

Kopin Corporation (NASDAQ: KOPN) today announced financial results for the third quarter ended September 27, 2003.

-- Third-quarter 2003 revenue decreased 12 percent sequentially to \$17.5 million, from \$19.9 million, in line with guidance provided by Kopin in its second-quarter 2003 news release and conference call. For the third quarter of 2002, the Company recorded revenue of \$21.9 million.

-- Net loss for the 2003 third quarter was \$3.0 million, or \$0.04 per share. This compares with a net loss of \$1.0 million, or \$0.01 per share, in the second quarter of 2003, and net income of \$0.6 million, or \$0.01 per share, in the third quarter of 2002.

-- Kopin maintained its strong balance sheet, ending the third quarter with approximately \$114 million in cash and marketable securities and no debt. In addition, as of September 27, 2003 Kopin owned approximately 400,000 shares of Common Stock of Micrel Semiconductor, Inc.

"Consistent with the outlook we provided to investors in July, our third-quarter revenue was impacted by a large HBT customer working through second-source inventory in preparation for shifting 100 percent of its business to Kopin as part of a multi-year agreement," said Dr. John C.C. Fan, Kopin's president and chief executive officer. "In our microdisplay product area, CyberDisplay(TM) revenue was up slightly on a sequential basis on sustained momentum from commercial and military customers."

CyberDisplay revenue was \$11.5 million in the third quarter of 2003 compared with \$11.2 million in the immediately preceding quarter and \$12.0 million in the third quarter of 2002.

"Excitement about our new color filter display technology continues to build," said Dr. Fan. "Based on product sampling activity and feedback from prospective customers, we expect to secure multiple design wins for our color filter displays and start initial production in the current quarter. We already have established the CyberDisplay as the near-to-eye microdisplay of choice in military applications and more than 30 percent of the camcorder viewfinder market. Each of our new color filter display products - the 180K, 113K and VGA and their related viewfinder modules - represents an integral part of our strategy to expand on that success by penetrating new commercial applications and new customers."

III-V revenue was \$6.0 million for the third quarter of 2003 versus \$8.7 million in the immediately preceding quarter and \$9.9 million in the third quarter of 2002.

"GaAs HBTs for wireless LAN applications again topped 10 percent of total HBT sales in the 2003 third quarter," said Dr. Fan "We see WLAN as an important growth opportunity for Kopin. In addition, I am pleased to report that our CyberLite(TM) light-emitting diodes were qualified by a second customer and that we continued to make strides in enhancing the performance of our LEDs."

Nine Month Results

For the nine months ended September 27, 2003, total revenue was \$55.4 million compared with \$60.3 million for the same period last year. III-V revenue was \$24.2 million for the first nine months of 2003 compared with \$27.0 million for the first nine months of 2002. CyberDisplay revenue was \$31.3 million in the first nine months of 2003 compared with \$33.3 million in the first nine months of 2002. The net loss for the most recent nine month period was \$6.3 million, or \$0.09 per share, compared with a net loss of \$16.8 million, or \$0.24 per share, for the first nine months of 2002. Included in the nine month period ended September 28, 2002 was a charge related to the cumulative effect of a change in accounting of \$12.6 million, or \$0.18 per share.

Business Outlook

Commenting on the fourth quarter, Dr. Fan said, "In III-V, we expect to see a snap-back in the HBT product area as a large customer transitions 100 percent of its business to Kopin. Forecasting the LED market is proving difficult, since the market has been impacted by pricing erosion and commoditization. Kopin's approach is to maintain our position with our customers and rapidly develop even better products. In CyberDisplay, we expect our color filter initiatives to produce fourth-quarter design wins in both military and commercial applications. Overall, we expect total revenues for the fourth quarter to increase sequentially by approximately 20 percent. Taking a longer term view, with the securing of our HBT supply agreement and the anticipated CyberDisplay design wins, coupled with our strong financial situation, we believe we are poised for a very good 2004."

Third-Quarter Conference Call

Kopin will provide a live audio Webcast of its third-quarter conference call for investors at 5:00 p.m. ET today, October 23, 2003. Investors who want to hear the call should log on to the Investor Relations section of Kopin's Web site, www.kopin.com, at least 15 minutes before the event's broadcast. The call will be available on the Investor Relations section for one week. After that, investors can access an archived version of the call on Kopin's Web site.

Kopin's third-quarter conference call also can be heard live by dialing (913) 981-5509 five minutes prior to the call. A replay of the call will be available from 8:00 p.m. ET Thursday, October 23, through 11:59 p.m. ET Wednesday, October 29. To access the replay, dial (719) 457-0820

and refer to confirmation code 618723.

About Kopin

Founded in 1984, Kopin is pioneering the use of nanotechnology to manufacture nanosemiconductor products that make mobile electronic devices small, fast, bright, lightweight and power efficient. With an intellectual property portfolio of more than 200 issued and pending patents, Kopin supplies the world's largest electronics manufacturers and government agencies with breakthrough semiconductor products. The company's liquid-crystal microdisplays, ultra-efficient transistors and high-brightness light emitting diodes enhance the delivery and presentation of voice, video and data. Kopin technology is currently used in nearly one-third of the world's cell phones and camcorders and is the microdisplay standard for the U.S. military. For more information, please visit Kopin's Web site at www.kopin.com.

Statements in this news release may be considered "forward-looking" statements under the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. These include statements relating to: the expectation of multiple design wins for the Company's color filter displays in commercial and military applications; the start of initial production for these anticipated design wins in the current quarter; the expectation of a snap-back in Kopin's HBT product area; the expectation that total revenues will increase sequentially by approximately 20 percent in the fourth quarter of 2003; the successful transition of 100 percent of a customer's HBT business to Kopin; and Kopin's outlook for 2004. These statements involve a number of risks and uncertainties that could materially affect future results. Among these risk factors are general economic and business conditions and growth in the flat panel display, LED and gallium arsenide integrated circuit and materials industries; the impact of competitive products and pricing; availability of third-party components; the successful CyberLite production ramp; the qualification of our CyberLite manufacturing process by additional customers; availability of integrated circuit fabrication facilities; cost and yields associated with production of the Company's CyberDisplay imaging devices, CyberLite LEDs and HBT transistor wafers; loss of significant customers; acceptance of the Company's products; success of new product and other research and development efforts; continuation of strategic relationships; the impact of SARS on the consumer electronics market; the value of shares of Micrel Semiconductor held by the Company; Kopin's ability to accurately forecast revenue levels; and other risk factors and cautionary statements listed in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission. These include, but are not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2002 and Quarterly Reports on Form 10-Q for the three months ended March 29, 2003 and June 28, 2003.

CyberDisplay, CyberLite and GAIN-HBT are trademarks of Kopin Corporation.

The Company's condensed consolidated statement of operations and balance sheet are attached.

Kopin - The NanoSemiconductor Company(TM)

Kopin Corporation

Condensed Consolidated Statements of Operations

(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
Revenues:				
Product revenues	\$17,213,912	\$21,232,887	\$54,730,946	\$58,703,393
Research and development revenues	300,000	653,933	700,000	1,601,295
	17,513,912	21,886,820	55,430,946	60,304,688
Expenses:				
Cost of product revenues	14,764,386	15,387,140	44,662,098	45,438,274
Research and development	3,294,887	3,664,545	9,098,567	11,076,454
Selling, general and administrative	2,373,777	2,509,724	8,004,755	8,214,123
Other	120,216	55,500	360,648	210,350
	20,553,266	21,616,909	62,126,068	64,939,201
Income (loss) from operations	(3,039,354)	269,911	(6,695,122)	(4,634,513)
Other income and expense:				
Interest and other income	891,691	789,830	2,583,749	1,870,748

Interest and other expense	(711,992)	(121,668)	(1,494,561)	(616,128)
	179,699	668,162	1,089,188	1,254,620
Income (loss) before minority interest in income of subsidiary	(2,859,655)	938,073	(5,605,934)	(3,379,893)
Minority interest in income of subsidiary	(166,588)	(346,539)	(658,056)	(835,156)
Income (loss) before cumulative effect of accounting change	(3,026,243)	591,534	(6,263,990)	(4,215,049)
Cumulative effect of accounting change	-	-	-	(12,582,383)
Net income (loss)	\$(3,026,243)	\$591,534	\$(6,263,990)	\$(16,797,432)

Income (loss) before cumulative effect of accounting

change per share:				
Basic	\$(0.04)	\$0.01	\$(0.09)	\$(0.06)
Diluted	\$(0.04)	\$0.01	\$(0.09)	\$(0.06)
Cumulative effect of accounting change per share:				
Basic	\$-	\$-	\$-	\$(0.18)
Diluted	\$-	\$-	\$-	\$(0.18)
Net income (loss) per share:				
Basic	\$(0.04)	\$0.01	\$(0.09)	\$(0.24)
Diluted	\$(0.04)	\$0.01	\$(0.09)	\$(0.24)
Weighted average number of common shares outstanding:				
Basic	69,549,645	70,014,745	69,449,090	69,298,069
Diluted	69,549,645	70,014,745	69,449,090	69,298,069

Kopin Corporation Condensed Consolidated Balance Sheets

(Unaudited)

	September 27, 2003	December 31, 2002
ASSETS		
Current assets:		
Cash and marketable securities	\$114,456,041	\$117,991,312
Accounts receivable, net	9,185,756	6,680,538
Inventory	6,292,604	4,773,333
Prepaid and other assets	1,448,619	1,118,944
Total current assets	131,383,020	130,564,127
Equipment and improvements, net	32,847,928	34,748,361
Other assets	8,322,062	8,773,040

Intangible assets, net	120,217	480,866
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Total assets	\$172,673,227	\$174,566,394
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$7,364,537	\$7,414,774
Accrued expenses	8,828,421	7,302,586
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Total current liabilities	16,192,958	14,717,360
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Minority interest	3,026,424	2,931,366
Stockholders' equity	153,453,845	156,917,668
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Total liabilities and stockholders' equity	\$172,673,227	\$174,566,394
	=====	=====

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