KOPIN CORP

FORM S-3/A
(Securities Registration Statement (simplified form))

Filed 10/08/99

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 S-3/A
(Securities Registration Statement (simplified form))

Filed 10/8/1999

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

As filed with the Securities and Exchange Commission on October 8, 1999

Registration No. 333-87429

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

KOPIN CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE 04-2833935
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
695 Myles Standish Boulevard
Taunton, Massachusetts 02780
(508) 824-6696
(Address, including zip code, and telephone number, including area code, of
registrant's principal executive offices)

John C.C. Fan
Chairman of the Board of Directors, President and Chief Executive Officer
Kopin Corporation
695 Myles Standish Boulevard
Taunton, Massachusetts 02780
(508) 824-6696
(Name, address, including zip code, and telephone number, including area code,
of agent for service)

with copies to:

John J. Concannon III, Esq.	William J. Schnoor, Jr.
Bingham Dana LLP	Testa, Hurwitz & Thibeault, LLP
150 Federal Street	125 High Street
Boston, MA 02110	Boston, MA 02110
(617) 951-8000	(617) 248-7000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.
If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [_]
If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. [_]
If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_] If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]
If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [_]

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

++
+The information in this prospectus is not complete and may be changed. We may +
+not sell these securities until the registration statement filed with the +
+Securities and Exchange Commission is effective. This prospectus is not an +
+offer to sell these securities and it is not soliciting an offer to buy these +
+securities in any state where the offer or sale is not permitted. +
++

SUBJECT TO COMPLETION, DATED OCTOBER 8, 1999

1,800,000 Shares

[KOPIN LOGO APPEARS HERE]

Kopin Corporation

Common Stock

Our common stock is quoted on The Nasdaq Stock Market's National Market under the symbol "KOPN." On October 7, 1999, the last reported sale price of our common stock on The Nasdaq National Market was $31.125 per share.

The underwriters have an option to purchase a maximum of 270,000 additional shares to cover over-allotments of shares.

Investing in the common stock involves risks. See "Risk Factors" on page 3.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Us
Per Share	$	$	$
Total	$	$	$

Delivery of the shares of common stock will be made on or about , .

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston

CIBC World Markets

Pacific Growth Equities, Inc.

C.E. Unterberg, Towbin

The date of this prospectus is , .

[Text description of inside front cover]

The Kopin logo appears in the upper left corner with "Kopin's HBT Transistor Wafer" appearing underneath. Text in the upper right hand corner reads, "Developer and provider of customer-specific HBT transistor wafers for high performance communications applications."

The top half of the page is captioned "Wireless Applications" and utilizes four pictures. The first picture depicts a gallium arsenide wafer with the text "Substrate Manufacturer" above the picture and the text "GaAs Substrate" below the picture. The second picture is a cross-sectional diagram of an HBT transistor wafer with the text "Kopin Technology" above the diagram, the text "HBT Transistor Wafer Cross Section" below the diagram, an arrow from the left pointing into the diagram and an arrow pointing away from the diagram into the third picture. The third picture depicts a GaAs integrated circuit with the text "Integrated Circuit Manufacturer" above the picture, the text "HBT Power Amplifier Circuit" below the picture, and an arrow pointing away from the GaAs integrated circuit and into the fourth picture. The fourth picture depicts a wireless handset with the text "Handset Manufacturer" above the picture and the text "Wireles Handset" below the picture.

The bottom half of the page is captioned "Kopin's Technology" and provides an illustration depicting a wafer with layers of atomic particles and text that reads:

-- Splicing of dissimilar materials

-- Combining desired properties of each

-- Optimizes performance for specific applications

-- Enables new classes of high performance circuits

[End of text description of inside front cover]

TABLE OF CONTENTS

	Page
Prospectus Summary	1
Risk Factors	3
Special Note Regarding Forward-looking Statements	8
Use of Proceeds	9
Price Range of Common Stock	9
Dividend Policy	9
Capitalization	10
Dilution	11
Selected Consolidated Financial Data	12
Management's Discussion and Analysis of Financial Condition and Results of Operations	13

	Page
Business	20
Management	32
Underwriting	34
Notice to Canadian Residents	36
Legal Matters	37
Experts	37
Where You Can Find More Information	38
Index to Consolidated Financial Statements	F-1

You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information contained in this document may only be accurate on the date of this document.

Except as otherwise indicated, all information in this prospectus assumes that the underwriters' over-allotment option is not exercised.

"KOPIN", the KOPIN logo and "CyberDisplay" are trademarks and servicemarks of Kopin Corporation. Other product, company or organization names cited in this prospectus may be trademarks or registered trademarks of their respective companies or organizations.

Prospectus Summary

The items in the following summary are described in more detail later in this prospectus. This summary provides an overview of selected information and does not contain all the information you should consider. Therefore, you should also read the more detailed information set out in this prospectus and the financial statements.

Kopin Corporation

Kopin is a leading developer and manufacturer of advanced semiconductor materials and miniature flat panel displays. We use our proprietary technology to design, manufacture and market products used in highly demanding wireless communications and high resolution portable consumer electronics applications. Our products enable our customers to develop and market an improved generation of products for these target applications.

There is high demand for wireless communications services and products. According to Dataquest, in a report dated September 1999, the number of worldwide wireless communications subscribers increased from 133 million in 1996 to 312 million in 1998. Furthermore, Dataquest projects a greater than 20% compound annual growth rate for wireless communications subscribers for the five year period through 2003. We believe that in addition to an overall increase in demand for these services, consumers are seeking higher performance personal communications products with enhanced capabilities, such as longer battery life, better range and more features. As the next generation of wireless communications products emerges, we expect that these products will increasingly include data-oriented services, such as broadband Internet access and the ability to view e-mail and other information. We anticipate that these changes will result in increased demand for new, higher performance components for mobile communications and consumer electronics.

There is also a strong demand for high resolution, low cost, small form factor displays for use in consumer electronics products including camcorders and digital cameras. According to a Dataquest report dated June 1999, the annual worldwide factory revenue for camcorders will exceed $7.2 billion by 2003. International Data Corporation projects that annual worldwide shipments of digital cameras will exceed 22 million units in 2003.

We produce two types of high performance components: our heterojunction bipolar transistor wafers, or HBT transistor wafers, and our CyberDisplay products.

. Our HBT transistor wafer product is a customer specific array of vertically oriented transistors based on a gallium arsenide wafer. Our customers use our HBT transistor wafers to produce high performance integrated circuits used primarily in wireless communications products. We believe that integrated circuits manufactured with our HBT transistor wafers are well suited for applications that require low power consumption and high frequency performance. Our product enables our customers to manufacture components for wireless handsets that feature reduced size, extended battery life, increased talk time and improved signal quality.

. Our CyberDisplay products are miniature, high performance, high resolution, low cost displays for consumer electronics and mobile communications devices. Our commercially available CyberDisplay product is a 0.24 inch diagonal display which uses a lens and backlight to deliver high resolution video and data images equivalent to viewing a 20 inch diagonal monitor from a distance of five feet. We believe our CyberDisplay products are well suited for high resolution, high information content applications, including viewing images in camcorders and digital cameras, and reading e-mail and browsing the Internet using digital wireless handsets, pagers and other consumer electronics devices.

We are currently experiencing rapidly increasing demand for both of our principal products and are significantly increasing our production capacity. The principal customer for our HBT transistor wafers is Conexant Systems, which, along with other customers, uses these HBT transistor wafers primarily to make integrated circuits for digital wireless handsets. Due to the strength of our gallium arsenide technology, we are the single external supplier of HBT transistor wafers to many customers. In addition to Conexant, original equipment manufacturers including Nortel Networks and Hewlett-Packard use our HBT transistor wafers. We currently provide our CyberDisplay product to JVC for use in two of its CyberCam digital camcorder models and to Mustek for use in digital cameras.

We were incorporated in Delaware in 1984. Our principal executive offices are located at 695 Myles Standish Boulevard, Taunton, Massachusetts, 02780. Our telephone number is (508) 824-6696 and our web site is located at www.kopin.com. Information contained in our web site is not a part of this prospectus.

The Offering

Common stock offered	1,800,000 shares
Common stock to be outstanding after the offering	14,282,694 shares
Use of proceeds	Production capacity expansion for our HBT transistor wafer and CyberDisplay products and general corporate purposes, including capital expenditures and working capital.
Nasdaq National Market Symbol	KOPN

The number of shares of common stock to be outstanding after the offering excludes an aggregate of 2,442,494 shares of common stock that we have reserved for issuance under our stock option plans, of which 1,986,499 shares were subject to outstanding options as of July 3, 1999 at a weighted average exercise price of $12.32 per share.

Summary Consolidated Financial Data

The following tables present our summary consolidated financial data. We have derived the information for the six months ended June 27, 1998 and July 3, 1999 from unaudited consolidated financial statements. We have adjusted the balance sheet data information as of July 3, 1999 to give effect to our sale of 1,800,000 shares of common stock in the offering, assuming a public offering price of $30.00 per share. You should read the following information together with our consolidated financial statements and related notes beginning on page F-1 of this prospectus, the information under "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." See Note 1 of the Notes to our consolidated financial statements for an explanation of the shares used in computing basic and diluted income (loss) per share.

Statement of Operations Data:

	Years Ended December 31,					Six Months Ended	
	1994	1995	1996	1997	1998	June 27, 1998	July 3, 1999
	(in thousands, except per share data)					(unaudited)	
Product revenues	$ 2,830	$ 7,161	$11,727	$13,110	$23,225	$10,328	$13,911
Research and development revenues	10,453	8,628	6,291	3,283	3,680	1,822	1,433
Total revenues	13,283	15,789	18,018	16,393	26,905	12,150	15,344
Operating loss	(8,130)	(10,299)	(24,496)	(7,287)	(4,417)	(1,457)	(347)
Net income (loss)	(6,694)	(8,991)	(21,596)	(6,258)	(2,968)	(786)	352
Net income (loss) per share:							
Basic	$ (0.72)	$ (0.95)	$ (1.98)	$ (0.57)	$ (0.25)	$ (0.07)	$ 0.03
Diluted	$ (0.72)	$ (0.95)	$ (1.98)	$ (0.57)	$ (0.25)	$ (0.07)	$ 0.03
Weighted average number of common shares outstanding:							
Basic	9,267	9,462	10,921	11,010	12,068	11,915	12,412
Diluted	9,267	9,462	10,921	11,010	12,068	11,915	13,144

Balance Sheet Data:

	July 3, 1999	
	(unaudited)	
	Actual	As Adjusted
Cash and equivalents and marketable securities	$27,938	$ 78,148
Working capital	35,721	85,931
Total assets	63,894	114,104
Long-term obligations, less current portion	3,241	3,241
Stockholders' equity	53,438	103,648

RISK FACTORS

This offering involves a high degree of risk. You should carefully consider the risks described below and the other information in this prospectus before purchasing our common stock.

We have experienced a history of losses and have a significant accumulated deficit.

We have never achieved profitability on an annual basis. We did not achieve profitability on a quarterly basis until the third quarter of 1998 and sustained a significant loss in the following quarter and for the full year 1998. Since inception, we have incurred significant net operating losses. For the years ended December 31, 1996, 1997, and 1998, we incurred net losses of $21.6 million, $6.3 million and $3.0 million, respectively, and as of July 3, 1999 we had an accumulated deficit of $57.1 million. We cannot assure you that we will achieve or maintain profitability in the future.

Our revenue and cash flow could be negatively affected by the loss of any of the few customers who account for a substantial portion of our revenues.

A few customers account for a substantial portion of our revenues. Sales of our HBT transistor wafers to Conexant Systems accounted for approximately 39%, 63%, 59%, and 49% of our total revenues for the years ended December 31, 1996, 1997 and 1998, and for the six months ended July 3, 1999, respectively. For the years ended December 31, 1996, 1997 and 1998 and for the six months ended July 3, 1999, revenues from multiple contracts with various U.S. governmental agencies accounted for approximately 35%, 20%, 14% and 9%, respectively, of our total revenues. We anticipate that sales of our HBT transistor wafers to Conexant will continue to represent a significant portion of our revenues for the near future. A reduction in research and development contracts from the U.S. government or a reduction or delay in orders from Conexant or any of our other significant customers would materially reduce our revenue and cash flow and adversely affect our ability to achieve and maintain profitability.

If we are unable to significantly increase our CyberDisplay production capacity and reduce our CyberDisplay production costs, our business will suffer.

We have limited experience manufacturing display products. We expect to significantly increase our CyberDisplay production capacity by the end of the first quarter of 2000 in an attempt to meet anticipated increased demand. We are also embarking on an initiative to automate portions of our display manufacturing process to increase throughput and lower unit production costs. If we are unable to successfully increase our CyberDisplay production capacity and reduce manufacturing costs, we may lose customer orders and our display business will remain unprofitable.

Our CyberDisplay products may not be accepted by the market.

We have had limited sales of our CyberDisplay products to date. Our success will in large part depend on the widespread adoption of the viewing format of our CyberDisplay. Our success also depends upon the widespread consumer acceptance of our customers' products. Potential customers may be reluctant to adopt our CyberDisplay products because of concerns surrounding perceived risks relating to:

. The introduction of our display technology generally;

. Consumer acceptance of our CyberDisplay products; and

. The relative complexity, reliability, usefulness and cost-effectiveness of our display products compared to other display products available in the market or that may be developed by our competitors.

In addition, our customers may be reluctant to rely upon a relatively small company such as Kopin for a critical component. We cannot assure you that prospective customers will adopt our CyberDisplay products or that consumers will accept our CyberDisplay products. If we fail to achieve market acceptance of our CyberDisplay products, our business may not be successful and the value of your investment in Kopin may decline.

Our success depends on the continued growth and evolution of the wireless communications market.

Sales of products for wireless communications applications constitute substantially all of our current, and a significant portion of our projected, product revenues and cash flows. The implementation of higher bandwidth infrastructure will be needed to drive the development of the next generation of wireless communications services. These developments include data oriented services, such as Internet browsing capabilities and the ability to view e-mail and other information that should increase the demand for our products. Our success will depend in large part on the widespread adoption of this infrastructure and the cost-effectiveness of these services to the consumer. We may be unable to grow or sustain our business if there is a slowdown in the wireless communications market.

We generally do not have long-term contracts with our customers, which makes forecasting our revenues and operating results difficult.

We generally do not enter into agreements with our customers obligating them to purchase our products. Our business is characterized by short-term purchase orders and shipment schedules and we generally permit orders to be canceled or rescheduled without significant penalty. As a result, forecasting our revenues is difficult. In addition, due to the absence of substantial noncancellable backlog, we typically plan our production and inventory levels based on internal forecasts of customer demand, which are highly unpredictable and can fluctuate substantially. Our operating results are difficult to forecast because we are continuing to invest in capital equipment and increasing our operating expenses for personnel and new product development. If we fail to accurately forecast our revenues and operating results, our business may not be successful and the value of your investment in Kopin may decline.

Potential fluctuations in operating results make financial forecasting difficult and could affect the price of our common stock.

Our quarterly and annual revenues and operating results are difficult to predict and may fluctuate significantly from quarter to quarter. You should not rely on our revenues and our operating results for any one quarter or year as an indication of our future revenues or operating results. Our revenues and our results of operations may fluctuate for several reasons including:

. The timing and successful introduction of additional manufacturing capacity;

. The timing of the initial selection of our HBT transistor wafers and CyberDisplay products as a component in our customers' new products;

. Market acceptance of our and our customers' products;

. Competitive pressures on selling prices of our CyberDisplay products;

. The timing and cancellation of customer orders;

. Our ability to introduce new products and technologies on a timely basis;

. Our ability to successfully reduce costs; and

. The cancellation of U.S. government contracts.

If our quarterly revenues or results of operations fall below expectations of investors or public market analysts, the price of our common stock could fall substantially.

Disruptions of our HBT transistor wafer production would adversely affect our operating results.

If we were to experience any significant disruption in the operation of our facilities, we would be unable to supply HBT transistor wafers to our customers. Our manufacturing processes are highly complex and customer specifications are extremely precise. We periodically modify our processes in an effort to improve yields and product performance and to meet particular customer requirements. We intend to broaden our production capabilities to produce HBT transistor wafers up to six inches in diameter, but we have limited experience in producing finished six-inch HBT transistor wafers in commercial quantities. Process changes or other problems that occur in the complex manufacturing process can result in interruptions in production or significantly reduced yields. Additionally, as we introduce new equipment into our manufacturing processes, our HBT transistor wafer products could be subject to especially wide variations in manufacturing yields and efficiency. We may experience manufacturing problems that would result in delays in product introduction and delivery or yield fluctuations. We are also subject to the risks associated with the shortage of raw materials used in the manufacture of our products.

We would be unable to manufacture and distribute our CyberDisplay products if the third parties we rely on for manufacturing and packaging fail to provide those services.

We depend on United Microelectronics Corporation, or UMC, and its affiliate, Unipac Optoelectronics, for the fabrication of integrated circuits and a portion of the packaging of our CyberDisplay products. We have no long-term contracts with these companies, both of which are located in Taiwan. If these companies were to terminate their arrangements with us or become unable to provide the required capacity and quality on a timely basis, we would be unable to manufacture and ship our CyberDisplay products until replacement foundry or packaging services could be obtained. Furthermore, we cannot assure you that we would be able to establish alternative manufacturing and packaging relationships on acceptable terms.

Our reliance on UMC and Unipac involves certain risks, including:

. The lack of control over production capacity and delivery schedules;

. Limited control over quality assurance, manufacturing yields and production costs; and

. The risks associated with international commerce, including unexpected changes in legal and regulatory requirements, changes in tariffs and trade policies and political and economic instability.

UMC and Unipac, as well as several other third parties with which we do business, are located in Taiwan. Due to the earthquake that occurred in Taiwan earlier this month, many Taiwanese companies, including UMC and Unipac, have experienced related business interruptions. UMC has announced that it has resumed normal operations as of the beginning of October. We understand that Unipac plans to resume normal operations in the near future once its equipment is fully tested. Although we have CyberDisplay products in inventory, our business could suffer significantly if UMC or Unipac's operations were disrupted for an extended period of time.

We also depend on third parties to provide integrated circuit chip sets for use with our CyberDisplay products. Motorola currently produces integrated circuit chip sets for use with our CyberDisplay products in camcorders. If Motorola or any other third party were unable to supply these integrated circuit chip sets, we would be unable to sell our CyberDisplay products until a replacement supplier could be found. Any interruption in our ability to manufacture and distribute our CyberDisplay products could cause our display business to be unsuccessful and the value of your investment in Kopin may decline.

We may not be able to operate multiple manufacturing facilities successfully.

A critical part of our business strategy is the expansion of our production capacity. We plan to establish a second facility to manufacture our HBT transistor wafers and we are also considering the establishment of additional internal or third party manufacturing capability to produce our CyberDisplay products. To date, we have operated only one facility for each of our product lines, and we have no experience operating multiple facilities to manufacture a single product line.

Our ability to successfully operate additional manufacturing sites will depend on a number of factors including:

. The identification and availability of appropriate and affordable sites;

. The management of facility construction and development timing and costs;

. The establishment of adequate management and information systems and financial controls; and

. The adaptation of our complex manufacturing process in our additional sites.

Additionally, we cannot be sure that any new manufacturing facilities will have operating results similar to those of our current facilities. Any failure to effectively implement our expansion strategy would adversely impact our ability to grow our business.

Increased competition may result in decreased demand or prices for our products.

Competition in the markets for our products is intense. We compete with several companies primarily engaged in the business of designing, manufacturing and selling integrated circuits or alternative display technologies, as well as the supply of other discrete products. Our competitors could develop new process technologies that may be superior to ours, including technologies that target markets in which our products are sold. Many of our existing and potential competitors have strong market positions, considerable internal manufacturing capacity, established intellectual property rights and substantial technological capabilities. Furthermore, they also have greater financial, technical, manufacturing, marketing and personnel resources than we do, and we may not be able to compete successfully with them.

In addition, many of our existing and potential customers manufacture or assemble wireless communications devices and have substantial in-house technological capabilities. If one of our large customers establishes internal design and manufacturing capabilities, it could have an adverse effect on our operating results.

We expect competition to increase. This could mean lower prices or reduced demand for our products. Any of these developments would have an adverse effect on our operating results. For more information, see "Business--Competition."

If we fail to keep pace with changing technologies, we may lose customers.

The advanced semiconductor materials and display industries are characterized by rapidly changing customer requirements and evolving technologies and industry standards. To achieve our goals, we need to enhance our existing products and develop and market new products that keep pace with continuing changes in industry standards and requirements and customer preferences. If we cannot keep pace with these changes, our business could suffer.

We may not be successful in protecting our intellectual property and proprietary rights.

Our success depends in part on our ability to obtain patents and licenses and to preserve other intellectual property rights covering our products and manufacturing processes. To that end, we have obtained certain domestic and foreign patents and we intend to continue to seek patents on our inventions when appropriate. We also attempt to protect our proprietary information with contractual arrangements and under trade secret laws. Our employees and consultants generally enter into agreements containing provisions with respect to confidentiality and the assignment of rights to inventions made by them while in our employ. If these measures fail to adequately protect our intellectual and proprietary rights, our business will not be successful and the value of your investment in Kopin may decline. For more information, see "Business--Patents, Proprietary Rights and Licenses."

Our business could suffer if we lose the services of, or fail to attract, key personnel.

In order to continue to provide quality products in our rapidly changing business, we believe it is important to retain personnel with experience and expertise relevant to our business. Our success depends in large part upon a number of key management and technical employees. The loss of the services of one or more key employees, including John C.C. Fan, our President and Chief Executive Officer, could seriously impede our success. We do not maintain any "key-man" insurance policies on Dr. Fan or any other employees. In addition, due to the level of technical and marketing expertise necessary to support our existing and new customers, our success will depend upon our ability to attract and retain highly-skilled management, technical, and sales and marketing personnel. Competition for highly-skilled personnel is intense and there may be only a limited number of persons with the requisite skills to serve in these positions. We may be unsuccessful in attracting and retaining these personnel.

We may be unable to continue to grow at our historical growth rates or to manage our growth effectively.

In 1998 and 1999, we have experienced significant growth in our HBT transistor wafer business and we anticipate growth in our CyberDisplay business. This growth has placed, and our anticipated growth is expected to place, significant strain on our limited administrative, operational and financial resources. We cannot assure you that our systems, procedures, controls and existing and planned space will be adequate to support our future operations. As a result of these concerns, we cannot be sure that we will continue to grow, or, if we do grow, that we will be able to maintain our historical growth rate.

We may pursue acquisitions and investments that could adversely affect our business.

In the past we have made, and in the future we may make, acquisitions of and investments in businesses, products and technologies that could complement or expand our business. We currently have no commitments or agreements with respect to any acquisitions or investments. If we identify an acquisition candidate, we may not be able to successfully negotiate or finance the acquisition or integrate the acquired businesses, products or technologies into our existing business and products. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurrence of debt and contingent liabilities, amortization expenses and write-downs of acquired assets.

We may incur significant liabilities if we fail to comply with stringent environmental regulations or if we did not comply with these regulations in the past.

We are subject to a variety of federal, state and local governmental regulations related to the use, storage, discharge and disposal of toxic or otherwise hazardous chemicals used in our manufacturing process. Although we believe that our activities conform to environmental regulations, the failure to comply with present or future regulations could result in fines being imposed on us, suspension of production or a cessation of operations. We cannot assure you that we have not in the past violated applicable laws or regulations, which could result in required remediation or other liabilities.

Problems related to the Year 2000 issue could require us to incur unanticipated delays and expenses in the operation of our business.

We are currently undergoing efforts to ensure that our critical business systems will not fail or make miscalculations as a result of the Year 2000 date change. We cannot be sure that we will not have to spend significantly more than we currently anticipate on remediation efforts for our critical systems, or that implementation of any contingency plans we develop to deal with problems resulting from the Year 2000 date change will successfully avoid or alleviate any problems that may occur. Additionally, although we believe that our products are Year 2000 compliant, we cannot assure you that the systems of our raw materials suppliers or the products and systems of our customers will not be adversely affected. Any interruption in these third parties' operations could significantly delay our ability to manufacture our products or reduce our customers' demand for our products.

We have wide discretion as to our use of the proceeds from this offering and may allocate these proceeds in ways with which you may not agree.

The primary purposes of this offering include the purchase of new HBT transistor wafer manufacturing equipment, the establishment of an additional HBT transistor wafer manufacturing facility, the automation of the assembly of our CyberDisplay products, the increase of our CyberDisplay production capability and the increase of our working capital. Accordingly, our management will retain broad discretion as to the allocation of the net proceeds from this offering. For more information, see "Use of Proceeds."

Our stock price may be volatile in the future.

The trading price of our common stock could be subject to wide fluctuations in response to:

. Quarter-to-quarter variations in results of operations;

. Announcements of technological innovations or new products by Kopin or our competitors;

. General conditions in the wireless communications, semiconductor and display markets;

. Changes in earnings estimates by analysts; and

. Other events or factors.

In addition, the public stock markets experience extreme price and trading volume volatility, particularly for technology companies like us. This volatility has significantly affected the market prices of securities of many technology companies for reasons frequently unrelated to the operating performance of the specific companies. These broad market fluctuations may adversely affect the market price of our common stock.

You should not expect to receive dividends from us.

We have not paid dividends in the past, nor do we expect to pay dividends for the foreseeable future. We anticipate that earnings, if any, will be retained for the development of our businesses.

You will suffer immediate and substantial dilution as a result of this offering.

There will be immediate and substantial dilution to new investors in this offering. The public offering price will be higher than the net tangible book value per share of the outstanding common stock will be immediately after the offering. Any common stock you purchase in the offering will have a post- offering net tangible book value per share of approximately $22.87 less than the price you paid for the share, assuming a public offering price of $30.00 per share. For more information, see "Dilution."

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties. These statements relate to future events or our future financial performance and include statements about our manufacturing capabilities and cash flows. In some cases, you can identify forward-looking statements by terminology such as "may, " "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of such terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks outlined under "Risk Factors," that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels or activity, performance or achievements expressed or implied by such forward- looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this prospectus to conform such statements to actual results.

USE OF PROCEEDS

Our net proceeds from the sale of 1,800,000 shares of common stock we are offering are estimated to be approximately $50.2 million, or $57.8 million if the underwriters' over-allotment option is exercised in full, at an assumed public offering price of $30.00 per share after deducting the estimated underwriting discounts and commissions and offering expenses payable by us.

The principal purposes of this offering are for general corporate purposes, including:

. The purchase of new HBT transistor wafer manufacturing equipment;

. The establishment of an additional HBT transistor wafer manufacturing facility;

. The purchase of equipment to automate the assembly and increase the production capacity of our CyberDisplay products; and

. An increase in working capital.

Pending the uses described above, the net proceeds will be invested in short-term, interest bearing, investment grade securities.

PRICE RANGE OF COMMON STOCK

Our common stock is traded on the Nasdaq National Market under the symbol "KOPN." The following table sets forth, for the quarters indicated, the range of high and low sale prices for the common stock as reported on the Nasdaq National Market for the periods indicated.

	High	Low
Fiscal Year Ended December 31, 1997		
First Quarter	$15.750	$ 9.875
Second Quarter	16.750	10.500
Third Quarter	24.625	14.750
Fourth Quarter	29.000	15.500
Fiscal Year Ended December 31, 1998		
First Quarter	$22.375	$14.000
Second Quarter	22.375	16.000
Third Quarter	21.000	11.438
Fourth Quarter	21.250	11.375
Fiscal Year Ending December 31, 1999		
First Quarter	$24.875	$12.000
Second Quarter	24.875	13.000
Third Quarter (through October 7, 1999)	40.750	21.250

As of September 2, 1999, there were approximately 222 stockholders of record of our common stock, which does not reflect those shares held beneficially or those shares held in "street" name. On October 7, 1999, the last sale price reported on the Nasdaq National Market for our common stock was $31.125 per share.

DIVIDEND POLICY

We have not paid dividends in the past, nor do we expect to pay dividends for the foreseeable future. We anticipate that earnings, if any, will be retained for the development of our businesses.

CAPITALIZATION

The following table sets forth our cash and equivalents and marketable securities and capitalization as of July 3, 1999 on an actual basis and as adjusted to give effect to our sale of 1,800,000 shares of common stock at an assumed public offering price of $30.00. This table should be read in conjunction with our consolidated financial statements and the notes to those financial statements included elsewhere in this prospectus.

	As of July 3, 1999	
	Actual	As Adjusted
	(In thousands) (unaudited)	
Cash and equivalents and marketable securities	$ 27,938	$ 78,148
Long-term obligations, less current portion	$ 3,241	$ 3,241
Stockholders' equity:		
Preferred stock, $0.01 par value; 3,000 shares authorized; none issued and outstanding	--	--
Common stock, $0.01 par value, 20,000,000 shares authorized; 12,482,694 shares outstanding, actual; and 14,282,694 shares outstanding, as adjusted(1)	125	143
Additional paid-in capital	110,124	160,316
Deferred compensation	(138)	(138)
Accumulated other comprehensive income	461	461
Accumulated deficit	(57,134)	(57,134)
Total stockholders' equity	53,438	103,648
Total capitalization	$ 56,679	$106,889

(1) Excludes outstanding options as of July 3, 1999 to purchase 1,986,499 shares of common stock at a weighted average exercise price of $12.32 per share, 1,171,594 of which were exercisable.

DILUTION

As of July 3, 1999, we had 12,482,694 shares of common stock outstanding and a net tangible book value of $51.6 million or $4.13 per share. "Net tangible book value per share" represents our tangible net worth (total tangible assets less total liabilities) divided by the number of shares of common stock outstanding. After giving effect to our sale of 1,800,000 shares at the assumed public offering price of $30.00 per share and after deduction of the estimated underwriting discount and offering expenses, our net tangible book value at July 3, 1999 would have been $101.8 million or $7.13 per share. This represents an immediate increase in the net tangible book value of $3.00 per share to existing stockholders and an immediate dilution of the net tangible book value of $22.87 per share to purchasers of shares from this offering. The following table illustrates this per share dilution:

Public offering price per share		$30.00
Net tangible book value per share before offering	$4.13	
Increase attributable to new investors	3.00	
Net tangible book value per share after offering		7.13
Dilution per share to purchasers		$22.87

The above calculations do not take into account the exercise of outstanding stock options after July 3, 1999. If the 1,986,499 options outstanding at July 3, 1999 were exercised, there would be further dilution to new investors.

SELECTED CONSOLIDATED FINANCIAL DATA

The statement of operations data for the years ended December 31, 1996, 1997 and 1998 and balance sheet data as of December 31, 1997 and 1998 have been derived from our audited consolidated financial statements and the notes to those consolidated financial statements that are included elsewhere in this prospectus. The selected consolidated financial data for the six months ended June 27, 1998 and July 3, 1999, and the balance sheet data as of July 3, 1999, have been derived from our unaudited consolidated financial statements and the notes to those consolidated financial statements included elsewhere in this prospectus. In our opinion, these unaudited consolidated financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for the fair presentation of the results for these periods. The statement of operations data for the years ended December 31, 1994 and 1995, and the balance sheet data as of December 31, 1994, 1995 and 1996 have been derived from our audited financial statements which are not included in this prospectus. The financial statements of Forte Technologies, Inc. from June 1, 1995 through December 31, 1996 are consolidated with our financial statements. The selected consolidated financial data should be read in conjunction with our consolidated financial statements and the notes to those financial statements, and the other financial data included elsewhere in this prospectus.

	Year Ended December 31,					Six Months Ended	
	1994	1995	1996	1997	1998	June 27, 1998	July 3, 1999
	(in thousands, except per share data)					(unaudited)	
Statement of Operations Data:							
Revenues:							
Product revenues	$ 2,830	$ 7,161	$ 11,727	$13,110	$23,225	$10,328	$13,911
Research and development revenues	10,453	8,628	6,291	3,283	3,680	1,822	1,433
Total revenues	13,283	15,789	18,018	16,393	26,905	12,150	15,344
Expenses:							
Cost of product revenues	1,981	6,059	9,489	8,636	15,509	6,235	9,821
Research and development--funded programs	10,532	8,757	6,591	2,802	3,954	2,316	1,749
Research and development--internal	4,070	6,856	9,876	7,623	5,659	2,743	1,598
Selling, general and administrative	4,575	4,013	7,070	4,292	4,015	2,126	2,344
Other	255	403	598	327	385	187	179
Write-down of subsidiary assets	--	--	3,900	--	--	--	--
Impairment charge	--	--	4,990	--	1,800	--	--
	21,413	26,088	42,514	23,680	31,322	13,607	15,691
Loss from operations	(8,130)	(10,299)	(24,496)	(7,287)	(4,417)	(1,457)	(347)
Other income, net	1,436	1,308	1,676	1,029	1,508	671	725
Income (loss) before minority interest	(6,694)	(8,991)	(22,820)	(6,258)	(2,909)	(786)	378
Minority interest in (income) loss of subsidiary	--	--	1,224	--	(59)	--	(26)
Net income (loss)	$(6,694)	$ (8,991)	$(21,596)	$(6,258)	$(2,968)	$ (786)	$ 352
Net income (loss) per share:							
Basic	$ (0.72)	$ (0.95)	$ (1.98)	$ (0.57)	$ (0.25)	$ (0.07)	$ 0.03
Diluted	$ (0.72)	$ (0.95)	$ (1.98)	$ (0.57)	$ (0.25)	$ (0.07)	$ 0.03
Weighted average number of common shares outstanding:							
Basic	9,267	9,462	10,921	11,010	12,068	11,915	12,412
Diluted	9,267	9,462	10,921	11,010	12,068	11,915	13,144

	December 31,					July 3,
	1994	1995	1996	1997	1998	1999
	(in thousands)					(unaudited)
Balance Sheet Data:						

Cash and equivalents and marketable securities....	$28,728	$41,997	$27,072	$19,046	$36,808	$27,938
Working capital...........	30,566	44,727	27,687	21,466	39,359	35,721
Total assets..............	52,836	76,160	53,746	43,394	61,906	63,894
Long-term obligations, less current portion.....	2,235	1,605	2,793	1,959	4,209	3,241
Stockholders' equity......	43,451	61,842	40,271	35,869	51,846	53,438

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of our operations in conjunction with "Selected Consolidated Financial Data", our consolidated financial statements and related notes that appear elsewhere in this prospectus, and other financial information incorporated by reference in this prospectus. This discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in the forward- looking statements as a result of a number of factors, including those set forth in "Risk Factors" and elsewhere in this prospectus.

Overview

Kopin is a leading developer and manufacturer of advanced semiconductor materials and miniature displays. We use our proprietary technology to design, manufacture and market products used in highly demanding commercial wireless communications and high resolution portable applications. Our products enable our customers to develop and market an improved generation of products for these target applications.

We have two principal components of revenues: product revenues and research and development revenues. Historically, product revenues have consisted of sales of our HBT transistor wafers. For the year ended December 31, 1996, we had product revenues of $11.7 million ($9.2 million excluding Forte, a company which we consolidated as a subsidiary through December 31, 1996), or 65.1% of total revenues. Product revenues were $13.1 million for the year ended December 31, 1997, or 80.0% of total revenues. For the year ended December 31, 1998, product revenues were $23.2 million, or 86.3% of total revenues. Product revenues were $13.9 million, or 90.7% of total revenues for the six months ended July 3, 1999. We began shipping our CyberDisplay product in 1998. This product line represented 10.0% of our product revenues for the six months ended July 3, 1999.

Research and development revenues consist primarily of development contracts with agencies of the U.S. government. For the year ended December 31, 1996, we had research and development revenues of $6.3 million, or 34.9% of total revenues. As management intensified its efforts on the marketing and sales of its commercial products, research and development revenues declined to $3.3 million, or 20.0% of total revenues for the year ended December 31, 1997. For the year ended December 31, 1998, research and development revenues were $3.7 million, or 13.7% of total revenues. Research and development revenues were $1.4 million, or 9.3% of total revenues for the six months ended July 3, 1999. We believe that research and development revenues will continue to decline on an annual basis as a percentage of total revenues for the near future.

We recognize revenues when a product is shipped or when a service is performed. We typically provide customers with a twelve month warranty from the date of sale for some of our products. Based upon historical and anticipated warranty costs, we account for estimated sales return and warranty reserves in the period the sale is made. We recognize revenues from long-term contracts on the percentage-of-completion method of accounting as work is performed, based upon the ratio of costs or hours already incurred to the estimated total cost of completion or hours of work to be performed. We account for product development and research contracts that have established prices for distinct phases as if each phase were a separate contract. We classify amounts earned on contracts in progress that are in excess of amounts billed as unbilled receivables and we classify amounts received in excess of amounts earned as unearned revenues. We bill unbilled receivables based on dates specified in the related agreement or in periodic installments based upon our invoicing cycle. We recognize the entire amount of an estimated ultimate loss in our financial statements at the time the loss on a contract becomes known.

On January 1, 1996, we adopted Statement of Financial Accounting Standards (SFAS) No. 121, "Accounting for the Impairment of Long-Lived Assets and Long- Lived Assets to be Disposed Of." This Statement establishes accounting standards for the carrying value of long-lived and certain identifiable intangible assets. In January 1996, we incurred a charge of $5.0 million which included a write-down associated with the initial adoption of SFAS No. 121, the expensing of purchased technology, and the write-off of certain previously deferred expenses.

Results of Operations

Six Months Ended July 3, 1999 Compared to Six Months Ended June 27, 1998

Revenues. Our total revenues for the six months ended July 3, 1999 were $15.3 million compared to $12.2 million during the corresponding period in 1998, an increase of approximately $3.1 million or 26.3%. Our product revenues for the six months ended July 3, 1999 were $13.9 million compared to $10.3 million for the six months ended June 27, 1998, an increase of approximately $3.6 million or 34.7%. This increase in product revenues was primarily due to an increase in sales of our HBT transistor wafers and other gallium arsenide products as well as our CyberDisplay products in the six months ended July 3, 1999 compared to the six months ended June 27, 1998. Research and development revenues for the six months ended July 3, 1999 were $1.4 million, compared to $1.8 million during the corresponding period in 1998, a decrease of $389,972, or 21.4%. Research and development revenues declined primarily due to the expirations of multi-year contracts with the U.S. government.

Cost of Product Revenues. Cost of product revenues, which is comprised of materials, labor and manufacturing overhead related to our products, was $9.8 million for the six months ended July 3, 1999 compared to $6.2 million during the corresponding period in 1998, an increase of approximately $3.6 million or 57.5%. The increase in cost of product revenues as a percentage of product revenues for the first six months of 1999 primarily is attributable to increased production staffing as we increased production capacity, re-deployed certain assets and personnel previously involved in development activities to manufacturing activities and increased sales of our CyberDisplay products as a percentage of total sales.

Research and Development. Research and development expenses are incurred under development programs for gallium arsenide and display products either in support of internal development programs or programs funded by agencies of the U.S. government. Research and development costs include staffing, purchases of materials and laboratory supplies, circuit design costs, fabrication and packaging of display products, and overhead. Funded research and development expenses were $1.7 million for the six months ended July 3, 1999 compared to $2.3 million during the corresponding period in 1998, a decrease of $567,385, or 24.5% due to reduced subcontractor expenses caused by the expiration of multi-year contracts with agencies of the U.S. government. Internal research and development expenses were $1.6 million for the six months ended July 3, 1999 compared to $2.7 million during the corresponding period in 1998, a decrease $1.1 million, or 41.7%. The decrease in internal research and development was primarily a result of the re-deployment of certain assets and personnel from development activities into manufacturing activities.

Selling, General and Administrative. Selling, general and administrative expenses consist of the expenses incurred by our sales and marketing personnel and related expenses, and administrative and general corporate expenses. Selling, general and administrative expenses were $2.3 million for the six months ended July 3, 1999 compared to $2.1 million during the corresponding period in 1998, an increase of $217,870, or 10.2%. The increase in selling, general and administrative expense is primarily due to increases in headcount in the sales and marketing staff and significant travel associated with new customer support. In addition, selling, general and administrative expenses include non-cash charges for compensation expense of $27,510 for the six months ended July 3, 1999 compared to $33,450 during the corresponding period in 1998, relating to the issuance of certain stock options.

Other. Other expenses, primarily amortization of patents and licenses, were $179,275 for the six months ended July 3, 1999 compared to $187,630 during the corresponding period in 1998.

Other Income, Net. Other income, net was $725,476 for the six months ended July 3, 1999 compared to $671,425 during the corresponding period in 1998. This increase was primarily due to a decrease in interest expense as a result of reduced debt.

Year Ended December 31, 1998 Compared to Year Ended December 31, 1997

Revenues. Our total revenues were $26.9 million for 1998 compared to $16.4 million in 1997, an increase of $10.5 million, or 64.1%. Our product revenues were $23.2 million for 1998 compared to $13.1 million in 1997, an increase of $10.1 million, or 77.2%. The increase in product revenues was primarily due to an increase in sales of our HBT transistor wafers and other gallium arsenide products to $20.3 million in 1998 compared to $12.0 million in 1997, an increase of $8.3 million, or 69.8%. The increase in sales of our HBT transistor wafers was primarily due to the increased use of advanced semiconductor transistors in various wireless telecommunications products, particularly by our major customer, Conexant. Research and development revenues were $3.7 million for 1998 compared to $3.3 million in 1997, an increase of $396,608. The increase in research and development revenues was primarily attributable to an increase in contract revenues from agencies of the U.S. government.

Cost of Product Revenues. Cost of product revenues was $15.5 million for 1998 compared to $8.6 million in 1997. Included in 1998 cost of product revenues is a charge totaling approximately $1.7 million associated with the write-down of inventory resulting from modification of certain processes in the production of our CyberDisplay products to improve manufacturing flexibility and to meet customer requirements. Excluding this inventory write- down, cost of product revenues decreased as a percentage of product revenues because of manufacturing efficiencies derived from the increase in unit volume production. The benefit from manufacturing efficiencies was offset in part from an increase in display products as a percentage of total product revenues.

Research and Development. Funded research and development expenses were $4.0 million for 1998 compared to $2.8 million in 1997, an increase of $1.2 million. The increase in funded research and development expenses in 1998 was primarily due to an increase in programs funded by agencies of the U.S. government. Internal research and development expenses were $5.7 million in 1998 compared to $7.6 million in 1997, a decrease of $2.0 million. The decrease in internal research and development expenses was primarily a result of reduced research costs incurred for developing our display products.

Selling, General and Administrative. Selling, general and administrative expenses were $4.0 million for 1998 compared to $4.3 million in 1997, a decrease of $277,521. In addition, selling, general and administrative expenses include non-cash charges for compensation expense of $66,900 for 1998 compared to $75,857 in 1997 relating to the issuance of certain stock options.

Impairment Charge. In 1998, we recorded a non-cash impairment charge totaling approximately $1.8 million associated with the write-down of equipment and intangible assets resulting from modification of certain processes in the production of our CyberDisplay products to improve manufacturing flexibility.

Other. Other expenses were $384,349 for 1998 compared to $327,102 in 1997, an increase of $57,247.

Other Income, Net. Other income, net was $1.5 million in 1998 compared to $1.0 million in 1997, an increase of $478,921. The increase was primarily due to an increase in interest income of $779,834 to $2.0 million in 1998 from $1.3 million in 1997, resulting from higher cash balances in 1998. This increase was partially offset by an increase in interest expense of $300,913 due to additional debt funding.

Year Ended December 31, 1997 Compared to Year Ended December 31, 1996

For the year ended December 31, 1996, our consolidated financial statements include the results of operations of Forte, a majority-owned subsidiary. As a result of declining sales and results of operations of Forte, we recorded a $3.9 million write-down of the value of Forte's assets and our investment in Forte at December 31, 1996. In March 1997, Forte filed a voluntary petition seeking protection from its creditors under Chapter 11 of the United States Bankruptcy Code. The financial statements of Forte are not consolidated with our financial statements after December 31, 1996.

Revenues. Our total revenues were $16.4 million for 1997 compared to $18.0 million ($15.5 million excluding Forte) during the corresponding period in 1996, a decrease of $1.6 million. Our product revenues were $13.1 million for 1997 compared to $11.7 million ($9.2 million excluding Forte) in 1996, an increase of $1.4 million. Product revenues from sales of our HBT transistor wafers and other gallium arsenide products were $12.0 million in 1997 compared to $8.3 million in 1996, an increase of $3.6 million, or 43%. The increase in product revenues was due to a $3.9 million increase in sales of our HBT transistor wafers and display products over the corresponding period in the prior year, partially offset by the inclusion of Forte revenues in 1996. The increase in sales of our HBT transistor wafers was primarily due to the increased use of advanced semiconductor transistors in various wireless telecommunications products, particularly by our major customer, Conexant. Research and development revenues were $3.3 million for 1997 compared to $6.3 million in 1996, a decrease of $3.0 million. The decrease in research and development revenues was primarily attributable to a decrease in contract revenues from agencies of the U.S. government. In 1994, we received a $10.7 million multi-year contract award from Defense Advanced Research Projects Agency. We recorded revenues under this contract of $492,000 in 1997 compared to $3.4 million in 1996, a decrease of $2.9 million.

Cost of Product Revenues. Cost of product revenues was $8.6 million for 1997 compared to $9.5 million ($6.8 million excluding Forte) in 1996. The improvement in cost of product revenues as a percentage of product revenues in 1997 was primarily due to increased sales of our HBT transistor wafers, resulting in lower unit costs, and the inclusion in the 1996 financial results of shipments by Forte.

Research and Development. Funded research and development expenses were $2.8 million for 1997 compared to $6.6 million in 1996, a decrease of $3.8 million. The decrease in funded research and development expenses in 1997 was primarily due to a reduction in programs funded by agencies of the U.S. government. Internal research and development expenses were $7.6 million in 1997 compared to $9.9 million ($9.3 million excluding Forte) in 1996, a decrease of $2.3 million. The decrease in internal research and development expenses was primarily a result of reduced development costs incurred for fabrication and packaging of our display products, as well as the inclusion of $597,545 of such expenses incurred by Forte during the corresponding period in 1996.

Selling, General and Administrative. Selling, general and administrative expenses were $4.3 million for 1997 compared to $7.1 million ($4.2 million excluding Forte) in 1996, a decrease of $2.8 million. The decrease in selling, general and administrative expenses in 1997 was primarily due to the inclusion of expenses of $2.9 million incurred by Forte in 1996. In addition, selling, general and administrative expenses include non-cash charges for compensation expense of $75,857 for 1997 compared to $66,776 in the year ended 1996 relating to the issuance of certain stock options.

Other. Other expenses were $327,102 in 1997 compared to $597,943 ($280,807 excluding Forte) in 1996, a decrease of $270,841. The reduced expense in 1997 was primarily due to amortization expense incurred in 1996 related to the goodwill resulting from our investment in Forte.

Other Income, Net. Other income, net was $1.0 million in 1997 compared to $1.7 million in 1996, a decrease of $647,042. The decrease in 1997 was primarily due to lower interest income earned as a result of lower cash balances during 1997 in comparison to 1996.

Selected Unaudited Quarterly Results of Operations

The following table presents our unaudited results of operations for the eight most recently ended fiscal quarters. We believe that all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts below to present fairly the selected quarterly information when read in conjunction with the consolidated financial statements included elsewhere in this prospectus. Our results from operations may vary substantially from quarter to quarter; accordingly, the results of operations for a quarter are not necessarily indicative of results for any subsequent quarter or for the full year.

	Three Months Ended							
	September 27, 1997	December 31, 1997	March 28, 1998	June 27, 1998	September 26, 1998	December 31, 1998	April 3, 1999	July 3, 1999
	(in thousands)							
Revenues:								
Product revenues........	$ 2,941	$ 4,170	$4,661	$5,667	$6,957	$ 5,940	$5,985	$7,926
Research and development revenues...............	967	720	806	1,016	879	979	745	688
Total revenues..........	3,908	4,890	5,467	6,683	7,836	6,919	6,730	8,614
Costs and expenses:								
Cost of product revenues...............	1,891	2,662	2,723	3,512	4,127	5,147	3,930	5,891
Research and development............	2,604	2,267	2,550	2,509	2,573	1,981	1,999	1,348
Selling, general and administrative.........	1,069	1,036	992	1,134	1,002	887	923	1,421
Other...................	75	100	92	95	98	100	88	91
Impairment charges......	--	--	--	--	--	1,800	--	--
Total costs and expenses...............	5,639	6,065	6,357	7,250	7,800	9,915	6,940	8,751
Income (loss) from operations.............	(1,731)	(1,175)	(890)	(567)	36	(2,996)	(210)	(137)
Other income, net.......	242	196	279	392	417	420	416	309
Income (loss) before minority interest......	(1,489)	(979)	(611)	(175)	453	(2,576)	206	172
Minority interest in (income) of subsidiary.............	--	--	--	--	--	(59)	--	(26)
Net income (loss).......	$(1,489)	$ (979)	$ (611)	$ (175)	$ 453	$(2,635)	$ 206	$ 146

Product revenues have increased quarter over quarter in six of the seven quarters ended July 3, 1999. These increases were primarily due to increased sales of our HBT transistor wafer and CyberDisplay products. Quarterly product revenues in 1998 fluctuated due, in part, to the timing of shipments of CyberDisplay products to customers for their evaluation purposes. In the quarter ended July 3, 1999, we commenced shipments of our CyberDisplay products for use by JVC in two of its CyberCam camcorder models. In 1999, we initiated an aggressive pricing policy with respect to our CyberDisplay products in order to gain adoption by manufacturers of consumer electronics. As a result of this strategy, cost of product revenues as a percentage of total revenues has increased as CyberDisplay product revenues have increased.

Liquidity and Capital Resources

We have financed our operations primarily through public offerings and private placements of our equity securities, research and development contract revenues, and sales of our gallium arsenide and display products. We believe our available cash resources, together with the proceeds from this offering, will support our operations and capital needs for at least the next twelve months.

As of July 3, 1999, we had cash and equivalents and marketable securities of $27.9 million and working capital of $35.7 million compared to $36.8 million and $39.4 million, respectively, as of December 31, 1998. The decrease in cash and equivalents and marketable securities was primarily due to cash used in operations of $2.9 million, capital expenditures of $5.9 million, and principal payments on long-term obligations of $1.2 million, offset by proceeds from the exercise of stock options of $1.2 million. The increase in capital expenditures is primarily for our expansion program to increase manufacturing capacity for our gallium arsenide and display products.

We periodically enter into long-term debt arrangements to finance equipment purchases and other activities. As of July 3, 1999, long-term debt obligations totaled $5.0 million, of which $1.8 million is payable in the next twelve months.

Our CyberDisplay products are targeted at large sales volume consumer electronic and wireless communication applications. We believe that in order to obtain customers in these markets, it has been necessary to make significant investments in equipment and infrastructure. In addition, we have spent approximately $5.0 million and $7.0 million annually in 1998 and 1997, respectively, to develop and improve CyberDisplay products. We believe that it will be necessary to continue to make significant investments in equipment and development in order to produce current and future CyberDisplay products. As a result of the current cost structure of our CyberDisplay product line, our ability to achieve profitability in that product line depends upon achieving significant sales volumes and higher gross profit margins. We have not yet produced our CyberDisplay products at volumes necessary to achieve profitability. Accordingly, we may not be able to obtain sufficient sales volumes, or if sufficient sales volumes are achieved, we may not be able to produce our CyberDisplay products at a gross margin which will allow the product line to generate a profit.

We lease equipment and our facilities located in Taunton and Westborough, Massachusetts, and Los Gatos, California, under non-cancelable operating leases. The Taunton lease expires in October 2002. The Westborough lease expires in October 2001, with renewable options for up to three additional years at our election. The Los Gatos lease covers a five year period terminating in 2002. We record costs incurred under operating leases as rent expense and this expense aggregated approximately $1.1 million for 1998.

We expect to expend approximately $30.0 million on capital expenditures over the next twelve months, primarily for the acquisition of equipment relating to the production of our HBT transistor wafers and the manufacturing, packaging and testing of CyberDisplay products, including the establishment of a second manufacturing product facility for our HBT transistor wafers.

As of December 31, 1998, we had tax loss carryforwards of approximately $45.0 million, which may be used to offset future taxable income.

Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities," which is effective for fiscal years commencing after June 15, 2000. SFAS No. 133 requires fair value accounting for all stand-alone derivatives and many derivatives embedded in other financial instruments and contracts. The impact of SFAS No. 133 on us has not yet been determined.

Year 2000

The Year 2000 issue refers to the potential for disruption to business activities caused by system failures or miscalculations that are triggered by advancement of date records past the year 1999. For example, if software that uses the calendar year in computations is not ready for the millennial calendar change, it may interpret a 21st century date as a 20th century date (for example, mistaking 2001 for 1901).

We have developed plans to address issues related to the impact on our systems from the Year 2000 issue. Financial and operational systems are being assessed and plans have been implemented to address systems modification requirements.

Utilizing both internal and external resources to address the Year 2000 issue, we expect to substantially complete this project by the end of October 1999. The current estimate of total project cost is approximately $700,000, which includes the cost of purchasing certain equipment and software which will be capitalized in accordance with normal policy. The cost of equipment and software account for approximately 30 percent of the total estimated project cost while internal resources, primarily salary costs, will account for approximately 30 percent of the cost and external resources are expected to account for approximately the remaining 40 percent. Approximately 75 percent of the total project cost has been spent through July 3, 1999, with the remaining amount to be spent in 1999. The plan costs will be paid from cash flow generated from operations. The Year 2000 project will not result in the delay in implementation of any previously planned information technology projects.

Our products, which are Year 2000 compliant, require high quality raw materials in order to achieve historical manufacturing yields and performance. We require suppliers to meet stringent quality standards before we will accept their product. We are continually assessing our key suppliers' Year 2000 readiness and their plans for becoming Year 2000 compliant. Although we have multiple suppliers for each raw material, failure by one or more key suppliers to achieve Year 2000 readiness could impact our ability to produce product at historical levels on a timely basis. In addition, certain critical suppliers allocate capacity to us. Accordingly, there can be no assurance that if one or more suppliers are unable to meet their commitments to us, the remaining suppliers will be able to make up the shortfall. We are developing contingency plans, however, there can be no assurance that we will adequately address the Year 2000 problem, that any contingency plans we implement would be adequate to meet our needs without materially impacting our operations, that any such plan would be successful or that our results of operations and financial condition would not be materially and adversely affected by the delays and inefficiencies in conducting operations in an alternative manner.

Quantitative and Qualitative Disclosures About Market Risk

We invest our excess cash in high quality government and corporate financial instruments which bear minimal risk. We believe that the effect, if any, of reasonably possible near-term changes in interest rates on our financial position, results of operations, and cash flows should not be material. We sell our products to customers worldwide. We maintain a reserve for potential credit losses and such losses have been minimal. We are exposed to changes in foreign currency exchange primarily through our translation of our foreign subsidiary's financial position, results of operations, and cash flows and the sale of our CyberDisplay products to customers in Asia.

BUSINESS

Kopin is a leading developer and manufacturer of advanced semiconductor materials and miniature flat panel displays. We use our proprietary technology to design, manufacture and market products used in highly demanding wireless communications and high resolution portable consumer electronics applications. Our products enable our customers to develop and market an improved generation of products for these target applications.

We produce two types of high performance components-our heterojunction bipolar transistor wafers, or HBT transistor wafers, and our CyberDisplay products. Our HBT transistor wafer product is a customer specific array of vertically oriented transistors that our customers use primarily to produce high performance integrated circuits for wireless communications products. Our CyberDisplay products are miniature, high performance, high resolution, low cost displays well suited for high resolution, high information content applications. These applications include viewing images in camcorders and digital cameras, and reading e-mail and browsing the Internet using digital wireless handsets, pagers and other consumer electronics devices.

We are currently experiencing rapidly increasing demand for both of our principal products and we are significantly increasing our production capacity. The principal customer for our HBT transistor wafers is Conexant Systems. In addition to Conexant, original equipment manufacturers including Nortel Networks and Hewlett-Packard purchase our HBT transistor wafers. We currently sell our CyberDisplay product to JVC for use in two of its CyberCam digital camcorder models and to Mustek, a leading Taiwanese manufacturer of digital still cameras, scanners and other consumer electronics products, for use in digital cameras.

Industry Overview

Gallium Arsenide Products

Advanced semiconductor materials are used in the manufacture of integrated circuits for high frequency, low power applications. The rapid growth in the wireless communications industry, as well as the increasingly shorter product cycles of wireless products, has fueled demand for these integrated circuits, which are predominantly used in wireless handsets. Dataquest, in a report dated September 1999, expects that by 2003 the worldwide digital wireless subscriber base will exceed 868 million users, and annual worldwide shipments of digital wireless handsets will reach nearly 415 million units.

In first generation wireless handsets, integrated circuits used in high frequency, low power applications were generally constructed with silicon-based semiconductors. These integrated circuits, while relatively inexpensive to manufacture, were unable to deliver the performance demanded by wireless handset manufacturers and their customers. This inability led to the development of gallium arsenide products for use in wireless communications. Gallium arsenide is generally regarded as having better performance characteristics than silicon due, in part, to its inherent physical properties that permit gallium arsenide integrated circuits to operate at much higher frequencies than silicon integrated circuits, or operate at the same frequency with lower power consumption. The reduction in system power requirements is particularly important in portable applications, such as wireless handsets, because it extends battery life. The high performance characteristics of gallium arsenide have led to the increased use of gallium arsenide field effect transistors, commonly known as MESFETs, in a wide range of commercial systems.

Even as device manufacturers are increasingly adopting gallium arsenide field effect transistor technology in the manufacture of high frequency integrated circuits, the industry is calling for even greater performance. Second generation wireless communications products use digital signal processing and generally operate at higher cellular frequencies. Air interface standards in these frequency bands have increased in recent years. These standards, which include Global System Mobile, or GSM, Time Division Multiple Access, or TDMA, and Code Division Multiple Access, or CDMA, provide improved capacity, sound quality and capabilities at cellular and wireless frequency bands, but are incompatible with each other and have fragmented the market for equipment. Suppliers of wireless handsets have begun to offer multi-mode and multi-band wireless handsets that allow users to switch from one high frequency band to another to enable consumers to use wireless handsets across various territories and different interface standards. This new generation of products is significantly more complex than the prior generation and requires certain key features, including:

. Simpler system design;

. Support for higher frequencies;

. Lower power consumption;

. Improved signal quality; and

. Wider range of operating temperatures.

Display Products

Small form factor displays are used in the consumer electronics industry in products such as camcorders and digital cameras. These industry segments are expected to grow significantly over the next five years:

. According to a Dataquest report dated June 1999, the annual worldwide factory revenues for camcorders will exceed $7.2 billion by 2003; and

. International Data Corporation projects that annual worldwide shipments of digital cameras will exceed 22 million units in 2003.

We also expect that a large market for new wireless communications devices, including third generation wireless handsets and enhanced pagers will develop. In order for this market to develop, advances in wireless communications systems such as greater bandwidth and increased functionality, including real- time wireless data and broadband Internet access, will be necessary. Small form factor displays will be a critical component in the development of advanced wireless communications systems, as these systems must provide high resolution images without compromising the portability of the product. International Data Corporation estimates that annual worldwide production of "smart hand-held devices" which are comprised of hand-held computers/organizers, smart phones and other devices, will exceed 35 million units by 2003, representing almost $17 billion in revenues.

There are several display technologies currently available. The most commonly used technology in portable applications is based on the traditional liquid crystal display, or LCD, which is now in widespread use in products requiring a solid state monochrome or color display. These displays form an image by either transmitting or blocking light emitted from a source located behind the LCD. The principal LCD technologies are passive and active matrix.

. Passive Matrix LCD. These displays are primarily used in calculators, watches, pagers and wireless handsets because of their relatively low cost and low power consumption. Their relatively low image quality, slow response time and limited viewing angle, however, make them inadequate for many demanding applications.

. Active Matrix LCD. These displays are used primarily in laptop computers, instrumentation and projection systems. In contrast to passive matrix LCDs, monochrome active matrix LCDs incorporate a transistor at every pixel location and color active matrix LCDs incorporate three transistors at every pixel location. This arrangement allows each pixel to be turned on and off independently which improves image quality and response time and also provides an improved side-to-side viewing angle of the display. The increased number of transistors required to produce those benefits, however, creates significant drawbacks, particularly in color applications. The high number of transistors used in conventional active matrix LCDs limits achievable pixel density and their relatively high power consumption makes them difficult to use in high information content ultra-portable electronics products.

The high growth potential for portable communications products can be realized effectively only if these products are able to clearly present to end users the information they wish to access without compromising the size of the product. These products, as well as future models of digital cameras and other consumer electronics, require a miniature, low cost display with low power consumption and sharp monochrome or rich, full color high resolution images. To date, display technologies have not fully addressed these needs due to constraints with respect to size, power consumption, resolution, cost or full color capability.

The Kopin Solution

HBT Transistor Wafers

We manufacture our HBT transistor wafers using our proprietary metal organic chemical vapor deposition semiconductor growth techniques. By depositing films of atomic-level thickness on gallium arsenide wafers, we are able to create HBT transistor wafers that consist of a series of material layers which form a vertical transistor. This transistor structure enables the design of integrated circuits in which individual transistors are vertically arranged.

[Text description of illustration appearing here]

This illustration utilizes five pictures. The first picture depicts an untreated wafer with the text "Gallium Arsenide Wafer" above the picture and the text "Third Party Supplier" below the picture. The second picture depicts an HBT transistor wafer being showered with sub-atomic particles with an arrow from the left pointing into the HBT transistor wafer with the text "Purchase" on the arrow, the text "Kopin's Proprietary Process" above the picture, the Kopin logo below the picture, and an arrow pointing away from the HBT transistor wafer. The third picture depicts a finished HBT transistor wafer with the text "Finished HBT Transistor Wafer" above the picture and an arrow pointing away from the finished HBT transistor wafer and into the fourth picture with the text "Sale" on the arrow. The fourth picture depicts a completed HBT integrated circuit with the text "HBT Integrated Circuit" above the picture. The fifth picture depicts a wireless handset with the text "Product Application" above the picture.

[End of text description of illustration appearing here]

The vertical structure of an HBT transistor wafer, as opposed to the horizontal structure of a competing gallium arsenide field effect transistor, offers advantages to an integrated circuit manufacturer:

. Smaller Size. We believe that integrated circuits fabricated from our HBT transistor wafers can be made smaller than integrated circuits fabricated from gallium arsenide field effect transistors. Smaller size enables more die per wafer, which can increase manufacturing yields and lead to reduced costs.

. Faster Circuits. We believe that our HBT transistor wafers enable the design of faster integrated circuits than may be designed with gallium arsenide field effect transistors because the effective transistor gate length, or the distance an electron must travel within a transistor, is shorter. The transistor gate length of gallium arsenide field effect transistors is constrained by current optical lithography techniques to approximately 0.2 microns for commercial volumes. We currently manufacture our HBT transistor wafers in commercial volumes with an effective transistor gate length ranging from approximately 0.05 microns to 0.1 microns. We are able to achieve this result because the thickness of the vertical base layer of our HBT transistor wafers determines transistor gate length rather than the limitations of current optical lithography techniques.

We believe that our HBT transistor wafers also offer the following additional advantages over gallium arsenide field effect transistors:

. Greater Power Efficiency. Efficiency is a measure of power output as a percentage of battery power consumed by the device. We believe that our HBT transistor wafers are more efficient and use less power to transmit the same output power than comparable gallium arsenide field effect transistors. Increased efficiency can translate into improved battery life and increased talk time.

. Improved Signal Quality. Power amplifiers within wireless handsets are a key determinant of signal quality. We believe that power amplifiers based on our HBT transistor wafers can amplify signals with reduced distortion, providing increased signal quality. Improved signal quality is important for wireless networks that use digital air interface standards such as Time Division Multiple Access, or TDMA, and Code Division Multiple Access, or CDMA.

. Less Complexity. Power amplifiers and other integrated circuits based on our HBT transistor wafers run on a single power supply voltage. In contrast, gallium arsenide field effect transistors generally require both a positive and negative power supply, which results in the need to include a negative voltage generator and other additional components or circuitry. As a result, we believe that integrated circuits using our HBT transistor wafers are easier to design, which can translate into reduced component costs and smaller equipment.

CyberDisplay Products

Our principal CyberDisplay product is a miniature, 0.24 inch diagonal, high density 320 x 240 resolution color or monochrome active matrix LCD. In contrast to current passive matrix and active matrix LCD approaches, our CyberDisplay products utilize high quality, single crystal silicon-the same high quality silicon used in conventional integrated circuits. This single crystal silicon is not grown on glass; rather, it is first formed on a silicon wafer and then lifted off as a thin film using our proprietary technology. The thin film is patterned into an integrated circuit (including the active matrix, driver circuitry and other logic circuits) in an integrated circuit foundry and transferred to glass, so that the transferred layer is a fully-functional active matrix integrated circuit.

[Text description of illustration appearing here]

This illustration is captioned "CyberDisplay Manufacturing Process". It consists of a series of six steps portraying the manufacture of the CyberDisplay product. Each of the six steps is captioned as follows: "1. Prepare silicon wafer", "2. Fabricate integrated circuits", "3. Mount onto glass," "4. Circuits transferred from wafer to glass", "5. Fill with liquid crystal", and "6. Scribe and break into individual displays".

[End of text description of illustration appearing here]

Our proprietary technology enables the production of transparent circuits, in contrast to conventional silicon circuits, which are opaque. Our CyberDisplay products' imaging properties are a result of the formation of a liquid crystal layer over the transparent active matrix integrated circuit. We believe that our manufacturing process offers several advantages over conventional active matrix LCD manufacturing approaches with regard to small form factor displays, including:

. Greater miniaturization;

. Reduced cost;

. Higher pixel density;

. Full color capability; and

. Lower power consumption.

Our use of high quality single crystal silicon in the manufacture of our CyberDisplay products offers several performance advantages. High quality silicon enables high speed displays which operate at 180 frames per second, compared to 60 frames per second for most active matrix LCDs. At this higher cycle speed, we are able to produce full color displays without using color filters. Our color CyberDisplay products generate colors by using a backlight composed of three light emitting diodes, commonly known as LEDs, that emit a sequence of red, green and blue light. Each pixel either blocks or transmits the colored light 180 times per second, which allows the generation of color images without using three separate pixels, decreasing the size, weight, and power requirements of the color display. Furthermore, the color pixels are not spatially separated as in conventional active matrix LCDs, resulting in sharper color images.

Our CyberDisplay products have the additional advantage of being fabricated using conventional silicon integrated circuit lithography processes. These processes enable the manufacture of miniature active matrix circuits, resulting in comparable or higher resolution displays relative to passive and other active matrix displays that are fabricated on glass. Our production partner, United Microelectronics Corporation, or UMC, fabricates integrated circuits for our CyberDisplay products in its foundry in Taiwan. The fabricated wafers are then returned to our facilities, where we lift the integrated circuits off the silicon wafers and transfer them to glass using our proprietary technology. The transferred integrated circuits are then processed and packaged with liquid crystal and assembled into display panels for shipment to customers. This arrangement allows us to benefit from UMC's economies of scale and advanced fabrication processes. We expect that our CyberDisplay products will benefit from further general technological advances in the design and production of integrated circuits and active matrix LCDs, resulting in further improvements in resolution and miniaturization.

Our CyberDisplay products, when illuminated by a backlight and viewed through a lens, display high resolution video and data images equivalent to viewing a 20 inch diagonal screen from a distance of five feet.

[Text description of illustration appearing here]

This illustration is captioned "Viewing a CyberDisplay Product". It consists of, from left to right, a small picture of a human face in profile, dotted lines running from his eye out to a lens, then to the CyberDisplay integrated circuit and blacklight, then finally to a larger picture captioned "Virtual Display".

[End of text description of illustration appearing here]

Strategy

Our objective is to be the leading supplier of advanced semiconductor materials and miniature displays that enable our customers to develop and manufacture differentiated communications and consumer electronic devices in high volumes. The critical elements of our strategy include:

. Increase Our Production Capacity in Response to Increased Demand. We have recently experienced increased demand in both our product lines and anticipate that demand will continue to increase in the future. We will position ourselves to add new customers through substantial increases in production capacity. Sufficient capacity is a key criteria for prospective customers in their vendor selection process. In July 1999, we began the installation of two additional production lines at our HBT transistor wafer facility, and we anticipate adding more production lines that should become fully operational in the first half of 2000. We plan to use a portion of the proceeds of this offering to purchase new equipment and to establish an additional facility to enable us to increase our HBT transistor wafer production capacity. We also plan to establish additional manufacturing capability for our CyberDisplay products to meet the demands of our customers.

. Increase the Number of Product Designs That Use Our Components. Our goal is to grow sales of our components by increasing the number and type of products into which they are incorporated. Both of our product lines are subject to long design lead-times, and we work closely with our customers to help them design and develop cost-effective products based on our HBT transistor wafer and CyberDisplay products. We use an aggressive pricing strategy as an inducement for manufacturers of consumer electronics and wireless communications products to integrate our CyberDisplay products into their products.

. Reduce CyberDisplay Production Costs. We intend to reduce our per unit production costs for our CyberDisplay product line. We plan to achieve this primarily through automation and also by investing in additional equipment and utilizing third party vendors in order to increase the volume and speed with which we manufacture our products.

. Maintain Our Technological Leadership. We believe that our ability to develop innovative products based on our extensive materials science expertise enhances our opportunity to grow within our targeted markets. By continuing to invest in research and development, we are able to add to our expertise in the design of HBT transistor wafers and innovative, high-resolution, miniature flat panel displays. We intend to continue to focus our development efforts on our proprietary HBT transistor wafers and miniature displays.

. Leverage Integrated Circuit and Display Technologies and Infrastructure. We will continue to leverage our use of standard integrated circuit fabrication and LCD packaging technologies to achieve greater production capacity and to reduce capital investment and process development costs. Our use of these technologies allows us to engage third party manufacturers for certain fabrication and packaging of our CyberDisplay products and to rapidly take advantage of new technologies, cost- efficiencies and increased production capabilities of these third party manufacturers. We believe that general technological advances in the design and fabrication of integrated circuits, LCD technology and LCD manufacturing processes will allow us to continue to enhance our CyberDisplay product manufacturing process.

Markets and Customers

HBT Transistor Wafers

We develop and manufacture customer and application specific HBT transistor wafers for advanced integrated circuit applications. We believe that we are one of the world's leading suppliers of HBT transistor wafers and currently support volume production of three-inch and four-inch HBT transistor wafers. In addition, we currently provide sample quantities of six-inch HBT transistor wafers to a limited number of customers for evaluation. Our primary HBT transistor wafer product is based on an aluminum gallium arsenide vertical layer structure. We also supply customers with HBT transistor wafers based on an indium gallium phosphide vertical layer structure. We vary our manufacturing process to create customized HBT transistor wafer products for customers. For the years ended December 31, 1996, 1997 and 1998, and for the six months ended July 3, 1999, sales of gallium arsenide products constituted 71%, 92%, 87% and 90% of our product revenues, respectively.

Using our HBT transistor wafers, our customers have developed gallium arsenide power amplifiers for wireless handsets. At present, our HBT transistor wafers have been used predominantly in Code Division Multiple Access power amplifiers, but we believe that our HBT transistor wafers can be used in, and provide the same benefits to, the Global System Mobile, Time Division Multiple Access and third generation wireless handset standards. In those countries where one uniform standard has not yet been adopted, the diversity of standards requires equipment capable of operating in dual modes and bands. This equipment is likely to require higher performance semiconductor technology such as our HBT transistor wafers.

In addition to wireless handset power amplifiers, our HBT transistor wafers are also being used in the fabrication of integrated circuits for other applications. In particular, our HBT transistor wafers are also used in high speed fiber optic switching equipment used in broadband Internet data transmission and high speed instrumentation.

We design our HBT transistor wafers in collaboration with our customers' engineering teams in order to create customized products that meet their specific application needs. Once our HBT transistor wafers have been "designed in" a customer's product, we believe that it would be costly and difficult for that customer to switch to an alternate supplier. Our largest customer for our HBT transistor wafers is Conexant, with which we have collaborated on the manufacturing and development of our HBT transistor wafers and related integrated circuits for several years. Other customers of our gallium arsenide products include Hewlett-Packard, Mitsubishi Electric, Nortel Networks, Northrop Grumman, Raytheon, and Siemens. For the years ended December 31, 1996, 1997 and 1998 and for the six months ended July 3, 1999, sales of gallium arsenide products to Conexant constituted 39%, 63%, 59% and 49% of our total revenues, respectively.

CyberDisplay Products

We currently sell our CyberDisplay products to customers either as a single component or together with a lens and backlight as a unit. We provide our CyberDisplay products to JVC for use in two of its CyberCam digital camcorder models and to Mustek for use in digital cameras. In addition, we are actively working with numerous other customers, including IBM and British Telecom, to develop additional and new applications for our CyberDisplay products.

In order for our CyberDisplay products to function properly in their intended applications, integrated circuit chip sets generally are required. Several companies have designed integrated circuit chip sets to work with our CyberDisplay products. Motorola has designed the integrated circuit chip set currently used with our CyberDisplay product in camcorders. Motorola and other companies are designing other integrated circuit chip sets based on our CyberDisplay products for use in camcorders and other consumer electronics products.

Sales and Marketing

We principally sell our HBT transistor wafer products directly to integrated circuit manufacturers in the United States, Europe and Asia. We sell our CyberDisplay products directly to original equipment manufacturers and co- market our CyberDisplay products with Motorola on a worldwide basis under the terms of an agreement that it has with us. Sales of our HBT transistor wafers and our CyberDisplay products to customers in Japan are made primarily through a foreign distributor.

We believe that the technical nature of our products and markets demands a commitment to close relationships with our customers. Our sales and marketing staff, assisted by the technical staff and senior management, visits prospective and existing customers worldwide on a regular basis. We believe that these contacts are vital to the development of a close, long-term working relationship with our customers, and in obtaining regular forecasts, market updates and information regarding technical and market trends. We also participate in industry specific trade shows and conferences.

Our design and engineering staff is actively involved with a customer during all phases of prototype design and production by providing engineering data, up-to-date product application notes, regular follow-up and technical assistance. In most cases, our technical staff works with each customer in the development stage to identify potential improvements to the design of the customer's product in parallel with the customer's effort. We have established a prototype product design group in Los Gatos, California to assist our CyberDisplay customers to incorporate our products into their own and to reduce the time required to bring end products to the marketplace. This group helps customers accelerate their design process, achieve cost-effective and manufacturable designs, and ensure a smooth transition into high volume production.

Product Development

We believe that continued introduction of new products in our target markets is essential to our growth. We have assembled a group of highly skilled engineers that work internally as well as with our customers to continue our product development efforts. For the years ended December 31, 1996, 1997 and 1998 and for the six months ended July 3, 1999, we incurred total research and development expenses of $16.5 million, $10.4 million, $9.6 million and $3.3 million, respectively. Research and development expenses related to our internal development programs for our HBT transistor wafers and CyberDisplay products were $9.9 million, $7.6 million, $5.7 million and $1.6 million, respectively. Although research and development expenses have declined as we have shifted from initial product development to application specific engineering, we expect that these expenses will increase in the future.

Gallium Arsenide Products

We intend to continue developing HBT transistor wafers and other gallium arsenide products for advanced integrated circuit applications from other compound materials. We are working closely with several of our major customers in the development of the next generation of HBT transistor wafers, primarily by modifying the composition and nature of the vertical transistor structure. In particular, we have developed extensive technology and expertise in the use of indium gallium phosphide as a vertical transistor structure. We believe that indium gallium phosphide HBT transistor wafers are simpler to process than our gallium arsenide HBT transistor wafers and result in greater yields for certain products made by our customers. In 1998, we began commercial shipments of HBT transistor wafers using indium gallium phosphide.

We are currently manufacturing HBT transistor wafers with a base layer thickness ranging from approximately 0.05 microns to 0.1 microns, and we are developing manufacturing processes to further reduce this thickness. In addition, we are developing manufacturing processes for production of six-inch HBT transistor wafers and are currently providing sample quantities of these wafers to a limited number of customers for evaluation.

CyberDisplay Products

Our product development efforts are focused towards continually enhancing the features, functions and manufacturability of our CyberDisplay products. A principal focus of this effort is the improvement of manufacturing processes for very small active matrix pixels, which we will use in succeeding generations of our CyberDisplay products. The pixel size of our current CyberDisplay products is 15 microns and we believe that we can achieve a pixel size of less than 10 microns in commercial production. This pixel size is in contrast to a pixel size of approximately 100 microns in a typical laptop computer display. The resolution of the current commercially available CyberDisplay product is 320 x 240. We have already demonstrated and are providing our customers with samples of 640 x 480 resolution CyberDisplay products in a 0.38 inch diagonal display. In addition, we have demonstrated 1,280 x 1,024 resolution CyberDisplay products in a 0.96 inch diagonal display, as well as 2,560 x 2,048 resolution CyberDisplay products in a 1.5 inch diagonal display and we are working on the commercialization of these products. We are also working on further decreasing the already low power consumption of our CyberDisplay products. Additional display development efforts include further automating our final display assembly processes and increasing the quantity of CyberDisplay active matrix pixel arrays processed on each transistor by further reducing the display size and using increasingly precise manufacturing techniques.

Funded Research and Development

We have entered into various development contracts with agencies of the U.S. government. These contracts help support the continued development of our core technologies. We intend to continue to pursue other U.S. government development contracts for applications that relate to our commercial product applications. Our contracts with U.S. government agencies contain certain milestones relating to technology development and may be terminated by the government agencies prior to completion of funding. Our policy is to retain our proprietary rights with respect to the principal commercial applications of our technology. To the extent technology development has been funded by a U.S. federal agency, under applicable U.S. federal laws, the federal agency has the right to obtain a non- exclusive, non-transferable, irrevocable, fully-paid license to practice or have practiced this technology for governmental use. Revenues attributable to research and development contracts for the years ended December 31, 1996, 1997, and 1998, and for the six months ended July 3, 1999 totaled $6.3 million, $3.3 million, $3.7 million, and $1.4 million, respectively.

Competition

Gallium Arsenide Products

With respect to our HBT transistor wafers, we presently compete with several companies, including Epitronics, Emcore and Hitachi Cable, as well as integrated circuit manufacturers with in-house transistor growth capabilities, such as TRW, RF Micro Devices, and Fujitsu. We believe that TRW and RF Micro Devices are the only other companies currently producing HBT transistor wafers in commercial quantities, however, we believe they produce these transistor wafers solely for use by RF Micro Devices. In the gallium arsenide HBT transistor wafer market, competition could become increasingly intense as new entrants emerge. The production of gallium arsenide integrated circuits has been and continues to be more costly than the production of silicon integrated circuits. Although we have reduced production costs of our HBT transistor wafers by achieving higher volumes, we cannot assure you that we will be able to continue to decrease production costs. In addition, we believe the costs of producing gallium arsenide integrated circuits by our customers will continue to exceed the costs associated with the production of competing silicon integrated circuits. As a result, we must target markets where these higher costs are justified by their superior performance. Competition in the display field is based on price and performance characteristics, product quality and the ability to deliver products in a timely fashion.

CyberDisplay Products

The display market is highly competitive and is currently dominated by large Asian electronics companies including Sharp, Hitachi, Seiko, Toshiba, Sony, NEC, Sanyo and Display Technologies, a joint venture of IBM and Toshiba. The display market consists of multiple segments, each focusing on different end- user applications applying different technologies. Competition in the display field is based on price and performance characteristics, product quality and the ability to deliver products in a timely fashion. The success of our display product offerings will also depend upon the adoption of our CyberDisplay products in the industry as an alternative to traditional active matrix LCDs and upon our ability to compete against other types of well-established display products. We cannot assure you that we will be able to compete against these companies and technologies.

There are also a number of active matrix LCD and alternative display technologies in development and production. These technologies include LED, reflective, field emission display, plasma, organic light emitting diode and virtual retinal displays, some of which target the high performance small form factor display markets in which our display products are sold. There are many large and small companies that manufacture or have in development products based on these technologies. Our CyberDisplay products will compete with other displays utilizing these and other competing display technologies.

Patents, Proprietary Rights and Licenses

An important part of our product development strategy is to seek, when appropriate, protection for our products and proprietary technology through the use of various United States and foreign patents and contractual arrangements. We intend to prosecute and defend our proprietary technology aggressively. We own more than 60 issued United States patents and more than 40 pending United States patent applications. Many of these United States patents and applications have counterpart foreign patents, foreign applications or international applications through the Patent Cooperation Treaty. In addition, we are licensed by MIT under 28 issued United States patents, six pending United States patent applications, and some foreign counterparts to these United States patents and applications. Our United States patents expire at various dates through April 2016. The United States patents licensed to us by MIT expire during the period running at various dates through March 2016.

In 1985, we obtained a license from MIT to certain patents and patent applications directed to device wafers and related technology. The license grants to Kopin a worldwide license to make, have made, use, and sell products covered by the licensed patents for the life of these patents. The license was exclusive with respect to commercial applications until April 22, 1999, and became non-exclusive at that time. In 1995, we obtained an additional license from MIT to certain optical technology. The license grants to Kopin a worldwide license to make, have made, use, lease and sell products covered by the licensed patents until 2007.

The process of seeking patent protection can be time consuming and expensive and we cannot assure you that patents will issue from currently pending or future applications or that our existing patents or any new patents that may be issued will be sufficient in scope or strength to provide meaningful protection or any commercial advantage to us. We may be subject to or may initiate interference proceedings in the United States Patent and Trademark Office, which can demand significant financial and management resources. Patent applications in the United States are maintained in secrecy until patents issue and since publication of discoveries in the scientific and patent literature lags behind actual discoveries, we cannot be certain that we were the first to conceive of inventions covered by pending patent applications or the first to file patent applications on such inventions. We cannot assure you that our pending patent applications or those of our licensors will result in issued patents or that any issued patents will afford protection against a competitor. In addition, we can not assure you that others will not obtain patents that we would need to license, circumvent or cease manufacturing and sales of products covered by these patents, nor can we be sure that licenses, if needed, would be available to the us on favorable terms, if at all.

We cannot assure you that foreign intellectual property laws will protect our intellectual property rights or that others will not independently develop similar products, duplicate our products or design around any patents issued to Kopin. Our products might infringe the patent rights of others, whether existing now or in the future. For the same reasons, the products of others could infringe our patent rights. Although we are not aware of any pending or threatened patent litigation against us, we may be notified, from time to time, that we could be or we are infringing certain patents and other intellectual property rights of others. Litigation, which could be very costly or lead to substantial diversion of our resources even if the outcome is favorable, may be necessary to enforce our patents or other intellectual property rights or to defend us against claimed infringement of the rights of others. These problems can be particularly severe in foreign countries. In the event of an adverse ruling in litigation against Kopin for patent infringement, we might be required to discontinue the use of certain processes, cease the manufacture, use and sale of infringing products, expend significant resources to develop non-infringing technology or obtain licenses to patents of third parties covering the infringing technology. We cannot assure you that licenses will be obtainable on acceptable terms, or at all, or that damages for infringement will not be assessed or that litigation will not occur. The failure to obtain necessary licenses or other rights or litigation arising out of any such claims could adversely affect our ability to conduct our business as we propose to conduct it.

We also attempt to protect our proprietary information with contractual arrangements and under trade secret laws. We believe that our future success will depend primarily upon the technical expertise, creative skills and management abilities of our officers and key employees rather than on patent ownership. Kopin employees and consultants generally enter into agreements containing provisions with respect to confidentiality and the assignment of rights to inventions made by them while in our employ. Agreements with consultants generally provide that rights to inventions made by them while consulting for Kopin will be assigned to us unless the assignment of rights is prohibited by the terms of any agreements with their regular employers. Agreements with employees, consultants and collaborators contain provisions intended to further protect the confidentiality of our proprietary information. To date, we have had no experience in enforcing these agreements. We cannot assure you that these agreements will not be breached or that we would have adequate remedies for any breaches. Our trade secrets may not be secure from discovery or independent development by competitors.

Facilities

We lease separate HBT transistor wafer manufacturing and CyberDisplay product fabrication facilities. Our HBT transistor wafer manufacturing facility is located at our corporate headquarters in Taunton, Massachusetts. The Taunton facility occupies 25,100 square feet, including 6,000 square feet of contiguous environmentally controlled production clean rooms. The Taunton facility is occupied under a lease that expires in October 2002.

Our CyberDisplay production facility occupies 74,000 square feet in Westborough, Massachusetts, of which 10,000 square feet consist of contiguous environmentally controlled production clean rooms, of which 7,000 square feet are Class 10. We occupy our Westborough facility under a lease that expires in October 2001, with renewable options for up to three additional years at our election.

In addition to our Massachusetts facilities, we lease a 5,280 square foot design facility in Los Gatos, California for developing prototypes of products incorporating our CyberDisplay product. This facility is occupied under a lease that expires in November 2002.

Our subsidiary, Kowon Technology, owns two facilities in Kyungii-Do, South Korea, in which it manufactures its optoelectronic products and in which its corporate headquarters is located. These facilities occupy an aggregate of 28,000 square feet.

Government Regulations

We are subject to a variety of federal, state and local governmental regulations related to the use, storage, discharge and disposal of toxic, volatile or otherwise hazardous chemicals used in our manufacturing process. Although we believe that our activities conform to presently applicable environmental regulations, the failure to comply with present or future regulations could result in fines being imposed on us, suspension of production or a cessation of operations. Any failure on our part to control the use of, or adequately restrict the discharge of, hazardous substances, or otherwise comply with environmental regulations, could subject us to significant future liabilities. In addition, although we believe that our past operations conformed with then applicable environmental laws and regulations, we cannot assure you that we have not in the past violated applicable laws or regulations, which violations could result in remediation or other liabilities. We also cannot assure you that past use or disposal of environmentally sensitive materials in conformity with then existing environmental laws and regulations will protect us from required remediation or other liabilities under current or future environmental laws or regulations.

Investments in Related Businesses

We have made equity investments in other companies including Kowon, a manufacturer of optoelectronic products located in South Korea, GMT Microelectronics, an integrated circuit manufacturer and foundry, and Kendin Semiconductor, a developer and manufacturer of silicon integrated circuits for high speed data and network communications.

In 1998 we made a $2.0 million investment in Kowon for which we received a 65% equity interest. We consolidated the 1998 financial statements of Kowon with our financial statements beginning in the second quarter of 1998. Kowon's results of operations are principally denominated in the South Korean won and are subject to exchange rate fluctuations. On July 3, 1999, our investments in GMT and Kendin totaled approximately $1.1 million and $2.5 million, respectively, representing approximately 3.5% and 19.7% of the outstanding equity of each company, respectively. GMT and Kendin are privately held companies. Our investments in GMT and Kendin are carried on our balance sheet at cost. We may from time to time make further equity investments in these and other companies engaged in certain aspects of the display and electronics industries as part of our business strategy. These investments may not provide us with any financial return or other benefit and any losses by these companies or associated losses in our investments may negatively impact our operating results.

Employees

As of July 3, 1999, we and our subsidiaries employed 202 full-time and 8 part-time individuals. Of these, 15 hold Ph.D. degrees in Material Science, Electrical Engineering or Physics. Our management and professional employees have significant prior experience in semiconductor materials, device transistor and display processing, manufacturing and other related technologies. None of our employees is covered by a collective bargaining agreement. We consider relations with our employees to be good.

Legal Proceedings

We may become engaged in legal proceedings arising in the ordinary course of business from time to time. We currently are not a party to any material legal proceedings.

MANAGEMENT

Set forth below is information regarding our directors and executive officers:

Name	Age	Position with the Company
John C.C. Fan.........	55	President and Chief Executive Officer; Chairman of the Board of Directors
Richard A. Sneider....	39	Treasurer and Chief Financial Officer
Bor-Yeu Tsaur.........	44	Executive Vice President--Display Operations
Ronald P. Gale........	49	Chief Technology Officer and Vice President
Daily S. Hill.........	42	Vice President--Gallium Arsenide Operations
Glen G. Kephart.......	56	Vice President--Marketing, Display Products
Matthew J. Micci......	43	Vice President--Sales, Gallium Arsenide Products
Matthew M. Zavracky...	44	Vice President--Engineering
David E. Brook(2).....	59	Director and Secretary
Andrew H. Chapman(1)..	44	Director
Morton Collins(1).....	63	Director
Chi-Chia Hsieh........	55	Director
Michael A. Wall(2)....	71	Director

(1) Member of the Audit Committee
(2) Member of the Compensation Committee

John C.C. Fan, President, Chief Executive Officer, Chairman of the Board of Directors. Dr. Fan, one of our founders, has served as our Chief Executive Officer and Chairman of the Board of Directors since April 1984. He has also served as President of the Company since July 1990. Prior to July 1985, Dr. Fan was Associate Leader of the Electronic Materials Group at MIT Lincoln Laboratory. Dr. Fan is the author of numerous patents and scientific publications. Dr. Fan received a Ph.D. in Applied Physics from Harvard University.

Richard A. Sneider, Treasurer and Chief Financial Officer. Mr. Sneider has served as our Treasurer and Chief Financial Officer since September 1998. Mr. Sneider is a Certified Public Accountant and was formerly a partner of the international public accounting firm, Deloitte & Touche LLP, where he worked for sixteen years.

Bor-Yeu Tsaur, Executive Vice President--Display Operations. Dr. Tsaur joined us as Executive Vice President--Display Operations in July 1997. From 1993 to 1997, Dr. Tsaur served as Group Leader, Electronic Material Group, at MIT Lincoln Laboratory. Dr. Tsaur received a Ph.D. in Electrical Engineering from the California Institute of Technology.

Ronald P. Gale, Chief Technology Officer and Vice President. Dr. Gale became Chief Technology Officer in 1997. Previously, Dr. Gale served as our Vice President in several capacities since July 1985. Dr. Gale received a Ph.D. in Materials Science and Engineering from the Massachusetts Institute of Technology in 1978.

Daily S. Hill, Vice President--Gallium Arsenide Operations. Mr. Hill has served as Vice President--Gallium Arsenide Operations since July 1997. From December 1995 to June 1997, Mr. Hill served as our Director of Gallium Arsenide Operations. From November 1987 to January 1995, Mr. Hill served as a manager of our HBT transistor wafer product group.

Glen G. Kephart, Vice President--Marketing Display Products. Mr. Kephart joined us as Vice President, Marketing Display Products in December 1995. Prior to joining us, Mr. Kephart served as General Manager, Conference Products, for Coherent Communications Systems for four years and previously served as a Director of National Distribution for Motorola.

Matthew J. Micci, Vice President--Sales, Gallium Arsenide Products. Mr. Micci joined us in January 1988 as Regional Director of Sales and became Vice President, Sales in July 1990. Prior to joining us, Mr. Micci worked for ten years for Texas Instruments Semiconductor Group.

Matthew M. Zavracky, Vice President--Engineering. Mr. Zavracky has served as Vice President--Engineering since July 1997. From 1985 to 1997, Mr. Zavracky served as Director of Engineering.

David E. Brook, Director and Secretary. Mr. Brook is one of our founders and has served as a Director since 1984. Mr. Brook is the founder and Chairman of the Board of the intellectual property law firm of Hamilton, Brook, Smith & Reynolds, P.C. in Lexington, Massachusetts.

Andrew H. Chapman, Director. Mr. Chapman has served as one of our Directors since 1985. Mr. Chapman is a founder of MaxComm Technologies, a telecommunications company, and was a director and Executive Vice President of MaxComm from 1998 to 1999, when it was sold to Cisco Systems. From 1994 to 1996, Mr. Chapman was an Executive Vice President of Integrated Network Corporation of which he has also served as a director. During that time, Mr. Chapman was also a founder and co-General Manager of Dagaz Technologies, Integrated Network's Multimedia Business Unit which was sold to Cisco Systems, in 1997. From our formation to 1998, Mr. Chapman was also Managing Director of The Vertical Group, a private investment management company.

Morton Collins, Director. Mr. Collins has served as one of our Directors since 1985. Mr. Collins has been a General Partner of DSV Partners III, a venture capital limited partnership, since 1981, and a General Partner of DSV Management Ltd. since 1982. Since 1985, DSV Management Ltd. has been the General Partner of DSV Partners IV, a venture capital limited partnership. Mr. Collins is also a director of The Liposome Company, Inc., ThermoTrex Corporation, Thermedics Detection, Inc. and a number of privately held companies.

Chi-Chia Hsieh, Director. Dr. Hsieh has served as one of our Directors since December 1995. Dr. Hsieh is currently the Vice Chairman and was previously the President of Microelectronics Technology, Inc., a Taiwan corporation publicly traded on the Taiwan Stock Exchange.

Michael A. Wall, Director. Mr. Wall is one of our founders and has served as a Director since 1984. Mr. Wall is a director and Chairman of Alkermes, Inc. Mr. Wall has founded, been a director of and/or managed numerous high technology firms in the last three decades, including Centocor, Inc. and Flow Laboratories, Inc.

UNDERWRITING

Under the terms and subject to the conditions contained in the underwriting agreement dated , 1999, we have agreed to sell to the underwriters named below, for whom Credit Suisse First Boston Corporation, CIBC World Markets Corp., Pacific Growth Equities, Inc. and C.E. Unterberg, Towbin are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse First Boston Corporation	
CIBC World Markets Corp.	
Pacific Growth Equities, Inc.	
C.E. Unterberg, Towbin	
Total	1,800,000

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or this offering of common stock may be terminated.

We have granted to the underwriters a 30-day option to purchase up to 270,000 additional shares at the offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a concession of $ per share. The underwriters and selling group members may allow a discount of $ per share on sales to other broker/dealers. After the offering, the public offering price and concession and discount to broker/dealers may be changed by the representatives.

The following table summarizes the compensation and estimated expenses we will pay.

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting discounts and commissions paid by us	$	$	$	$
Expenses payable by us	$	$	$	$

We have agreed that we will not offer, sell, contract to sell, announce our intention to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any additional shares of our common stock or securities convertible into or exchangeable or exercisable for any of our common stock without the prior written consent of Credit Suisse First Boston Corporation for a period of 90 days after the date of this prospectus, except for:

. Issuances pursuant to the exercise of employee stock options on this date; and

. Grants of stock options pursuant to a plan in effect on this date.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments which the underwriters may be required to make in that respect.

The representatives may engage in over-allotment, stabilizing transactions, syndicate covering transactions, penalty bids and "passive" market making in accordance with Regulation M under the Securities Exchange Act of 1934.

. Over-allotment involves syndicate sales in excess of the offering size, which creates a syndicate short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

. Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions.

. Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a syndicate covering transaction to cover syndicate short positions.

. In "passive" market making, market makers in the common stock who are underwriters or prospective underwriters may, subject to certain limitations, make bids for or purchases of the common stock until the time, if any, at which a stabilizing bid is made.

These stabilizing transactions, syndicate covering transactions and penalty bids may cause the price of the common stock to be higher than it would otherwise be in the absence of these transactions. These transactions may be effected on The Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the common stock in Canada is being made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of common stock are effected. Accordingly, any resale of the common stock in Canada must be made in accordance with applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made in accordance with available statutory exemptions or pursuant to a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the common stock.

Representations of Purchasers

Each purchaser of common stock in Canada who receives a purchase confirmation will be deemed to represent to us and the dealer from whom such purchase confirmation is received that (i) such purchaser is entitled under applicable provincial securities laws to purchase such common stock without the benefit of a prospectus qualified under such securities laws, (ii) where required by law, that such purchaser is purchasing as principal and not as agent, and (iii) such purchaser has reviewed the text above under "Resale Restrictions".

Rights of Action (Ontario Purchasers)

The securities being offered are those of a foreign issuer and Ontario purchasers will not receive the contractual right of action prescribed by the Ontario securities law. As a result, Ontario purchasers must rely on other remedies that may be available, including common law rights of action for damages or rescission or rights of action under the civil liability provisions of the U.S. federal securities laws.

Enforcement of Legal Rights

All of the company's directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the issuer or such persons. All or a substantial portion of the assets of the issuer and such persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the issuer or such persons in Canada or to enforce a judgment obtained in Canadian courts against such issuer or persons outside of Canada.

Notice to British Columbia Residents

A purchaser of common stock to whom the Securities Act (British Columbia) applies is advised that such purchaser is required to file with the British Columbia Securities Commission a report within ten days of the sale of any common stock acquired by such purchaser pursuant to this offering. Such report must be in the form attached to British Columbia Securities Commission Blanket Order BOR #95/17, a copy of which may be obtained from us. Only one such report must be filed in respect of common stock acquired on the same date and under the same prospectus exemption.

Taxation and Eligibility for Investment

Canadian purchasers of common stock should consult their own legal and tax advisers with respect to the tax consequences of an investment in the common stock in their particular circumstances and with respect to the eligibility of the common stock for investment by the purchaser under relevant Canadian legislation.

LEGAL MATTERS

The validity of the shares of common stock offered hereby and certain legal matters will be passed on for us by Bingham Dana LLP, Boston, Massachusetts. Certain legal matters will be passed on for the Underwriters by Testa, Hurwitz & Thibeault, LLP, Boston, Massachusetts.

EXPERTS

The consolidated financial statements and related financial statement schedule as of December 31, 1997 and 1998 and for each of the three years in the period ended December 31, 1998 included and incorporated by reference in this Prospectus have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports appearing herein and incorporated by reference and have been so included and incorporated by reference in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The statements in this Prospectus under the captions "Risk Factors-We may not be successful in protecting our intellectual property and proprietary rights" and "Business-Patents, Proprietary Rights and Licenses" have been reviewed and approved by Hamilton, Brook, Smith & Reynolds, P.C., patent counsel to Kopin, as experts on such matters, and are included herein in reliance upon that review and approval. David E. Brook, a principal at that firm, is the Secretary and a Director of the Company.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus constitutes a part of a registration statement on Form S-3 filed by us with the SEC under the Securities Act of 1933. This prospectus does not contain all of the information set forth in the Registration Statement, since we have omitted some parts in accordance with the SEC's rules and regulations. For further information about us and the shares being sold in this offering, please refer to the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document referred to are not necessarily a complete description of the provisions of the contract. Copies of the registration statement may be inspected, without charge, at the offices of the Commission, or obtained at prescribed rates from the Public Reference Section of the Commission at the address set forth below.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document we file at the public reference facilities of the SEC located at 450 Fifth Street N.W., Washington D.C. 20549. You may obtain information on the operation of the SEC's public reference facilities by calling the SEC at 1-800-SEC-0330. You can also access copies of such material electronically on the SEC's home page on the World Wide Web at http://www.sec.gov. Information concerning us is also available for inspection at the offices of the Nasdaq National Market, Reports Section, 1735 K Street, N.W., Washington, D.C. 20006.

This prospectus is part of a registration statement we filed with the SEC. The SEC permits us to "incorporate by reference" the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus, and information we file with the SEC after the date of this prospectus will automatically update and supersede this information. We incorporate by reference the following documents filed by us with the SEC. We also incorporate by reference any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this prospectus until the termination of this offering.

1. Our Annual Report on Form 10-K for the fiscal year ended December 31, 1998.

2. Our Proxy Statement for our 1999 Annual Meeting.

3. Our Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 1999.

4. Our Quarterly Report on Form 10-Q for the fiscal quarter ended July 3, 1999.

5. Our Form 8-K filed on September 20, 1999.

If you request a copy of any or all of the documents incorporated by reference, then we will send to you the copies you requested at no charge. However, we will not send exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents. You should direct a request for such copies to Investor Relations, 695 Myles Standish Boulevard, Taunton, Massachusetts 02780 or contact us at (508) 824-6696.

KOPIN CORPORATION

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Independent Auditors' Report	F-2
Consolidated Balance Sheets at December 31, 1997 and 1998 and July 3, 1999	F-3
Consolidated Statements of Operations and Comprehensive Income (Loss) for the years ended December 31, 1996, 1997 and 1998 and the six months ended June 27, 1998 and July 3, 1999	F-4
Consolidated Statements of Stockholders' Equity for the years ended December 31, 1996, 1997 and 1998 and the six months ended July 3, 1999	F-5
Consolidated Statements of Cash Flows for the years ended December 31, 1996, 1997 and 1998 and the six months ended June 27, 1998 and July 3, 1999	F-6
Notes to Consolidated Financial Statements	F-7

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Kopin Corporation
Taunton, Massachusetts

We have audited the accompanying consolidated balance sheets of Kopin Corporation and subsidiaries as of December 31, 1997 and 1998, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Kopin Corporation and subsidiaries as of December 31, 1997 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Boston, Massachusetts
February 16, 1999

KOPIN CORPORATION

CONSOLIDATED BALANCE SHEETS

	December 31, 1997	December 31, 1998	July 3, 1999 (Unaudited)
ASSETS			
Current assets:			
Cash and equivalents	$ 14,425,400	$ 30,807,335	$ 20,218,858
Marketable securities	4,620,884	6,000,883	7,719,405
Accounts receivable, net of allowance of $152,700, $150,800, and $150,000			
Billed	3,209,482	2,743,211	7,254,603
Unbilled	1,091,806	910,787	662,325
Inventory	2,720,843	3,337,178	5,138,972
Prepaid expenses and other current assets	798,867	743,069	1,223,218
Total current assets	26,867,282	44,542,463	42,217,381
Equipment and improvements:			
Equipment	22,954,885	24,953,456	26,118,659
Leasehold improvements	772,717	808,884	808,884
Furniture and fixtures	331,955	426,084	433,113
Equipment under construction	1,904,198	25,131	4,825,157
	25,963,755	26,213,555	32,185,813
Accumulated depreciation and amortization	14,869,251	16,867,698	18,619,918
	11,094,504	9,345,857	13,565,895
Other assets	3,372,692	6,173,153	6,272,441
Intangible assets	2,059,918	1,844,148	1,837,957
TOTAL ASSETS	$ 43,394,396	$ 61,905,621	$ 63,893,674
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Note payable	$ 450,000	$ --	$ --
Accounts payable	2,683,671	1,728,596	3,213,865
Accrued payroll and expenses	725,187	1,455,640	1,489,544
Current portion of long-term obligations	1,542,818	1,999,494	1,792,631
Total current liabilities	5,401,676	5,183,730	6,496,040
Deferred rent	165,166	--	--
Long-term obligations, less current portion	1,958,968	4,209,474	3,241,000
Minority interest	--	665,994	718,947
Commitments			
Stockholders' equity:			
Preferred stock, par value $.01 per share; authorized, 3,000 shares; none issued and outstanding	--	--	--
Common stock, par value $.01 per share; authorized, 20,000,000 shares; issued, 11,122,193 shares in 1997, 12,268,561 shares in 1998 and 12,482,694 in 1999	111,221	122,686	124,827
Additional paid-in capital	90,514,233	108,954,779	110,123,445
Deferred compensation	(231,955)	(165,055)	(137,545)
Accumulated other comprehensive income	(6,001)	420,812	461,369
Deficit	(54,518,912)	(57,486,799)	(57,134,409)
Total stockholders' equity	35,868,586	51,846,423	53,437,687
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 43,394,396	$ 61,905,621	$ 63,893,674

See notes to consolidated financial statements.

KOPIN CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31, 1996	1997	1998	Six Months Ended June 27, 1998 (Unaudited)	July 3, 1999 (Unaudited)
Revenues:					
Product revenues	$ 11,727,081	$13,110,044	$23,225,415	$10,327,579	$13,911,064
Research and development revenues	6,291,172	3,282,974	3,679,582	1,822,905	1,432,933
	18,018,253	16,393,018	26,904,997	12,150,484	15,343,997
Costs and expenses:					
Cost of product revenues	9,488,702	8,636,199	15,509,316	6,234,865	9,821,482
Research and development-funded programs	6,591,016	2,801,671	3,953,875	2,316,150	1,748,765
Research and development-internal	9,876,082	7,622,614	5,659,362	2,743,071	1,598,049
Selling, general and administrative	7,070,275	4,292,383	4,014,862	2,126,127	2,343,997
Other	597,943	327,102	384,349	187,630	179,275
Write-down of subsidiary assets	3,900,000	--	--	--	--
Impairment charge	4,990,412	--	1,800,000	--	--
	42,514,430	23,679,969	31,321,764	13,607,843	15,691,568
Loss from operations	(24,496,177)	(7,286,951)	(4,416,767)	(1,457,359)	(347,571)
Other income and expense:					
Interest and other income	2,013,642	1,264,052	2,043,886	927,584	941,636
Interest expense	(337,418)	(234,870)	(535,783)	(256,159)	(216,160)
Income (loss) before minority interest	(22,819,953)	(6,257,769)	(2,908,664)	(785,934)	377,905
Minority interest in (income) loss of subsidiary	1,223,589	--	(59,223)	--	(25,515)
Net income (loss)	$(21,596,364)	$(6,257,769)	$(2,967,887)	$ (785,934)	$ 352,390
Net income (loss) per share--basic and diluted	$ (1.98)	$ (0.57)	$ (0.25)	$ (0.07)	$ 0.03
Weighted average number of common shares outstanding:					
Basic	10,921,138	11,010,160	12,068,478	11,915,323	12,411,882
Diluted	10,921,138	11,010,160	12,068,478	11,915,323	13,144,102

	Years Ended December 31, 1996	1997	1998	Six Months Ended June 27, 1998 (Unaudited)	July 3, 1999 (Unaudited)
Net income (loss)	$(21,596,364)	$(6,257,769)	$(2,967,887)	$ (785,934)	$ 352,390
Foreign currency translation adjustments	--	--	414,492	185,547	50,955
Unrealized gain (loss) on marketable securities, net	(92,250)	(50,934)	12,321	6,001	(10,398)
Comprehensive income (loss)	$(21,688,614)	$(6,308,703)	$(2,541,074)	$ (594,386)	$ 392,947

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

See notes to consolidated financial statements.

KOPIN CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Deferred Compensation	Accumulated Other Comprehensive Income (Loss)	Deficit	Total
Balance, January 1, 1996	10,915,019	$109,150	$ 88,355,145	$ (94,482)	$137,183	$(26,664,779)	$ 61,842,217
Exercise of stock options	16,389	164	50,306	--	--	--	50,470
Compensation relating to grant of stock options	--	--	200,000	(200,000)	--	--	--
Amortization of compensation relating to grant of stock options	--	--	--	66,776	--	--	66,776
Net unrealized loss on marketable securities	--	--	--	--	(92,250)	--	(92,250)
Net loss	--	--	--	--	--	(21,596,364)	(21,596,364)
Balance, December 31, 1996	10,931,408	109,314	88,605,451	(227,706)	44,933	(48,261,143)	40,270,849
Exercise of stock options	190,735	1,907	1,828,676	--	--	--	1,830,583
Compensation relating to grant of stock options	--	--	80,106	(80,106)	--	--	--
Amortization of compensation relating to grant of stock options	--	--	--	75,857	--	--	75,857
Net unrealized loss on marketable securities	--	--	--	--	(50,934)	--	(50,934)
Net loss	--	--	--	--	--	(6,257,769)	(6,257,769)
Balance, December 31, 1997	11,122,143	111,221	90,514,233	(231,955)	(6,001)	(54,518,912)	35,868,586
Issuance of common stock, net of issuance costs of $1,829,000	1,000,000	10,000	17,161,418	--	--	--	17,171,418
Exercise of stock options	146,418	1,465	1,279,128	--	--	--	1,280,593
Amortization of compensation relating to grant of stock options	--	--	--	66,900	--	--	66,900
Net unrealized gain on marketable securities	--	--	--	--	12,321	--	12,321
Foreign currency translation adjustments	--	--	--	--	414,492	--	414,492
Net loss	--	--	--	--	--	(2,967,887)	(2,967,887)
Balance, December 31, 1998	12,268,561	122,686	108,954,779	(165,055)	420,812	(57,486,799)	51,846,423
Exercise of stock options (unaudited)	214,133	2,141	1,168,666	--	--	--	1,170,807
Amortization of compensation relating to grant of stock options (unaudited)	--	--	--	27,510	--	--	27,510
Net unrealized loss on marketable securities (unaudited)	--	--	--	--	(10,398)	--	(10,398)
Foreign currency translation adjustments (unaudited)	--	--	--	--	50,955	--	50,955
Net income (unaudited)	--	--	--	--	--	352,390	352,390
Balance, July 3, 1999 (unaudited)	12,482,694	$124,827	$110,123,445	$(137,545)	$461,369	$(57,134,409)	$ 53,437,687

See notes to consolidated financial statements.

KOPIN CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 1996	1997	1998	Six Months Ended June 27, 1998 (Unaudited)	July 3, 1999 (Unaudited)
Cash flows from operating activities:					
Net income (loss)......	$(21,596,364)	$(6,257,769)	$(2,967,887)	$ (785,934)	$ 352,390
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization..........	3,499,881	3,512,272	4,275,202	2,047,303	1,916,113
Write-down of subsidiary assets.....	3,900,000	--	--	--	--
Amortization of compensation relating to grant of stock options...............	66,776	75,857	66,900	33,450	27,510
Impairment charge......	4,990,412	--	1,800,000	--	--
Decrease in unearned revenue...............	(92,004)	(80,484)	--	--	--
Decrease in deferred rent..................	(7,667)	(216,000)	(165,166)	(165,166)	--
Minority interest in income (loss) of subsidiary............	(1,223,589)	--	59,223	--	25,515
Changes in assets and liabilities:					
Accounts receivable...	(558,326)	1,754,988	682,103	649,970	(4,251,666)
Inventory............	1,480,547	(7,875)	(594,151)	(595,020)	(1,792,579)
Prepaid expenses and other current assets...............	(126,536)	458,914	63,114	(79,287)	(477,584)
Intangible assets.....	(1,679,221)	(501,677)	(509,175)	(235,399)	(169,609)
Accounts payable and accrued expenses.....	(1,439,270)	(4,233,891)	(372,105)	119,639	1,514,468
Net cash provided by (used in) operating activities..........	(12,785,361)	(5,495,665)	2,338,058	989,556	(2,855,442)
Cash flows from investing activities:					
Marketable securities..	6,625,889	5,888,997	(1,367,678)	3,126,885	(1,728,920)
Other assets...........	476,185	(410,543)	(2,799,751)	(982,170)	(99,077)
Capital expenditures...	(3,779,919)	(3,555,266)	(2,945,784)	(2,761,651)	(5,922,168)
Net cash provided by (used in) investing activities..........	3,322,155	1,923,188	(7,113,213)	(616,936)	(7,750,165)
Cash flows from financing activities:					
Net proceeds from issuance of common stock.................	--	--	17,171,418	17,171,418	--
Net proceeds from issuance of subsidiary stock.................	1,800,000	--	383,583	582,981	--
Principal payments on long-term obligations...........	(924,421)	(1,553,829)	(2,292,818)	(1,012,049)	(1,175,337)
Proceeds from long-term obligations...........	2,830,425	1,259,832	5,000,000	5,000,000	--
Proceeds from note payable..............	500,000	450,000	--	--	--
Principal payment on note payable..........	(3,000,000)	(500,000)	(450,000)	(450,000)	--
Proceeds from exercise of stock options......	50,470	1,830,583	1,280,593	498,731	1,170,807
Net cash provided by (used in) financing					

activities	1,256,474	1,486,586	21,092,776	21,791,081	(4,530)
Effect of exchange rate changes on cash	--	--	64,314	(2,662)	21,660
Net increase (decrease) in cash and equivalents	(8,206,732)	(2,085,891)	16,381,935	22,161,039	(10,588,477)
Cash and equivalents:					
Beginning of period	24,718,023	16,511,291	14,425,400	14,425,400	30,807,335
End of period	$ 16,511,291	$14,425,400	$30,807,335	$36,586,439	$ 20,218,858
Supplementary cash flow information--Interest paid in cash	$ 328,824	$ 229,328	$ 501,691	$ 191,651	$ 235,547

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

1. Summary of Significant Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates included within the financial statements include net realizable value of subsidiary assets, sales return reserves, warranty reserves, inventory reserves, allowances for doubtful accounts and the economic life of intangible assets.

References herein to "1996", "1997", "1998" and "1999" are for and as of the fiscal years ended December 31, 1996, 1997 and 1998 and the six months ended July 3, 1999, respectively.

Industry Segment

Kopin Corporation and its subsidiaries (the "Company") operate in one industry segment which includes the development, manufacture and sale of flat panel display devices and products and gallium arsenide transistor wafers and products for commercial and consumer markets, and the performance of related research and development under contracts.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company, its wholly owned subsidiary and Kowon Technology Co., Ltd., a majority owned (65%) subsidiary located in Korea. All intercompany transactions and balances have been eliminated. From 1994 through 1996, the Company made equity investments in Forte Technologies, Inc. ("Forte"). In May 1995, the Company obtained a controlling interest in Forte and consolidated the financial statements of Forte with those of the Company through December 31, 1996.

Revenue Recognition

Product revenue is recognized when a product is shipped or when a service is performed. For certain of its products, the Company provides customers with a twelve-month warranty from the date of sale. Estimated sales return and warranty reserves are provided at the time of sale based upon historical and anticipated warranty costs.

Revenue from long-term research and development contracts is recognized on the percentage-of-completion method of accounting as work is performed, based upon the ratio that incurred costs or hours bear to estimated total completion cost or hours. At the time a loss on a contract becomes known, the entire amount of the estimated ultimate loss is recognized in the financial statements. Amounts earned on contracts in progress in excess of the billings of such contracts are classified as unbilled receivables and amounts received in excess of amounts earned are classified as unearned revenue. Unbilled receivables primarily result from the time necessary to accumulate costs, including costs incurred by subcontractors, for invoice preparation after the work has been performed by the Company. Unbilled receivables are billed based on dates stipulated in the related agreement or in periodic installments based upon the Company's monthly invoicing cycle.

Research and Development Costs

Research and development expenses include expenses incurred in support of internal development programs and programs funded by agencies of the federal government, including development programs for

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

display devices and products, device wafers, circuit design costs, staffing, purchases of materials and laboratory supplies, and fabrication and packaging of the Company's display products.

Cash and Equivalents and Marketable Securities

The Company considers all highly liquid, short-term debt instruments with a maturity of three months or less at the date of purchase to be cash equivalents.

Marketable securities consist primarily of commercial paper, medium-term notes, and United States government and agency securities. Under Statement of Financial Accounting Standards ("SFAS") No. 115, the Company classifies marketable securities included in Current Assets as "available for sale" and accordingly carries them at market value. Marketable securities included in Other Assets are classified as "held to maturity" and carried at cost as the Company has the ability and intent to hold them until maturity. From time to time, the Company sells marketable securities for working capital, capital expenditure and investment purposes. Substantially all the marketable securities mature within one year. Gross unrealized holding gains or losses are recorded in other comprehensive income.

Investments in marketable securities are as follows:

	Amortized Cost			Unrealized Gains		
	December 31,		July 3,	December 31,		July 3,
	1997	1998	1999	1997	1998	1999
			(unaudited)			(unaudited)
Available for sale securities:						
U.S. government and agency securities....	$2,585,254	$5,001,073	$7,723,483	$ --	$ 5,710	$ --
Corporate debt securities..........	2,041,631	993,490	--	983	610	--
Total available for sale securities....	$4,626,885	$5,994,563	$7,723,483	$ 983	$ 6,320	$ --

	Unrealized Losses			Fair Value		
	December 31,		July 3,	December 31,		July 3,
	1997	1998	1999	1997	1998	1999
			(unaudited)			(unaudited)
Available for sale securities:						
U.S. government and agency securities....	$ 751	$ --	$ 4,078	$2,584,503	$5,006,783	$7,719,405
Corporate debt securities..........	6,233	--	--	2,036,381	994,100	--
Total available for sale securities....	$ 6,984	$ --	$ 4,078	$4,620,884	$6,000,883	$7,719,405

The gross gains and losses realized related to sales of marketable securities were not material. Kopin uses the specific identification method as a basis for determining cost and calculating realized gains or losses.

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or market, and consists of the following:

	1997	1998	1999
			(Unaudited)
Raw materials	$1,172,913	$2,672,230	$4,091,136
Work in process	1,529,463	333,996	634,765
Finished goods	18,467	330,952	413,071
	$2,720,843	$3,337,178	$5,138,972

Equipment and Improvements

Equipment and improvements are recorded at cost. Depreciation and amortization are provided using the straight-line method over the estimated lives of the assets, generally 3 to 10 years, or, in the case of leasehold improvements and leased equipment, over the term of the lease.

Intangible Assets

Amortization of intangible assets is on a straight-line basis over the estimated useful lives.

Foreign Currency Translation

Assets and liabilities of non-U.S. operations are translated into U.S. dollars at year end exchange rates, and revenues and expenses at rates prevailing during the year. Resulting translation adjustments are accumulated as part of other comprehensive income and aggregate $414,492 of unrealized gain at December 31, 1998. Transaction gains or losses are recognized in income or loss currently.

Net Income (Loss) Per Share

Basic income (loss) per share is computed using the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed using the weighted average number of common shares and potential common shares outstanding during the period using the treasury method. Potential common shares have not been included in any periods in which the effect would be anti-dilutive. Had the impact of stock options, using the treasury stock method, been included in the computation, weighted average shares would have increased by approximately 214,000, 678,000 and 967,000, for the years ended December 31, 1996, 1997 and 1998, respectively.

Concentration of Credit Risk

The Company invests its excess cash in high quality government and corporate financial instruments which bear minimal risk. The Company sells its products to customers worldwide. The Company maintains a reserve for potential credit losses and such losses have been minimal.

Fair Market Value of Financial Instruments

Financial instruments consist of current assets (except inventories), current liabilities and long-term obligations. Current assets and current liabilities are carried at cost which approximates fair market value. Long- term obligations are stated at cost which approximates fair market value.

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

Impairment Charge

The Company periodically assesses the recoverability of its long-lived assets by comparing the undiscounted cash flows expected to be generated by those assets to their carrying value. If the sum of the undiscounted cash flows is less than the carrying value of the assets, an impairment charge is recognized.

In January 1996, the Company recorded an impairment charge of $4,990,000 which consisted primarily of the expensing of previously capitalized patent infringement legal costs and the write-down of purchased technology, prepaid license fees, certain patents and equipment. In December 1998, due to the modification of certain manufacturing processes, the Company recorded an impairment charge of $1,800,000 which consisted of the write-down of certain patents and equipment. The $4,990,000 and $1,800,000 represented the amounts that the carrying value of the assets exceeded their fair market value. The fair market value of the assets was determined based on valuation techniques utilizing the present value of estimated expected future cash flows.

Stock-Based Compensation

Compensation cost associated with the grant of options and other stock awards to employees is determined using the intrinsic value method. Compensation cost associated with the grant of options and other stock awards to non-employees is determined using the fair value method.

Unaudited Interim Information

The results of operations and cash flows for the six-month periods ended June 27, 1998 and July 3, 1999 are unaudited and are not necessarily indicative of results which would be expected for a full year. In the opinion of management, the financial statements for the unaudited periods presented include all adjustments necessary for a fair presentation in accordance with generally accepted accounting principles, consisting solely of normal recurring accruals and adjustments.

Reclassifications

Certain reclassifications have been made to the December 31, 1996 amounts to conform to the 1998 presentation. The reclassifications consisted of presenting interest income, other income and interest expense as Other Income and Expense. In addition, previously reported research and development expense has been separated into research and development-funded programs and research and development-internal.

2. Other Assets

Other assets consist primarily of equity investments in various companies and notes receivable. Equity investments are non-marketable and are carried at cost and aggregate $2,693,000 and $4,695,000 at December 31, 1997 and 1998, respectively. The Company periodically assesses possible impairment of these investments. Notes receivable bear interest at rates ranging from 6% to 10% and are due in varying installments through August, 2003.

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

3. Intangible Assets

Intangible assets consist of the following:

	Estimated Useful Life (years)	1997	1998	1999 (Unaudited)
Patents and application fees	10	$ 2,316,376	$ 2,096,406	$ 2,261,015
Licenses	5-12	935,207	987,714	992,714
		3,251,583	3,084,120	3,253,729
Less accumulated amortization		(1,191,665)	(1,239,972)	(1,415,772)
		$ 2,059,918	$ 1,844,148	$ 1,837,957

4. Investment in Forte Technologies, Inc.

Forte was founded in July 1994. From October 1994 through December 31, 1996, Kopin made a series of equity investments in Forte resulting in an equity ownership of 59% at December 31, 1996. As a result of declining sales and results of operations at Forte, the Company recorded, in the fourth quarter of 1996, write-downs of Forte's accounts receivable of $561,000, inventory of $1,848,000, equipment, improvements and other of $823,000 and its remaining investment of $668,000 in Forte, totaling $3,900,000.

On March 7, 1997, Forte filed a voluntary petition seeking protection from its creditors under Chapter 11 of the United States Bankruptcy Code. In conjunction with the filing, the Company's representatives resigned from Forte's board of directors. As a result of the Chapter 11 filing, subsequent to March 7, 1997, the Company no longer consolidates the results of operations or assets and liabilities of Forte.

5. Income Taxes

As of December 31, 1998, the Company has available for tax reporting purposes, federal net operating loss and general business tax credit carryforwards of approximately $45,000,000 and $595,000, respectively, expiring through 2013. To date, no financial statement benefit has been recognized for these losses and credits as realization does not appear more likely than not.

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

Deferred taxes are provided to recognize the effect of temporary differences between tax and financial reporting. Deferred income tax assets and liabilities consist of the following:

	1997	1998
Deferred tax assets:		
Net operating loss carryforward	$ 20,910,000	$ 18,450,000
Research and development expenses	--	2,200,000
Amortization of intangible assets	342,500	315,000
Deferred rent	67,700	--
Other	317,000	300,000
	21,637,200	21,265,000
Deferred tax liabilities:		
Patent costs	950,000	850,000
Depreciation	1,146,000	1,200,000
	2,096,000	2,050,000
Net deferred tax assets	19,541,200	19,215,000
Valuation allowance	(19,541,200)	(19,215,000)
	$ --	$ --

6. Note Payable and Long-Term Obligations

In 1997, the Company entered into a $450,000 demand note payable with a bank bearing interest at 0.75% above prime, or 9.25% at December 31, 1997. The note was repaid in 1998.

Long-term obligations consist of the following:

	1997	1998	1999
			(unaudited)
Secured term note	$ --	$ 4,250,000	$ 3,750,000
5.625% equipment promissory note	989,915	339,272	--
Capital lease obligations--equipment	2,181,086	1,593,200	1,283,631
8.19% equipment promissory note	330,785	26,496	--
	3,501,786	6,208,968	5,033,631
Less current portion	(1,542,818)	(1,999,494)	(1,792,631)
	$ 1,958,968	$ 4,209,474	$ 3,241,000

In March 1998, the Company entered into a $5,000,000 secured term note which requires the Company to make quarterly principal payments of $250,000 plus interest at a floating rate based upon LIBOR, 7.56% at December 31, 1998. This term note is secured by the Company's accounts receivable.

The 5.625% equipment promissory note required monthly payments of principal and interest totaling $57,477 through June 1999. The loan obligation was specifically collateralized by the equipment financed under the agreement and certain marketable securities. These securities are shown as other assets on the Company's balance sheet, since they are not available for working capital purposes.

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

The equipment capital lease obligations require monthly payments of approximately $63,500 through June 2000, decreasing to approximately $32,500 thereafter until June 2001. Early termination and equipment purchase options may be exercised in December 1999 and December 2000, respectively, for the outstanding capital lease obligations. The capital lease obligations are collateralized by equipment with a carrying value of $1,941,274 at December 31, 1998.

The 8.19% equipment promissory note requires monthly payments of principal and interest totaling $26,680 through January 1999. The loan obligations are collateralized by the equipment financed under the agreements.

The aggregate maturities of long-term obligations, including capital lease obligations, as of December 31, 1998 are as follows:

Year ending December 31,	Amount
1999	$ 2,133,968
2000	1,692,445
2001	1,317,100
2002	1,250,000
2003	--
	6,393,513
Less:	
Amounts representing interest	(184,545)
Current portion of long-term obligations	(1,999,494)
	$ 4,209,474

8. Stockholders' Equity

In February 1998, the Company completed a public offering of 2,000,000 shares of common stock at a price of $19.00 per share. Of the total shares sold, 1,000,000 shares were sold by the Company and the other 1,000,000 shares were sold by a shareholder. Net proceeds to the Company totaled approximately $17,171,000.

9. Stock Options

The Company's 1992 Stock Option Plan permits the granting of both nonqualified stock options and incentive stock options. The plan covers 3,250,000 shares of common stock (including shares issued upon exercise of options granted pursuant the 1985 Plan). The option price of incentive stock options shall not be less than 100% of the fair market value of the stock at the date of grant, or in the case of certain incentive stock options, at 110% of the fair market value at the time of the grant. Options must be exercised within a ten-year period or sooner if so specified within the option agreement. Options granted generally vest over four years.

In 1994, the Company adopted the Director Stock Option Plan, which provides for the automatic granting, pursuant to a formula, of nonqualified stock options to the Company's non-employee directors. A maximum of 175,000 shares are issuable under the plan.

During 1996, a total of 573,500 outstanding options were cancelled in exchange for the grant of 516,150 options with an exercise price equal to the fair market value of the common stock on the date of grant of $8.25 per share. These options vest over four years.

(Information as of July 3, 1999 and for the six months ended June 27, 1998 and July 3, 1999 is unaudited)

For certain options granted, the Company recognizes as compensation expense the excess of the fair market value of the common shares issuable upon exercise of such options over the aggregate exercise price of such options. This compensation expense is amortized ratably over the vesting period of each option. For the year ended December 31, 1998, such compensation expense of $66,900 was recorded and will aggregate to $165,055 over the remaining terms of the options. At July 3, 1999 the Company has available 455,995 shares of common stock for future grant under its stock option plans. A summary of option activity is as follows:

	1996		1997		1998		1999	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balances, beginning of period	1,560,326	$12.38	1,807,966	$10.47	2,211,647	$11.66	2,244,338	$11.95
Options granted	1,126,750	9.09	683,650	14.31	323,725	13.16	63,900	17.96
Options cancelled	(862,721)	12.47	(89,234)	11.07	(144,616)	13.03	--	--
Options exercised	(16,389)	3.09	(190,735)	9.60	(146,418)	10.05	(321,739)	7.96
Balance, end of period	1,807,966	$10.47	2,211,647	$11.66	2,244,338	$11.95	1,986,499	$12.32
Exercisable, end of period	587,000		967,000		1,502,933		1,171,594	

Of the 2,244,338 options outstanding at December 31, 1998, 446,516 have exercise prices between $1.00 and $9.00, with a weighted average exercise price of $7.89 and a weighted average remaining contractual life of 7.4 years. Of these options, 381,174 are exercisable at a weighted average price of $8.11. An additional 673,009 options outstanding at December 31, 1998 have exercise prices between $9.25 and $11.75, with a weighted average exercise price of $10.53 and a weighted average remaining contractual life of 6.7 years. Of these options, 508,859 are exercisable at a weighted average price of $10.48. The remaining 1,124,813 options have exercise prices between $11.88 and $22.00, with a weighted average exercise price of $14.43 and a weighted average remaining contractual life of 8.3 years. Of these options, 614,776 are exercisable at a weighted average exercise price of $14.71. The weighted average exercise price of all options exercisable at December 31, 1998 is $11.61.

The Company has two fixed option plans which reserve shares of common stock for issuance to executives, key employees and directors. Had compensation cost for the Company's two stock option plans been determined based on the fair value at the grant date for awards in 1996, 1997 and 1998 the Company's net loss and loss per share would have been $22,828,070 or $2.09 per share in 1996, $7,763,328 or $0.71 per share in 1997 and $4,857,414 or $0.40 per share in 1998.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for grants in 1996, 1997 and 1998: no expected dividend yield; expected volatility of 57.6% in 1996, 61.3% in 1997 and 61.9% in 1998; risk-free interest rate of 6.55% in 1996, 5.72% in 1997 and 4.69% in 1998; and expected lives of four years. The weighted-average fair value of options on grant date was $4.64 in 1996, $7.44 in 1997 and $6.76 in 1998.

10. Employee Benefit Plan

The Company has an employee benefit plan pursuant to Section 401(k) of the Internal Revenue Code. The plan allows employees to defer up to 15% of their annual compensation to a current maximum of $10,000. The

(Information as of July 3, 1999 and for the six months then ended June 27, 1998 and July 3, 1999 is unaudited)

Company will match 50% of all deferred compensation up to a maximum of 3% of each employee's annual compensation. The amount charged to operations in connection with this plan was approximately $92,000 in 1996, $91,000 in 1997, and $108,000 in 1998.

11. Major Customers and Geographic Information

Approximately 39%, 63%, 59% and 49% of the Company's revenue resulted from sales to a single customer during the years ended December 31, 1996, 1997, and 1998, and the six months ended July 3, 1999, respectively. In addition, during the years ended December 31, 1996, 1997, and 1998 and the six months ended July 3, 1999, approximately 35%, 20%, 14% and 9%, respectively, of the Company's revenues resulted from multiple contracts with various agencies of the United States government. These contracts are subject to termination at the election of the relevant agency.

Sales to foreign customers during the years ended December 31, 1996, 1997, and 1998 and the six months ended July 3, 1999 were approximately 1%, 2%, 29% and 27%, respectively, of the Company's revenues. Sales to customers in Japan for 1998 and the six months ended July 3, 1999 were 4% and 13%, respectively.

12. Commitments

Leases

The Company leases certain machinery and equipment, and its facilities located in Taunton and Westborough, Massachusetts, and Los Gatos, California, under noncancelable operating leases. The Taunton lease expires in 2002. The Westborough lease expires in October 2001, with renewal options for up to three additional years at the Company's election. The Los Gatos lease covers a five- year period terminating in 2002. Substantially all real estate taxes, insurance and maintenance expenses under these leases are obligations of the Company. The following is a schedule of minimum rental commitments under noncancelable operating leases:

	Amount
July 4, 1999 to December 31, 1999	$ 631,834
Years ended December 31:	
2000	1,142,219
2001	270,904
2002	245,567
2003	8,339
Total minimum lease payments	$2,298,863

Costs incurred under operating leases are recorded as rent expense and aggregated approximately $1,214,000 in 1996, $979,000 in 1997, $1,090,000 in 1998 and $613,000 for the six months ended July 3, 1999.

Other Agreements

The Company has entered into various license agreements which require the Company to pay royalties based upon a set percentage of product sales, subject, in some cases, to certain minimum amounts. Total royalty expense approximated $25,500 in 1996, $24,000 in 1997, $25,000 in 1998 and $13,000 for the six months ended July 3, 1999.

(Information as of July 3, 1999 and for the six months then ended June 27, 1998 and July 3, 1999 is unaudited)

Litigation

The Company is engaged in legal proceedings arising in the ordinary course of business. The Company believes that the ultimate outcome of these proceedings will not have a material adverse impact on the Company's consolidated financial position, results of operations or cash flows.

13. Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which is effective for fiscal years commencing after June 15, 2000. SFAS No. 133 requires fair value accounting for all stand-alone derivatives and many derivatives embedded in other financial instruments and contracts. The impact of SFAS No. 133 on the Company has not yet been determined.

[Text description of inside back cover]

The Kopin logo appears in the upper left corner with "CyberDisplay" appearing underneath. Text in the upper right hand corner reads, "A leading developer and manufacturer of miniature flat panel displays for high resolution portable consumer electronics and mobile communications devices." The center of the page is a reproduction of a CyberDisplay product underneath a U.S. dime to show scale, surrounded by pictures of three applications which incorporate the CyberDisplay product including a digital camcorder, a digital camera, and a wireless handset.

[End of text description of inside back cover]

{Kopin logo appears here]

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

Expenses of the Registrant in connection with the issuance and distribution of the securities being registered, other than the underwriting discount and commissions, are estimated as follows:

SEC Registration Fee	$ 17,569
NASD Filing Fees	6,820
Nasdaq National Market Listing Fees	17,500
Printing and Engraving Expenses	120,000
Legal Fees and Expenses	250,000
Accountants' Fees and Expenses	75,000
Expenses of Qualification Under State Securities Laws, Including Attorneys' Fees	30,000
Transfer Agent and Registrar's Fees	2,500
Miscellaneous Costs	30,611
Total	550,000

Item 15. Indemnification of Directors and Officers

The Registrant's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws include provisions to (i) eliminate the personal liability of our directors for monetary damages resulting from breaches of their fiduciary duty to the extent permitted by Section 102 (b)(7) of the General Corporation Law of Delaware (the "Delaware Law") and (ii) authorize the Registrant to indemnify our directors and officers to the fullest extent permitted by Section 145 of the Delaware Law, including circumstances in which indemnification is otherwise discretionary. Pursuant to Section 145 of the Delaware Law, a corporation generally has the power to indemnify its present and former directors, officers, employees and agents against expenses incurred by them in connection with any suit to which they are, or are threatened to be made, a party by reason of their serving in such positions so long as they acted in good faith and in a manner they reasonably believed to be in, or not opposed to, the best interests of a corporation, and with respect to any criminal action, they had no reasonable cause to believe their conduct was unlawful. The Registrant believes that these provisions do not eliminate liability for breach of the director's duty of loyalty to the Registrant or our stockholders, for acts or omissions not in good faith or involving intentional misconduct or knowing violations of law, for any transaction from which the director derived an improper personal benefit or for any willful or negligent payment of any unlawful dividend or any unlawful stock purchase agreement or redemption.

The Registrant has purchased an insurance policy covering the officers and directors of the Registrant with respect to certain liabilities arising under the Securities Act or otherwise.

Item 16. Exhibits

```
 1.1 Proposed Form of Underwriting Agreement
 3.1 Amended and Restated Certificate of Incorporation*
 3.2 Amended and Restated By-laws*
 4.1 Reference is made to exhibits 3.1 and 3.2
 4.2 Specimen Certificate of Common Stock**
 5.1 Opinion of Bingham Dana LLP, with respect to the legality of the
     shares being
     registered (previously filed)
23.1 Independent Auditors' Consent--Deloitte & Touche LLP
23.2 Consent of Bingham Dana LLP (included in exhibit 5.1)
23.3 Consent of Hamilton, Brook, Smith & Reynolds, P.C. (previously filed)
21.1 Power of Attorney (previously filed)
27   Financial Data Schedule (previously filed)
```

---

* Filed as an exhibit to Registration Statement on Form S-1, File No. 33- 57450, and incorporated herein by reference.
** Filed as an exhibit to Registration Statement on Form S-1, File No. 33- 45853, and incorporated herein by reference.

Item 17. Undertakings

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and this offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, the Registrant has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of our counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned Registrant undertakes that: (1) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus as filed as part of the Registration Statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of the Registration Statement as of the time it was declared effective, and (2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and this offering of such securities at that time shall be deemed to be in the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of Taunton, Commonwealth of Massachusetts, on this 8th day of October, 1999.

Kopin Corporation

/s/ John C.C. Fan

By: ____________________________________

John C.C. Fan

Chairman of the Board of Directors,

President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the registration statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ John C.C. Fan ____________________________________ John C.C. Fan	Chairman of the Board of Directors, President and Chief Executive Officer (Principal Executive Officer)	October 8, 1999
/s/ Richard A. Sneider ____________________________________ Richard A. Sneider	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	October 8, 1999
/s/ David E. Brook* ____________________________________ David E. Brook	Director and Secretary	October 8, 1999
/s/ Andrew H. Chapman* ____________________________________ Andrew H. Chapman	Director	October 8, 1999
/s/ Morton Collins* ____________________________________ Morton Collins	Director	October 8, 1999
/s/ Chi-Chia Hsieh* ____________________________________ Chi-Chia Hsieh	Director	October 8, 1999
/s/ Michael A. Wall* ____________________________________ Michael A. Wall	Director	October 8, 1999

/s/ John C.C. Fan

**By: ____________________*

John C.C. Fan

Attorney-in-Fact

EXHIBITS

1.1	Proposed Form of Underwriting Agreement
3.1	Amended and Restated Certificate of Incorporation*
3.2	Amended and Restated By-laws*
4.1	Reference is made to exhibits 3.1 and 3.2
4.2	Specimen Certificate of Common Stock**
5.1	Opinion of Bingham Dana LLP, with respect to the legality of the shares being registered (previously filed)
23.1	Independent Auditors' Consent--Deloitte & Touche LLP
23.2	Consent of Bingham Dana LLP (included in exhibit 5.1)
23.3	Consent of Hamilton, Brook, Smith & Reynolds, P.C. (previously filed)
21.1	Power of Attorney (previously filed)
27	Financial Data Schedule (previously filed)

---

* Filed as an exhibit to Registration Statement on Form S-1, File No. 33- 57450, and incorporated herein by reference.

** Filed as an exhibit to Registration Statement on Form S-1, File No. 33- 45853, and incorporated herein by reference.

1,800,000 Shares

KOPIN CORPORATION

Common Stock, $.01 par value

UNDERWRITING AGREEMENT

October ____, 1999

Credit Suisse First Boston Corporation
CIBC Oppenheimer Corp.
C.E. Unterberg, Towbin
Pacific Growth Equities, Inc.
As Representatives of the Several Underwriters, c/o Credit Suisse First Boston Corporation, Eleven Madison Avenue,
New York, N.Y. 10010-3629

Dear Sirs:

1. Introductory. Kopin Corporation, a Delaware corporation ("Company") proposes to issue and sell 1,800,000 shares (the "Firm Securities") of its Common Stock, $.01 par value per share (its "Securities"). The Company also proposes to sell to the Underwriters, at the option of the Underwriters, an aggregate of not more than 270,000 additional shares of its Securities (the "Optional Securities"). The Firm Securities and the Optional Securities are herein collectively called the "Offered Securities". The Company hereby agrees with the several Underwriters named in Schedule A hereto ("Underwriters") as follows:

2. Representations and Warranties of the Company. The Company represents and warrants to, and agrees with, the several Underwriters that:

(i) A registration statement (No. 333-87429) relating to the Offered Securities, including a form of prospectus, has been filed with the Securities and Exchange Commission ("Commission") and either (A) has been declared effective under the Securities Act of 1933 ("Act") and is not proposed to be amended or (B) is proposed to be amended by amendment or post-effective amendment. If such registration statement (the "initial registration statement") has been declared effective, either (A) an additional registration statement (the "additional registration statement") relating to the Offered Securities may have been filed with the Commission pursuant to Rule 462(b) ("Rule 462(b)") under the Act and, if so filed, has become effective upon filing pursuant to such Rule and the Offered Securities all have been duly registered under the Act pursuant to the initial registration statement and, if applicable, the additional registration statement or (B) such an additional registration statement is proposed to be filed with the Commission pursuant to Rule 462(b) and will become effective upon filing pursuant to such Rule and upon such filing the Offered Securities will all have been duly registered under the Act pursuant to the initial registration statement and such additional registration statement. If the Company does not propose to amend the initial registration statement or if an additional registration statement has been filed and the Company does not propose to amend it, and if any post-effective amendment to either such registration statement has been filed with the Commission prior to the execution and delivery of this Agreement, the most recent amendment (if any) to each such registration statement has been declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c) ("Rule 462(c)") under the Act or, in the case of the additional registration statement, Rule 462(b). For purposes of this Agreement, "Effective Time" with respect to the initial registration statement or, if filed prior to the execution and delivery of this Agreement, the additional registration statement means (A) if the Company has advised the Representatives that it does not propose to amend such registration statement, the date and time as of which such registration statement, or the most recent post-effective amendment thereto (if any) filed prior to the execution and delivery of this Agreement, was declared effective by the Commission or has become effective upon filing pursuant to Rule 462(c), or (B) if the Company has advised the Representatives that it proposes to file an amendment or post-effective amendment to such registration statement, the date and time as of which such registration statement, as amended by such amendment or post-effective amendment, as the case may be, is declared effective by the Commission. If an additional registration statement has not been filed prior to the execution and delivery of this Agreement but the Company has advised the Representatives that it proposes to file one, "Effective Time" with respect to such additional registration statement means the date and time as of which such registration statement is filed and becomes effective pursuant to Rule 462(b). "Effective Date" with respect to the initial registration statement or the additional registration statement (if any) means the date of the Effective Time thereof. The initial registration statement, as amended at its Effective Time, including all material incorporated by reference therein, including all information contained in the additional registration statement (if any) and deemed to be a part of the initial registration statement as of the Effective Time of the additional registration statement pursuant to the General Instructions of the Form on which it is filed and including all information (if any) deemed to be a part of the initial registration statement as of its Effective Time pursuant to Rule 430A(b) ("Rule 430A(b)") under the Act, is hereinafter referred to as the "Initial Registration Statement". The additional registration statement, as amended at its Effective Time, including the contents of the initial registration statement incorporated by reference therein and including all information (if any) deemed to be a part of the additional registration statement as of its Effective Time pursuant to Rule 430A(b), is hereinafter referred to as the "Additional Registration Statement". The Initial Registration Statement and the Additional Registration are hereinafter referred to collectively as the "Registration Statements" and individually as a "Registration Statement". The form of prospectus relating to the Offered Securities, as first filed with the Commission pursuant to and in accordance with Rule 424(b) ("Rule 424(b)") under the Act or (if no such filing is required) as included in a Registration Statement, including all material incorporated by reference in such prospectus, is hereinafter referred to as the "Prospectus". No document has been or will be prepared or distributed in reliance on Rule 434 under the Act.

(ii) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement: (A) on the Effective Date of the Initial Registration Statement, the Initial Registration Statement conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission ("Rules and Regulations") and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (B) on the Effective Date of the Additional Registration Statement (if any), each Registration Statement conformed or will conform, in all material respects to the requirements of the Act and the Rules and Regulations and did not include, or will not include, any untrue statement of a material fact and did not omit, or will not omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (C) on the date of this Agreement, the Initial Registration Statement and, if the Effective Time of the Additional Registration Statement is prior to the execution and delivery of this Agreement, the Additional Registration Statement each conforms, and at the time of filing of the Prospectus pursuant to Rule 424(b) or (if no such filing is required) at the Effective Date of the Additional Registration Statement in which the Prospectus is included, each Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the Rules and Regulations, and neither of such documents includes, or will include, any untrue statement of a material fact or omits, or will omit, to state any material fact required to be stated therein or necessary to make the statements therein not misleading. If the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement: on the Effective Date of the Initial Registration Statement, the Initial Registration Statement and the Prospectus will conform in all material respects to the requirements of the Act and the Rules and Regulations, neither of such documents will include any untrue statement of a material fact or will omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and no Additional Registration Statement has been or will be filed. The two preceding sentences do not apply to statements in or omissions from a Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information is that described as such in Section 7(b) hereof.

(iii) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification except where the failure to be so qualified does not have a material adverse effect on the condition (financial or other), business, prospects, properties, net worth or results of operations of the Company and its subsidiaries (as defined below) taken as a whole ("Material Adverse Effect").

(iv) Each majority owned subsidiary of the Company (each a "Subsidiary" and collectively the "Subsidiaries") has been duly incorporated and is an existing corporation in good standing under the laws of the jurisdiction of its incorporation, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each Subsidiary is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification except where the failure to be so qualified does not have a Material Adverse Effect; all of the issued and outstanding capital stock of each Subsidiary has been duly authorized and validly issued and is fully paid and nonassessable; and the capital stock of each Subsidiary, directly or through Subsidiaries, is owned free from liens, encumbrances and defects.

(v) The Offered Securities and all other outstanding shares of capital stock of the Company have been duly authorized and validly issued, fully paid and nonassessable and conform to the description thereof contained in the Prospectus; and the stockholders of the Company have no preemptive rights with respect to the Securities.

(vi) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder's fee or other like payment in connection with this offering.

(vii) There are no contracts, agreements or understandings between the Company and any person granting such person the right (which right has not been waived) to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to a Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act.

(viii) Except as disclosed in the Prospectus, there are no outstanding
(x) securities or obligations of the Company or any Subsidiary convertible into or exchangeable for any capital stock of the Company or any such Subsidiary, (y) warrants, rights or options to subscribe for or purchase from the Company or any such Subsidiary any such capital stock or any such convertible or exchangeable securities or obligations, or (z) obligations of the Company or any such Subsidiary to issue any shares of capital stock, any such convertible or exchangeable securities or obligations, or any such warrants, rights or options.

(ix) Except for the shares of capital stock of each of the Subsidiaries owned by the Company and such Subsidiaries, neither the Company nor any such Subsidiary owns any shares of stock or any other equity securities of any corporation or has any equity interest in any firm, partnership, association or other entity, except as described in or contemplated by the Prospectus.

(x) The Offered Securities have been approved for listing subject to notice of issuance on the Nasdaq Stock Market's National Market.

(xi) Neither the Company nor any of its affiliates, nor any person acting on behalf of any of them has, directly or indirectly, (x) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities, or (y) since the filing of the Initial Registration Statement (I) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Offered Securities or (II) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(xii) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required to be obtained or made by the Company for the consummation of the transactions contemplated by this Agreement in connection with the sale of the Offered Securities, except such as have been obtained and made under the Act and such as may be required under state securities laws.

(xiii) The execution, delivery and performance of this Agreement, and the consummation of the transactions herein contemplated will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any Subsidiary or any of their properties, or any agreement or instrument to which the Company or any such Subsidiary is a party or by which the Company or any such Subsidiary is bound or to which any of the properties of the Company or any such Subsidiary is subject, or the charter or by-laws of the Company or any such Subsidiary.

(xiv) This Agreement has been duly authorized, executed and delivered by the Company.

(xv) Except as disclosed in the Prospectus, the Company and its Subsidiaries have good and marketable title to all real properties and all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and except as disclosed in the Prospectus, the Company and its Subsidiaries hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(xvi) The Company and its Subsidiaries possess adequate certificates, authorities or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit that, if determined adversely to the Company or any of its Subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(xvii) No labor dispute with the employees of the Company or any Subsidiary exists or, to the knowledge of the Company, is imminent that might have a Material Adverse Effect.

(xviii) Except as disclosed in the Prospectus, the Company and each of its Subsidiaries have the right to use or can acquire on reasonable terms all trademarks, trade names, trade secrets, servicemarks, inventions, patent rights, mask works, copyrights, licenses, software code, audiovisual works, formats, algorithms and underlying data, approvals and governmental authorizations now used in, or which are necessary for fulfillment of their respective obligations or the conduct of their respective businesses as now conducted or proposed to be conducted as described in the Prospectus; except as discussed in the Prospectus, the expiration of any trademarks, trade names, trade secrets, servicemarks, inventions, patent rights, mask works, copyrights or licenses would not have a Material Adverse Effect; and neither the Company nor any of its Subsidiaries is infringing any trademark, trade name rights, patent rights relating to patents that have issued, mask works, copyrights, licenses, trade secret, servicemarks or other similar rights of others, and there is no claim being made against the Company or any of its Subsidiaries regarding trademark, trade name, patent, mask work, copyright, license, trade secret or other infringement or assertion of intellectual property rights which could have a Material Adverse Effect. With respect to the Company's patent portfolio (including those under license from the Massachusetts Institute of Technology), all requisite maintenance fees have been paid in the United States and foreign jurisdictions and no patent or patent application has lapsed for failure to pay such fees. The Company has agreements in place with such employees, consultants or other persons or parties engaged by the Company or any Subsidiary sufficient to enable the Company and any Subsidiary to fulfill their contractual obligations and to conduct their respective businesses as now conducted as described in the Prospectus and providing for the assignment to the Company of all intellectual property rights in the work performed and the protection of the trade secrets and confidential information of the Company, each of its Subsidiaries and of third parties.

(xix) Neither the Company nor any of its Subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), and the Company and each of its Subsidiaries have received all permits, licenses or other approvals required of them under applicable environmental laws and the Company and each Subsidiary is in compliance with all terms and conditions of any such permits, licenses or other approvals except where the failure to receive such permits, licenses or approvals or failure to comply therewith would not individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(xx) Neither the Company nor any of its Subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body of any court, domestic or foreign relating to occupational safety and health and the Company and its Subsidiaries have received all permits, licenses or other approvals required of them under applicable federal and state occupational safety and health laws and regulations to conduct their respective businesses, and the Company and each such Subsidiary is in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, individually or in the aggregate, have a Material Adverse Effect.

(xxi) Except as disclosed in the Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of its Subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its Subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and no such actions, suits or proceedings are threatened or, to the Company's knowledge, contemplated.

(xxii) The financial statements included in each Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States ("GAAP") applied on a consistent basis.

(xxiii) Except as disclosed in the Prospectus, since the date of the latest audited financial statements included in the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, prospects, properties, net worth or results of operations of the Company and its Subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

(xxiv) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its consolidated Subsidiaries and delivered their report with respect to the audited consolidated financial statements and schedules included in the Registration Statements and the Prospectus, are independent public accountants as required by the Act and the applicable rules and regulations thereunder.

(xxv) The Company and each of its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (w) transactions are executed in accordance with management's general or specific authorizations; (x) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (y) access to assets is permitted only in accordance with management's general or specific authorization; and (z) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxvi) No Subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, making any other distribution on such Subsidiary's capital stock, repaying to the Company any loans or advances to such Subsidiary from the Company or transferring any of such Subsidiary's property or assets to the Company or any other Subsidiary of the Company, and the Company is not currently prohibited, directly or indirectly, from paying any dividends or making any other distribution on its capital stock, in each case except as described in or contemplated by the Prospectus or prohibited by applicable law.

(xxvii) The Company has filed all foreign, federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a Materially Adverse Effect) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as described in or contemplated by the Prospectus.

(xxviii) The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any such Subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

(xxix) The Company is in compliance in all material respects with all presently applicable provisions of the Employee Retirement Income Security Act of 1974, as amended, including the regulations and published interpretations thereunder ("ERISA"); no "reportable event" (as defined in ERISA) has occurred with respect to any "pension plan" (as defined in ERISA) for which the Company would have any liability; the Company has not incurred and does not expect to incur liability under (x) Title IV of ERISA with respect to termination of, or withdrawal from, any "pension plan" or
(y) Sections 412 or 4971 of the Internal Revenue Code of 1986, as amended, including the regulations and published interpretations thereunder (the "Code"); and each "pension plan" for which the Company would have any liability that is intended to be qualified under Section 401(a) of the Code is so qualified in all material respects and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(xxx) No default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties is bound.

(xxxi) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, neither the Company nor any of its Subsidiaries has sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding, and there has been no materially adverse change (including, without limitation, a change in management or control), or development involving a prospective materially adverse change, in the condition (financial or otherwise), management, earnings, property, business affairs or business prospects, stockholders' equity, net worth or results of operations of the Company or any of its Subsidiaries, taken as a whole, other than as described in or contemplated by the Prospectus (exclusive of any amendments or supplements thereto).

(xxxii) Except as disclosed in the Prospectus, no receiver or liquidator (or similar person) has been appointed in respect of the Company or any Subsidiary of the Company or in respect of any part of the assets of the Company or any Subsidiary of the Company; no resolution, order of any court, regulatory body, governmental body or otherwise, or petition or application for an order, has been passed, made or to the Company's knowledge presented for the winding up of the Company or any Subsidiary of the Company or for the protection of the Company or any such Subsidiary from its creditors; and the Company has not, and no Subsidiary of the Company has, stopped or suspended payments of its debts, become unable to pay its debts or otherwise become insolvent.

(xxxiii) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940.

3. Purchase, Sale and Delivery of Offered Securities. On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company at a purchase price of $ per share, that number of Firm Securities (rounded up or down, as determined by Credit Suisse First Boston Corporation ("CSFBC") in its discretion, in order to avoid fractions) obtained by multiplying 1,800,000 Firm Securities by a fraction the numerator of which is the number of Firm Securities set forth opposite the name of such Underwriter in Schedule A hereto and the denominator of which is the total number of Firm Securities.

The Company will deliver the Firm Securities to the Representatives for the accounts of the Underwriters, against payment of the purchase price in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank reasonably acceptable to CSFBC drawn to the order of the Company, at the office of , at A.M., New York time, on , or at such other time not later than seven full business days thereafter as CSFBC and the Company determine, such time being herein referred to as the "First Closing Date". The certificates for the Firm Securities so to be delivered will be in definitive form, in such denominations and registered in such names as CSFBC requests and will be made available for checking and packaging at the office of [Boston Equiserve, L.P.] at least 24 hours prior to the First Closing Date.

In addition, upon written notice from CSFBC given to the Company from time to time not more than 30 days subsequent to the date of the Prospectus, the Underwriters may purchase all or less than all of the Optional Securities at the purchase price per Security to be paid for the Firm Securities. The Company agrees to sell to the Underwriters the Optional Securities. Such Optional Securities shall be purchased from the Company for the account of each Underwriter in the same proportion as the number of Firm Securities set forth opposite such Underwriter's name bears to the total number of Firm Securities (subject to adjustment by CSFBC to eliminate fractions) and may be purchased by the Underwriters only for the purpose of covering over-allotments made in connection with the sale of the Firm Securities. No Optional Securities shall be sold or delivered unless the Firm Securities previously have been, or simultaneously are, sold and delivered. The right to purchase the Optional Securities or any portion thereof may be exercised from time to time and to the extent not previously exercised may be surrendered and terminated at any time upon notice by CSFBC to the Company.

Each time for the delivery of and payment for the Optional Securities, being herein referred to as an "Optional Closing Date", which may be the First Closing Date (the First Closing Date and each Optional Closing Date, if any, being sometimes referred to as a "Closing Date"), shall be determined by CSFBC but shall be not later than five full business days after written notice of election to purchase Optional Securities is given. The Company will deliver the Optional Securities being purchased on each Optional Closing Date to the Representatives for the accounts of the several Underwriters, against payment of the purchase price therefor in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank reasonably acceptable to CSFBC drawn to the order of the Company, at the office of . The certificates for the Optional Securities being purchased on each Optional Closing Date will be in definitive form, in such denominations and registered in such names as CSFBC requests upon reasonable notice prior to such Optional Closing Date and will be made available for checking and packaging at the office of [Boston Equiserve, L.P.] at a reasonable time in advance of such Optional Closing Date.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Prospectus.

5. Certain Agreements of the Company. The Company agrees with the several Underwriters that:

(a) If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, the Company will file the Prospectus with the Commission pursuant to and in accordance with subparagraph
(1) or (2) (as consented to by CSFBC) of Rule 424(b) not later than the second business day following the execution and delivery of this Agreement (or, if applicable and if consented to by CSFBC, subparagraph (4) or (5)).

The Company will advise CSFBC promptly of any such filing pursuant to Rule 424(b). If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement and an additional registration statement is necessary to register a portion of the Offered Securities under the Act but the Effective Time thereof has not occurred as of such execution and delivery, the Company will file the additional registration statement or, if filed, will file a post-effective amendment thereto with the Commission pursuant to and in accordance with Rule 462(b) on or prior to 10:00 P.M., New York time, on the date of this Agreement or, if earlier, on or prior to the time the Prospectus is printed and distributed to any Underwriter, or will make such filing at such later date as shall have been consented to by CSFBC (such consent not to be unreasonably withheld).

(b) The Company will advise CSFBC promptly of any proposal to amend or supplement the initial or any additional registration statement as filed or the related prospectus or the Initial Registration Statement, the Additional Registration Statement (if any) or the Prospectus and will not effect such amendment or supplementation without CSFBC's consent (such consent not to be unreasonably withheld); and the Company will also advise CSFBC promptly of the effectiveness of each Registration Statement (if its Effective Time is subsequent to the execution and delivery of this Agreement) and of any amendment or supplementation of a Registration Statement or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of a Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will promptly notify CSFBC of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither CSFBC's consent to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(d) As soon as practicable, but not later than the Availability Date (as defined below), the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the Effective Date of the Initial Registration Statement (or, if later, the Effective Date of the Additional Registration Statement) which will satisfy the provisions of Section 11(a) of the Act. For the purpose of the preceding sentence, "Availability Date" means the 45th day after the end of the fourth fiscal quarter following the fiscal quarter that includes such Effective Date, except that, if such fourth fiscal quarter is the last quarter of the Company's fiscal year, "Availability Date" means the 90th day after the end of such fourth fiscal quarter.

(e) The Company will furnish to the Representatives copies of each Registration Statement (5 of which will be signed and will include all exhibits), each related preliminary prospectus, and, so long as a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, the Prospectus and all amendments and supplements to such documents, in each case in such quantities as CSFBC reasonably requests. The Prospectus shall be so furnished on or prior to 3:00 P.M., New York time, on the business day following the later of the execution and delivery of this Agreement or the Effective Time of the Initial Registration Statement. All other such documents shall be so furnished as soon as available. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) The Company will arrange for the qualification of the Offered Securities for sale under the laws of such jurisdictions as CSFBC designates and will use its best reasonable efforts to maintain such qualifications in effect so long as required for the distribution.

(g) During the period of 5 years hereafter, the Company will furnish to the Representatives and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Representatives (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Securities Exchange Act of 1934 or mailed to stockholders, and (ii) from time to time, such other public information concerning the Company as CSFBC may reasonably request.

(h) For a period of 90 days after the date hereof, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to, any additional shares of its Securities or securities convertible into or exchangeable or exercisable for any shares of its Securities, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of CSFBC, except issuances of Securities pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants or options, in each case outstanding on the date hereof, grants of employee stock options pursuant to the terms of a plan in effect on the date hereof, or issuances of Securities pursuant to the exercise of such options.

(i) The Company agrees with the several Underwriters that the Company will pay all expenses incident to the performance of the obligations of the Company under this Agreement, (i) for any filing fees and other expenses (including fees and disbursements of counsel) in connection with qualification of the Offered Securities for sale under the laws of such jurisdictions as CSFBC designates and the printing of memoranda relating thereto, (ii) for the filing fee incident to, and the reasonable fees and disbursements of counsel to the Underwriters in connection with, the review by the National Association of Securities Dealers, Inc. of the Offered Securities, (iii) for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the Offered Securities, (iv) for expenses incurred in distributing preliminary prospectuses and the Prospectus (including any amendments and supplements thereto) to the Underwriters, (v) all expenses arising from the quoting of the Offered Securities on the Nasdaq National Market, and (vi) all arrangements relating to the preparation, issuance and delivery to the Underwriters of any certificates evidencing the Offered Securities, including transfer agent's and registrar's fees.

(j) The Company will apply the net proceeds from the sale of the Offered Securities as set forth under "Use of Proceeds" in the Prospectus.

(k) Neither the Company nor any of its affiliates, nor any person acting on behalf of any of them will, directly or indirectly, (i) take any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Offered Securities or (ii) (x) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of, the Offered Securities or (y) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(l) If at any time during the 25-day period after the Registration Statement becomes effective or during the period prior to any Closing Date, any rumor, publication or event relating to or affecting the Company shall occur as a result of which in the Representatives' reasonable judgment the market price of the Offered Securities has been or is likely to be materially affected (regardless of whether such rumor, publication or event necessitates a supplement to or amendment of the Prospectus), the Company will, after notice from the Representatives advising the Company to the effect set forth above, forthwith prepare, consult with the Representatives concerning the substance of, and disseminate a press release responding to or commenting on such rumor, publication or event or other public statement, that is reasonably satisfactory to the Representatives.

6. Conditions of the Obligations of the Underwriters. The obligations of the several Underwriters to purchase and pay for the Firm Securities on the First Closing Date and the Optional Securities to be purchased on each Optional Closing Date will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated the date of delivery thereof (which, if the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, shall be on or prior to the date of this Agreement or, if the Effective Time of the Initial Registration Statement is subsequent to the execution and delivery of this Agreement, shall be prior to the filing of the amendment or post-effective amendment to the registration statement to be filed shortly prior to such Effective Time), of Deloitte & Touche LLP confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating to the effect that:

(i) in their opinion the financial statements and schedules examined by them and included in the Registration Statements comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations;

(ii) on the basis of their review, a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) the unaudited financial statements included in the Registration Statements do not comply as to form in all material respects with the applicable accounting requirements of the Act and the related published Rules and Regulations or any material modifications should be made to such unaudited financial statements for them to be in conformity with generally accepted accounting principles;

(B) the unaudited consolidated total revenues, total expenses, loss from operations, net income (loss) and net income (loss) per share amounts for the six-month periods ended June 27, 1998 and July 3, 1999 included in the Prospectus do not agree with the amounts set forth in the unaudited consolidated financial statements for those same periods or were not determined on a basis substantially consistent with that of the corresponding amounts in the audited statements of income;

(C) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of such letter, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Company and its consolidated subsidiaries or, at the date of the latest available balance sheet read by such accountants, there was any decrease in consolidated total current assets or total assets, as compared with amounts shown on the latest balance sheet included in the Prospectus; or

(D) for the period from the closing date of the latest income statement included in the Prospectus to the closing date of the latest available income statement read by such accountants there were any decreases, as compared with the corresponding period of the previous year, in consolidated net sales or net operating income in the total or per share amounts of consolidated net income;

except in all cases set forth in clauses (A), (B), (C) and (D) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iii) they have compared specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statements (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

For purposes of this subsection, (i) if the Effective Time of the Initial Registration Statements is subsequent to the execution and delivery of this Agreement, "Registration

Statements" shall mean the initial registration statement as proposed to be amended by the amendment or post-effective amendment to be filed shortly prior to its Effective Time, (ii) if the Effective Time of the Initial Registration Statements is prior to the execution and delivery of this Agreement but the Effective Time of the Additional Registration Statement is subsequent to such execution and delivery, "Registration Statements" shall mean the Initial Registration Statement and the additional registration statement as proposed to be filed or as proposed to be amended by the post-effective amendment to be filed shortly prior to its Effective Time, and (iii) "Prospectus" shall mean the prospectus included in the Registration Statements.

(b) If the Effective Time of the Initial Registration Statement is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or such later date as shall have been consented to by CSFBC. If the Effective Time of the Additional Registration Statement (if any) is not prior to the execution and delivery of this Agreement, such Effective Time shall have occurred not later than 10:00 P.M., New York time, on the date of this Agreement or, if earlier, the time the Prospectus is printed and distributed to any Underwriter, or shall have occurred at such later date as shall have been consented to by CSFBC. If the Effective Time of the Initial Registration Statement is prior to the execution and delivery of this Agreement, the Prospectus shall have been filed or shall be filed in a timely manner with the Commission in accordance with the Rules and Regulations and Section 5 of this Agreement. Prior to such Closing Date, no stop order suspending the effectiveness of a Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Representatives, shall be contemplated by the Commission.

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, prospects, properties, net worth or results of operations of the Company or its Subsidiaries which, in the judgment of a majority in interest of the Underwriters including the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any suspension or limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (iv) any banking moratorium declared by U.S. Federal or New York authorities; or (v) any outbreak or escalation of major hostilities in which the United States is involved, any declaration of war by Congress or any other substantial national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters including the Representatives, the effect of any such outbreak, escalation, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(d) The Representatives shall have received an opinion, dated such Closing Date, of Bingham Dana, LLP, counsel for the Company, to the effect that:

(i) Each of the Company and its Subsidiaries other than Kowon Technology Co. Ltd. (its "U.S. Subsidiaries"), (A) has been duly incorporated and is validly existing as a corporation in good standing under the laws of its jurisdiction of incorporation, (B) is duly qualified and in good standing as a foreign corporation in those jurisdictions set forth as an exhibit to the opinion, and (C) has all requisite corporate power and authority to own or lease its properties and conduct its business as described in the Registration Statement and Prospectus;

(ii) The Company owns of record and, except as otherwise indicated, to the best of such counsel's knowledge, beneficially, directly or indirectly, one hundred percent (100%) of the outstanding shares of capital stock of its U.S. Subsidiaries, all such shares have been duly authorized and validly issued, and, assuming payment therefor in accordance with the resolutions authorizing such issuances, are fully paid and non-assessable; to the best of such counsel's knowledge, such shares were not issued in violation of any preemptive or similar rights and are owned free and clear of any liens, charges, claims, encumbrances, pledges, security interests, defects or other restrictions or equities of any kind whatsoever (other than restrictions arising under Federal or state securities law);

(iii) The authorized capital stock of the Company is as set forth in the Prospectus under the heading "Capitalization". All Securities issued and outstanding prior to the issuance of the Offered Securities have been duly authorized and validly issued and, assuming payment therefor in accordance with the resolutions authorizing such issuances or in accordance with the terms of the applicable option or warrant, as the case may be, are fully paid and non-assessable; and none of such shares were issued in violation of any statutory preemptive or, to the best of such counsel's knowledge, other similar rights. To the best of such counsel's knowledge, the Offered Securities are not and will not be subject to any preemptive or other similar rights. The Offered Securities being offered by the Company have been duly authorized by all necessary corporate action of the Company and, when issued, paid for and delivered in accordance with the terms of the Underwriting Agreement, and the certificates evidencing such Offered Securities are duly countersigned by or issued by the Company's transfer agent and registrar, will be validly issued, fully paid and non-assessable;

(iv) The Registration Statement has become effective under the Act, and any required filing of the Prospectus pursuant to Rule 424(b) has been made in the manner and within the time period required by Rule 424(b), and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued, and no proceedings for that purpose have been duly instituted or threatened by the Commission;

(v) The descriptions in the Prospectus summarizing (a) documents specifically referenced under the heading "Business--The Kopin Solution", "Business--Markets and Customers", and "Business--Sales and Marketing", (b) the leases and agreements specifically referenced under the heading "Manufacturing and Facilities", (c) the descriptions of the transactions specifically referenced under the heading "Investments in Related Businesses" and (d) the matters specifically referenced under the heading "Legal Proceedings" are accurate summaries of such documents and matters in all material respects. Such counsel does not know of any contracts or documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required;

(vi) The statements set forth in the Company's Registration Statement on Form 8-A, dated February 20, 1992, in the second paragraph under the sub-heading "Common Stock" and in the second paragraph under the heading "Preferred Stock," insofar as such statements purport to summarize certain provisions of the capital stock of the Company, provide a fair summary of such provisions; such counsel has reviewed the statements set forth under Item 15 in the Registration Statement, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, and such statements fairly present the information called for with respect to such legal matters, documents and proceedings in all material respects as required by the Act and the Exchange Act and the respective rules and regulations thereunder;

(vii) The Registration Statement, as of its effective date, and the Prospectus as of its date (in each case other than the financial statements, the notes thereto and the related schedules and accounting information and other financial and statistical data included in such Registration Statement or Prospectus, as to which such counsel need not express an opinion), excluding in each case the documents incorporated by reference therein, complied as to form in all material respects with the applicable requirements of the Act and the rules and regulations thereunder;

(viii) To such counsel's knowledge, each of the documents incorporated by reference into the Registration Statement as of its effective date, and the Prospectus as of its date (in each case as of the filing with the Commission of such document, and as such document has been amended, and in each case other than the financial statements, the notes thereto and the related schedules and accounting information and other financial and statistical data included therein as to which such counsel need not express an opinion) complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, provided, however, that such opinion as to compliance with form is based solely on the statements contained in the applicable document so incorporated and, for the purpose of clarification, no opinion is given as to the accuracy, completeness or fairness of such statements;

(ix) All of the Offered Securities have been accepted for quotation on the Nasdaq National Market, subject to official notice of issuance;

(x) The Company has the corporate power to enter into the Underwriting

Agreement and the Underwriting Agreement has been duly authorized by all necessary corporate action on the part of the Company and has been duly executed and delivered by the Company;

(xi) The issuance, offering and sale of the Offered Securities to the Underwriters by the Company pursuant to the Underwriting Agreement, the compliance by the Company with the other provisions of the Underwriting Agreement and the consummation by the Company of the transactions contemplated by the Underwriting Agreement do not (a) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained or made or such as may be required by the securities laws of the United States of America, in connection with the offer and sale of the Offered Securities by the Underwriters (except such as may be required under state securities or Blue Sky laws or the bylaws and rules of the NASD in connection with the purchase and distribution of the Offered Securities by the Underwriters, as to which such counsel need not express an opinion) or
(b) to the best of such counsel's knowledge, conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or its U.S. Subsidiaries is a party or by which the Company or its U.S. Subsidiaries is bound, or the corporate charter or bylaws of the Company or its U.S. Subsidiaries or any of its respective properties, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator known to us and applicable to the Company or its U.S. Subsidiaries;

(xii) To such counsel's knowledge, except as set forth in the Registration Statement or Prospectus, there are no pending or threatened actions, suits, claims, proceedings or investigations to which the Company or its U.S. Subsidiaries is a party or to which the property of the Company or its U.S. Subsidiaries is subject that are required to be disclosed in the Registration Statement or the Prospectus and that are not disclosed as required;

(xiii) The Company is not an "investment company" and, immediately after giving effect to the Offering and the application of the proceeds therefrom as described in the Prospectus under the heading "Use of Proceeds," will be an "investment company" as defined in the 1940 Act;

(xiv) Except as disclosed in the Prospectus or the Underwriting Agreement, to the best of such counsel's knowledge, no person, corporation, trust, partnership, association or other entity has the right to include and/or register any securities of the Company in the Registration Statement (other than such rights which have been waived, assuming the due authority and execution of the person or entity granting such waiver, or such rights that have expired by reason of lapse of time following notification of the Company's intent to file the Registration Statement) or to require the Company to file any registration statement prior to the date one hundred eighty (180) days following the effective date of the Registration Statement; and

(xix) Such counsel has participated in certain conferences with officers and other representatives of the Company, representatives of the independent certified public accountants for the Company and representatives of the Underwriters, at which conferences the contents of the Registration Statement and the Prospectus and related matters were discussed and, although such counsel is not passing upon and does not assume any responsibility for, nor has such counsel independently verified, the accuracy, completeness or fairness of the statements contained in the Registration Statement and Prospectus, on the basis of the foregoing, no facts have come to such counsel's attention that have caused such counsel to believe that either the Registration Statement (other than the financial statements, the notes thereto and the related schedules and other financial and accounting information and statistical data included therein or omitted therefrom any documents incorporated by reference therein, as to which such counsel need not express a view), at the time such Registration Statement became effective and as of the Closing Date, or the Prospectus as of the date thereof and as of the Closing Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading (except, in the case of both the Registration Statement and Prospectus, for the financial statements, the notes thereto and the related schedules and other financial and accounting information and statistical data contained therein and any documents incorporated by reference therein, as to which such counsel need not express a view).

In rendering any such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials.

(e) The Representatives shall have received a legal opinion from Hamilton Brook Smith & Reynolds, PC, patent counsel for the Company, dated the Closing Date, to the effect that:

(i) The statements in the Registration Statement and Prospectus under the captions "Risk Factors - We may not be successful in protecting our intellectual property and proprietary rights" and "Business -Patents, Proprietary Rights and Licenses" insofar as such statements constitute summaries of matters of law, are accurate and complete statements or summaries of the matters set forth therein.

(ii) To such counsel's knowledge, the Registration Statement and the Prospectus do not contain any untrue statement of a material fact with respect to the patent position of the Company, or omit to state any material fact relating to the patent position of the Company which is required to be stated in the Registration Statement and the Prospectus or is necessary to make the statements therein not misleading.

(iii) The Company has clear title to the United States patents and patent applications mentioned in the Prospectus as being owned by the Company (collectively, the "Patents"). Such counsel has no knowledge of any facts that the

Company lacks, or will be unable to obtain, any rights or licenses to use all Intellectual Property necessary to the conduct of its business as now or proposed to be conducted by the Company as described in the Prospectus. To such counsel's knowledge, there are no facts which would form a basis for any of the Patents being held invalid or non-enforceable.

(iv) The Company has obtained licenses from the Massachusetts Institute of Technology under certain United States Patents and patent applications mentioned in the Prospectus (the "Licensed Patents"). To such counsel's knowledge, there are no facts which would form a basis for any of the patents within the Licensed Patents being held invalid or non-enforceable or any of the patents or applications within the Licensed Patents having lapsed for failure to pay required fees.

(v) To such counsel's knowledge, the contractual obligations of the Company described in the Registration Statement and the Prospectus have not and will not adversely affect the proprietary rights of the Company, except under circumstances of misappropriation by third parties. To such counsel's knowledge, except as disclosed in the Prospectus, the Company has obtained all material licenses required for the conduct of its business, and such licenses are in full force and effect and the Company in all respects is complying therewith. Except as and to the extent set forth in the Prospectus, neither the Company nor any of its Subsidiaries is under any obligation to pay to any third party, royalties or fees of any kind by the terms of contracts known to us with respect to any patents, patent applications, patent rights, inventions, trade secrets, know-how, trademarks, trademark applications, service marks, service mark applications, trade names, copyrights or other information (collectively, "Intellectual Property").

(vi) There are no legal or governmental proceedings pending (other than regarding patent and trademark applications pending) relating to Intellectual Property owned or used by the Company; and to such counsel's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others. There are no legal or governmental proceedings pending or, to such counsel's knowledge, any accusation, threat or suggestion by a third party of infringement by the Company of any Intellectual Property of such third party. There are no pending or, to such counsel's knowledge, threatened governmental proceedings, in the United States or any other jurisdiction, including but not limited to reexaminations and oppositions, which could affect the validity or enforceability of any Intellectual Property of the Company.

(vii) We have paid all maintenance and other fees required to maintain the enforceability of all U.S. patents and patent applications owned by the Company which are licensed or sublicensed to any third party.

(viii) We have paid all maintenance and other fees required to maintain the enforceability of all U.S. and foreign patents owned by the Company as described in the Registration Statement and Prospectus; and, we have paid all maintenance and other fees required to maintain the pendency of all U.S. and foreign applications owned by the Company as described in the Registration Statement and

Prospectus.

In rendering any such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials.

(f) The Representatives shall have received from Testa, Hurwitz & Thibeault, LLP, counsel for the Underwriters, such opinion or opinions, dated such Closing Date, with respect to the incorporation of the Company, the validity of the Offered Securities delivered on such Closing Date, the Registration Statements, the Prospectus and other related matters as the Representatives may require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(h) The Representatives shall have received a certificate, dated such Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that: the representations and warranties of the Company in this Agreement are true and correct; the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to such Closing Date; no stop order suspending the effectiveness of any Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the best of the Company's knowledge, are contemplated by the Commission; the Additional Registration Statement (if any) satisfying the requirements of subparagraphs (1) and (3) of Rule 462(b) was filed pursuant to Rule 462(b), including payment of the applicable filing fee in accordance with Rule 111(a) or (b) under the Act, prior to the time the Prospectus was printed and distributed to any Underwriter; and, subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its Subsidiaries taken as a whole except as set forth in or contemplated by the Prospectus or as described in such certificate.

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably request. CSFBC may in its sole discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder, whether in respect of an Optional Closing Date or otherwise.

7. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person, if any who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement made by the Company in Section 2 hereof, or (ii) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or alleged

omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (b) below; and provided, further, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from any preliminary prospectus the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Offered Securities concerned, to the extent that a prospectus relating to such Offered Securities was required to be delivered by such Underwriter under the Act in connection with such purchase and any such loss, claim, damage or liability of such Underwriter results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Offered Securities to such person, a copy of the Prospectus (exclusive of material incorporated by reference) if the Company had previously furnished copies thereof to such Underwriter.

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any, who controls the Company within the meaning of Section 15 of the Act against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of (i) the concession and reallowance figures appearing in the fourth paragraph under the caption "Underwriting," (ii) the information contained in the eighth and ninth paragraphs under the caption "Underwriting."

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Notwithstanding the preceding sentence, if an indemnified party reasonably determines that there may be legal defenses available to it which are different from or in addition to those available to such indemnifying party, then counsel to the indemnified party shall be entitled to conduct the defense on behalf of the indemnified party to the extent reasonably determined by such counsel to protect the interests of the indemnified party, it being understood that both of such counsel will cooperate with each other to conduct the defense of such action as efficiently as possible. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such (i) settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a), (b) or
(c) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a), (b) or (c) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of

the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed a Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

8. Default of Underwriters. If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on either the First or any Optional Closing Date and the aggregate number of shares of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date, CSFBC may make arrangements satisfactory to the Company for the purchase of such Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on such Closing Date. If any Underwriter or Underwriters so default and the aggregate number of shares of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total number of shares of Offered Securities that the Underwriters are obligated to purchase on such Closing Date and arrangements satisfactory to CSFBC and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 9 (provided that if such default occurs with respect to Optional Securities after the First Closing Date, this Agreement will not terminate as to the Firm Securities or any Optional Securities purchased prior to such termination). As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. Survival of Certain Representations and Obligations. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Company and the Underwriters pursuant to Section 7 shall remain in effect, and if any Offered Securities have been purchased hereunder the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event

specified in clause (iii), (iv) or (v) of Section 6(c), the Company will reimburse the Underwriters for all out-of-pocket expenses (including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

10. Notices. All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or telegraphed and confirmed to the Representatives, c/o Credit Suisse First Boston Corporation, Eleven Madison Avenue, New York, N.Y. 10010-3629, Attention: Investment Banking Department -Transactions Advisory Group, or, if sent to the Company, will be mailed, delivered or telegraphed and confirmed to it at , Attention: ; provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or telegraphed and confirmed to such Underwriter.

11. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective personal representatives and successors and the officers and directors and controlling persons referred to in
Section 7, and no other person will have any right or obligation hereunder.

12. Representation. The Representatives will act for the several Underwriters in connection with the transactions contemplated by this Agreement, and any action under this Agreement taken by the Representatives jointly or by CSFBC will be binding upon all the Underwriters.

13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws.

The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

If the foregoing is in accordance with the Representatives' understanding of our agreement, kindly sign and return to the Company one of the counterparts hereof, whereupon it will become a binding agreement among the Company and the several Underwriters in accordance with its terms.

Very truly yours,

KOPIN CORPORATION

By--------------------------------------
[Insert title]

The foregoing Underwriting Agreement is hereby confirmed and accepted as of the date first above written.

Credit Suisse First Boston Corporation CIBC Oppenheimer Corp.
C.E. Unterberg, Towbin
Pacific Growth Equities, Inc.

Acting on behalf of themselves and as the Representatives of the several Underwriters.

By Credit Suisse First Boston Corporation

By--------------------------------------
[Insert title]

SCHEDULE A

Underwriter	Number of Firm Securities to be Purchased
Credit Suisse First Boston Corporation	
CIBC Oppenheimer Corp.	
C.E. Unterberg, Towbin	
Pacific Growth Equities, Inc.	
Total	

EXHIBIT 23.1

INDEPENDENT AUDITORS' CONSENT

The Board of Directors and Stockholders of Kopin Corporation:

We consent to the incorporation by reference in this Amendment No. 1 to Registration Statement No. 333-87429 of Kopin Corporation on Form S-3 of our report dated February 16, 1999 included in the Annual Report on Form 10-K of Kopin Corporation for the year ended December 31, 1998, and to the use of our report dated February 16, 1999, appearing in the prospectus, which is a part of this Registration Statement. We also consent to the reference to us under the heading "Experts" in such prospectus.

/s/ Deloitte & Touche LLP
Deloitte & Touche LLP
Boston, Massachusetts

October 8, 1999
