

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 31, 1995  
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Commission file number 0-11254  
-----

COPYTELE, INC.  
-----

(Exact name of registrant as specified in its charter)

Delaware

11-2622630  
-----

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. employer  
identification no.)

900 Walt Whitman Road  
Huntington Station, NY

11746  
-----

(Address of principal executive offices)

(Zip Code)

(516) 549-5900  
-----

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No   
-----

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Number of shares of common stock, par value  
\$.01 per share, outstanding as of September 5, 1995: 25,782,003 shares  
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Part I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED BALANCE SHEETS (UNAUDITED)

	July 31, 1995	October 31, 1994
	-----	-----
<S>	<C>	<C>
	ASSETS	
	-----	
CURRENT ASSETS:		
Cash (including cash equivalents and interest bearing accounts of \$8,646,407 and \$6,163,435, respectively)	\$ 8,720,050	\$ 6,244,801
Accrued interest receivable	11,905	17,041
Prepaid expenses and other current assets	19,145	45,994
	-----	-----
	8,751,100	6,307,836
PROPERTY AND EQUIPMENT (net of accumulated depreciation and amortization of \$673,468 and \$628,668, respectively)	201,829	207,778
OTHER ASSETS (including investment of \$358,240 at July 31, 1995 in joint venture company under the equity method)	461,450	98,718
DEFERRED TAX BENEFITS (net of valuation allowance of \$15,342,379 and \$13,458,155, respectively)	-	-
	-----	-----
	\$ 9,414,379	\$ 6,614,332
	=====	=====
	LIABILITIES AND SHAREHOLDERS' EQUITY	
	-----	
CURRENT LIABILITIES:		
Accounts payable	\$ 226,516	\$ 163,402
Accrued liabilities	2,335	35,697
	-----	-----
	228,851	199,099
	-----	-----
SHAREHOLDERS' EQUITY:		
Preferred stock, par value \$100 per share; authorized 500,000 shares; no shares outstanding	-	-
Common stock, par value \$.01 per share; authorized 120,000,000 shares; outstanding 25,728,003 and 24,837,403 shares, respectively	257,280	248,374
Additional paid-in capital	31,324,260	26,487,930

Accumulated (deficit) during development stage	(22,396,012)	(20,321,071)
	9,185,528	6,415,233
	\$ 9,414,379	\$ 6,614,332

<FN>

The accompanying notes to condensed financial statements are an integral part of these balance sheets.

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

	For the nine months ended July 31,		For the Period from November 5, 1982 (inception) through July 31, 1995
	1995	1994	
<S>	<C>	<C>	<C>
SALES	\$ -	\$ -	\$ -
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, including research and development expenses of approximately \$1,513,000 \$2,145,000 and \$16,045,000, respectively	2,314,749	2,929,113	24,945,066
INTEREST INCOME	239,808	158,571	2,549,054
NET (LOSS)	(\$2,074,941)	(\$2,770,542)	(\$22,396,012)
NET (LOSS) PER SHARE OF COMMON STOCK	(\$0.08)	(\$0.11)	(\$1.01)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	25,072,604	24,638,582	22,081,838

<FN>

The accompanying notes to condensed financial statements are an integral part of these statements.

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

	For the three months ended July 31,	
	1995	1994
<S>	<C>	<C>
SALES	\$ -	\$ -
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, including research and development expenses of approximately \$553,000 and \$605,000, respectively	835,420	890,957
INTEREST INCOME	91,066	58,691
NET (LOSS)	(\$ 744,354)	(\$ 832,266)
NET (LOSS) PER SHARE OF COMMON STOCK	(\$0.03)	(\$0.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	25,379,315	24,749,620

<FN>  
The accompanying notes to condensed financial statements  
are an integral part of these statements.

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY  
FOR THE PERIOD FROM NOVEMBER 5, 1982 (INCEPTION) THROUGH JULY 31, 1995 (UNAUDITED)

	Common Stock		Additional Paid-in Capital	Accumulated (Deficit) During Development Stage
	Shares	Par Value		
<S>	<C>	<C>	<C>	<C>
BALANCE, November 5, 1982 (inception)	-	\$ -	\$ -	\$ -
Sale of common stock, at par, to incorporators on November 8, 1982	1,470,000	14,700	-	-
Sale of common stock, at \$.10 per share, primarily to officers and employees from November 9, 1982 to November 30, 1982	390,000	3,900	35,100	-
Sale of common stock, at \$2 per share, in private offering from January 24, 1983 to March 28, 1983	250,000	2,500	497,500	-
Sale of common stock, at \$10 per share, in public offering on October 6, 1983, net of underwriting discounts of \$1 per share	690,000	6,900	6,203,100	-
Sale of 60,000 warrants to representative of under- writers, at \$.001 each, in conjunction with public offering	-	-	60	-
Costs incurred in conjunction with private and public offerings	-	-	( 362,030)	-
Common stock issued, at \$12 per share, upon				

exercise of 57,200 warrants from February 5, 1985 to October 16, 1985, net of registration costs	57,200	572	630,845	-
Proceeds from sales of common stock by individuals from January 29, 1985 to October 4, 1985 under agreements with the Company, net of costs incurred by the Company	-	-	298,745	-
Restatement as of October 31, 1985 for three-for-one stock split	5,714,400	57,144	( 57,144)	-
Common stock issued, at \$4 per share, upon exercise of 2,800 warrants in December 1985	8,400	84	33,516	-
Sale of common stock, at market, to officers on January 9, 1987 and April 22, 1987 and to members of their immediate families on July 28, 1987	67,350	674	861,726	-
Restatement as of July 31, 1987 for five-for-four stock split	2,161,735	21,617	( 21,617)	-
Fractional share payments in conjunction with five-for-four stock split	-	-	( 1,345)	-
Sale of common stock, at market, to members of officers' immediate families from September 10, 1987 to December 4, 1990 and to officers on October 29, 1987 and February 26, 1989	628,040	6,280	6,124,031	-
Sale of common stock, at market, to senior level personnel on February 26, 1989	29,850	299	499,689	-

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENT OF SHAREHOLDERS' EQUITY  
FOR THE PERIOD FROM NOVEMBER 5, 1982 (INCEPTION) THROUGH JULY 31, 1995 (UNAUDITED)

Continued

	Common Stock		Additional Paid-in Capital	Accumulated (Deficit) During Development Stage
	Shares	Par Value		
<S>	<C>	<C>	<C>	<C>
Sale of common stock, at market, to unrelated party on February 26, 1989 amended on March 10, 1989	35,820	358	599,627	-
Restatement as of January 31, 1991 for two-for-one stock split	11,502,795	115,028	(115,028)	-
Sale of common stock, at market, to members of officers' immediate families from April 26, 1991 to October 27, 1992	261,453	2,614	2,788,311	-
Common stock issued upon exercise of warrants by members of officers' immediate families in September 1993, July 1994 and February and July 1995	404,420	4,044	1,964,387	-
Common stock issued upon exercise of stock options from December 16, 1992 to July 26, 1995 under stock option plans, net of registration costs	2,056,540	20,566	11,344,787	-
Accumulated (deficit) during development stage	-	-	-	( 22,396,012)
BALANCE, July 31, 1995	25,728,003	\$257,280	\$31,324,260	(\$22,396,012)

<FN>

The accompanying notes to condensed financial statements are an integral part of this statement.

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the nine months ended July 31,		For the Period from November 5, 1982 (inception) through July 31, 1995
	1995	1994	
<S>	<C>	<C>	<C>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Payments to suppliers, employees and consultants	(\$2,213,524)	(\$2,996,603)	(\$24,157,520)
Interest received	244,944	155,285	2,537,150
Net cash (used in) operating activities	( 1,968,580)	( 2,841,318)	( 21,620,370)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments for purchases of property and equipment	( 33,907)	( 41,897)	( 873,620)
Disbursements to acquire certificates of deposit and corporate notes and bonds	-	-	( 12,075,191)
Proceeds from maturities of investments	-	-	12,075,191
Investment made in joint venture subsidiary	( 367,500)	-	( 367,500)
Net cash (used in) investing activities	( 401,407)	( 41,897)	( 1,241,120)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from sales of common stock and warrants, net of underwriting discounts of \$690,000 related to initial public offering in October 1983	-	-	17,647,369
Proceeds from exercise of stock options and warrants, net of registration disbursements	4,845,236	1,597,825	13,998,801
Proceeds from sales of common stock by individuals under agreements with the Company, net of disbursements made by the Company	-	-	298,745
Disbursements made in conjunction with sales of stock	-	-	( 362,030)
Fractional share payments in conjunction with stock split	-	-	( 1,345)
Net cash provided by financing activities	4,845,236	1,597,825	31,581,540
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,475,249	( 1,285,390)	8,720,050
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,244,801	8,317,010	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$8,720,050	\$7,031,620	\$8,720,050

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

Continued

	For the nine months ended July 31,		For the Period from November 5, 1982 (inception) through July 31, 1995
	1995	1994	
<S>	<C>	<C>	<C>
<b>RECONCILIATION OF NET (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:</b>			
Net (loss)	(\$2,074,941)	(\$2,770,542)	(\$22,396,012)
Depreciation and amortization	45,567	41,377	678,110

(Increase) Decrease in accrued interest receivable	5,136	( 3,286)	( 11,905)
(Increase) Decrease in prepaid expenses and other current assets	26,849	23,508	( 19,145)
Decrease (Increase) in other assets	4,768	780	( 93,950)
Increase (Decrease) in accounts payable and accrued liabilities related to operating activities	24,041	( 133,155)	222,532
	-----	-----	-----
Net cash (used in) operating activities	(\$1,968,580)	(\$2,841,318)	(\$21,620,370)
	=====	=====	=====

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The accompanying notes to condensed financial statements are an integral part of these statements.

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COPYTELE, INC.  
(Development Stage Enterprise)  
CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the three months ended July 31,	
	1995	1994
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers, employees and consultants	(\$ 872,917)	(\$ 979,786)
Interest received	96,434	54,953
	-----	-----
Net cash (used in) operating activities	( 776,483)	( 924,833)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property and equipment	( 18,711)	( 5,103)
Investment made in joint venture subsidiary	( 367,500)	-
	-----	-----
Net cash (used in) investing activities	( 386,211)	( 5,103)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options and warrants, net of registration disbursements	3,007,126	1,131,406
	-----	-----
Net cash provided by financing activities	3,007,126	1,131,406
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,844,432	201,470
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,875,618	6,830,150
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$8,720,050	\$7,031,620
	=====	=====
RECONCILIATION OF NET (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:		
Net (loss)	(\$ 744,354)	(\$ 832,266)

Depreciation and amortization	15,439	14,448
(Increase) Decrease in accrued interest receivable	5,368	( 3,738)
Decrease in prepaid expenses and other current assets	16,893	3,523
Decrease in other assets	9,741	-
(Decrease) in accounts payable and accrued liabilities related to operating activities	( 79,570)	( 106,800)
	-----	-----
Net cash (used in) operating activities	(\$ 776,483)	(\$ 924,833)
	=====	=====

<FN>

The accompanying notes to condensed financial statements are an integral part of these statements.

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COPYTELE, INC.

(Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

JULY 31, 1995 (UNAUDITED)

(1) Summary of significant accounting policies and other disclosures:

On March 28, 1995, the Company entered into a Joint Venture Contract with Shanghai Electronic Components Corp. providing for the formation of a joint venture (the "Joint Venture") in China having a 20 year duration for the development, manufacture and marketing of multi-functional telecommunication products utilizing the Company's flat panel and associated technology. The Company owns a 55% interest in Shanghai CopyTele Electronics Co., Ltd. (the "Joint Venture Company"). The remaining 45% is owned by Shanghai Electronic Components Corp. (35%) and Shanghai International Trade and Investment Developing Corp (10%). The Company's initial capital contribution consists of both cash and certain technology that has been licensed by the Company to the Joint Venture pursuant to a Technology Licensing Agreement entered into on the same date as the Joint Venture Contract. Reference is made to the Management's Discussion and Analysis of Financial Condition and Results of Operations section for further discussion involving this joint venture arrangement.

CopyTele, Inc. has reflected its investment in the Joint Venture Company under the equity method of accounting in the accompanying condensed financial statements. Under the Joint Venture Contract, CopyTele, Inc. controls four of the seven votes of the Joint Venture Company's board of directors. Under certain circumstances, decisions involving the Joint Venture Company require either a unanimous or two-thirds vote of the Joint Venture Company's board of directors.

The condensed financial statements (unaudited) of Shanghai CopyTele Electronics Co., Ltd. as of July 31, 1995 and for the period from May 18, 1995 (inception) through July 31, 1995 are as follows:

Condensed Balance Sheet (Unaudited) As of July 31, 1995

Assets

Cash	\$ 825,529
Other Assets	10,469
	-----
	\$ 835,998
	=====

Liabilities and Shareholders' Equity



Current Liabilities	\$	12,834
Shareholders' Equity		823,164
		-----
	\$	835,998
		=====

Condensed Statement of Operations (Unaudited) from the period

May 18, 1995 (inception) through July 31, 1995

Sales	\$	-
Selling, General and Administrative Expenses		16,836
		-----
Net Loss	(\$	16,836)
		=====

Reference is made to the October 31, 1994 audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1994, for more extensive disclosures than contained in these condensed financial statements.

The information for the three and nine month periods ended July 31, 1995 and 1994 and for the period from November 5, 1982 (inception) through July 31, 1995 is unaudited, but in the opinion of the Company, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the results of operations for such periods have been included. The results of operations for interim periods may not necessarily reflect the annual operations of the Company.

The Company invests principally in short term highly liquid financial instruments with original maturities of less than three months, which have been classified as cash equivalents in the accompanying condensed balance sheets. The cost of these investments approximates market value.

The Company has adopted all recently issued accounting standards which have a material impact on its condensed financial statements.

(2) Stock option plans:

Information regarding the Company's stock option plan, adopted by the Board of Directors on April 1, 1987 (the "1987 Plan"), from October 31, 1994 to July 31, 1995, after adjustments for applicable stock splits, is as follows:

	Shares	Range of Option Price Per Share
	-----	-----
Shares under option at October 31, 1994	1,687,860	\$ 3.88 - \$13.88
Exercised	( 446,000)	\$ 3.88 - \$ 5.50
Cancelled	( 172,800)	\$ 5.50 - \$11.25
	-----	
Shares under option at July 31, 1995	1,069,060	\$ 3.88 - \$13.88
	=====	=====

The exercise price with respect to all of the options granted under the 1987 Plan from its inception was at least equal to the fair market value of the underlying common stock of the Company (the "Common Stock") on the date of grant. As of July 31, 1995, all of the options to purchase shares of Common Stock granted and outstanding under the 1987 Plan were exercisable. Upon the approval of the 1993 Stock Option Plan (the "1993 Plan") by the Company's shareholders in July 1993, which had been adopted by the Company's Board of Directors on April 28, 1993, the 1987 Plan was terminated with respect to the grant of future options. The 1993 Plan was amended as of May 3, 1995 to, among other things, increase the number of shares of the Company's Common Stock available for issuance pursuant to grants thereunder from 3

million to 7 million.

During August 1995 and September 1995 to date, the Company received proceeds aggregating approximately \$267,000 relating to the exercise of options to purchase 50,000 shares of Common Stock pursuant to the 1987 Plan.

Information regarding the 1993 Plan from October 31, 1994 to July 31, 1995 is as follows:

	Shares	Range of Option Price Per Share
	-----	-----
Shares under option at October 31, 1994	2,231,000	\$ 4.88 - \$17.00
Granted	2,450,000	\$ 4.88 - \$ 8.94
Exercised	( 344,400)	\$ 4.88 - \$ 5.63
Cancelled	( 60,000)	\$ 5.63 - \$11.50
	-----	
Shares under option at July 31, 1995	4,276,600	\$ 4.88 - \$17.00
	=====	=====

The exercise price with respect to all of the options granted under the 1993 Plan from its inception was at least equal to the fair market value of the underlying Common Stock on the grant date. As of July 31, 1995, 1,901,600 of the options to purchase shares of Common Stock granted and outstanding under the 1993 Plan were exercisable. At that date, 2,379,000 options were available for future grants under the 1993 Plan.

On August 8, 1995, options to purchase an aggregate of 50,000 shares of Common Stock were granted under the 1993 Plan at a price of \$9.00 per share, which was the fair market value of the underlying Common Stock on that date.

As of September 5, 1995, 1,896,600 of the options to purchase shares of Common Stock granted and outstanding under the 1993 Plan were exercisable. At that date, 2,329,000 options were available for future grants under the 1993 Plan.

During August 1995 and September 1995 to date, the Company received proceeds aggregating approximately \$31,000 relating to the exercise of options to purchase 5,000 shares of Common Stock pursuant to the 1993 Plan.

(3) Warrants to purchase common stock:

Information from October 31, 1994 to July 31, 1995 regarding warrants previously issued by the Company, primarily to members of the immediate families of its Chairman of the Board and its President in conjunction with the sale of its common stock, after adjustments for anti-dilutive provisions, is as follows:

	Shares	Current Weighted Average Exercise Price Per Share
	-----	-----
Shares covered by warrants at October 31, 1994	669,333	\$7.15
Warrants exercised	(100,200)	\$5.96
Warrants expired	( 87,150)	\$6.35
	-----	
Shares covered by warrants at July 31, 1995	481,983	\$7.39
	=====	=====

The exercise price of all of the warrants was at least equal to the fair market value of the underlying Common Stock on the date of issuance of such warrants. As of July 31, 1995, all of the warrants to purchase shares of Common Stock issued and outstanding were exercisable.

Item 2. Management's Discussion and Analysis of Financial

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Condition and Results of Operations.  
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The Company, which is a development stage enterprise, was incorporated on November 5, 1982 and has had no revenues to support its operations since its inception. The Company's principal activities presently relate to a joint venture (the "Joint Venture") with Shanghai Electronic Components Corp. ("S.E.C.C.") of Shanghai, China. It is presently contemplated that the Joint Venture, in conjunction with the Company and S.E.C.C., will develop, manufacture and market products worldwide in the telecommunications field. There is no assurance, and the Company is not able to predict, if and when marketable telecommunications products incorporating the Company's flat panel technology will be developed or produced. Even if the Company were to produce marketable products, directly or through the Joint Venture, there is no assurance that the Company will generate revenues in the future, will have sufficient revenues to generate profit or that other products will not be produced by other companies that will render the products of the Company or the Joint Venture obsolete.

In reviewing Management's Discussion and Analysis of Financial Condition and Results of Operations, reference is made to the Company's Condensed Financial Statements and the notes thereto.

Results of Operations  
-----

Selling, general and administrative expenses for the nine and three month periods ended July 31, 1995 and 1994 and for the period from November 5, 1982 (inception) through July 31, 1995 were \$2,314,749, \$2,929,113, \$835,420, \$890,957 and \$24,945,066, respectively. These amounts include research, development and tooling costs of approximately \$1,513,000, \$2,145,000, \$553,000, \$605,000 and \$16,045,000, respectively, as well as normal operating expenses. The decrease in selling, general and administrative expenses during the nine and three months ended July 31, 1995 as compared to the same periods ended in 1994 resulted primarily from decreases in engineering supplies expenditures necessitated by the present phase of the Company's development program and related activities. Professional fees decreased during the fiscal 1995 periods, especially patent application preparation and filing fees, offset somewhat by an increase in legal fees, primarily associated with the Joint Venture. Travel related expenses, also associated with the Joint Venture, increased for the nine month period ended July 31, 1995 as compared to the same period in the prior year. The three and nine month periods ended July 31, 1995 also include the Company's portion of the Joint Venture Company's loss.

Since November 1985, the Company's Chairman of the Board and its President have waived salary and related pension benefits for an undetermined period of time. Four other individuals, including a

former officer and senior level personnel, waived salary and related pension benefits from January 1987 through December 1990. Commencing in January 1991, these four individuals waived such rights for an undetermined period of time and they did not receive salary or related pension benefits through December 1992. The Company's Chairman of the Board, its President and the three senior level personnel (exclusive of the former officer) continued to waive such rights commencing in January 1993 for an undetermined period of time. One additional employee is also currently waiving such salary and benefit rights for an undetermined period of time.

The increase in interest income during both the nine and three months ended July 31, 1995 as compared to the same periods ended in 1994 primarily resulted from an increase in interest rates available for investment. Funds available for investment during the nine and three month periods ended July 31, 1995 and 1994, on a monthly weighted average basis, were approximately \$6,658,000, \$7,257,000, \$7,766,000 and \$6,975,000 respectively. The investment instruments selected by the Company are principally money market accounts, treasury bills and commercial paper.

The Company has adopted all recently issued accounting standards which have a material impact on its condensed financial statements.

Liquidity and Capital Resources  
-----

Since its inception, the Company has met its liquidity and capital expenditure needs primarily from the proceeds of the sales of Common Stock in its initial public offering, in private placements, upon exercise of warrants issued in connection with the private placements and public offering, and upon exercise of stock options pursuant to the 1987 Plan and the 1993 Plan.

During August 1995 and September 1995 to date, the Company received additional proceeds aggregating approximately \$267,000 relating to the exercise of options to purchase 50,000 shares of Common Stock under the 1987 Plan. During the same periods, the Company received additional proceeds aggregating approximately \$31,000 relating to the exercise of options to purchase 5,000 shares of Common Stock under the 1993 Plan.

The Company believes that even without sales it will have sufficient funds into the fourth quarter of fiscal 1997 to maintain its present level of development efforts, and to make the balance of its initial capital contributions to the Joint Venture Company of approximately \$850,000 of its total initial capital contribution of approximately \$1.2 million. The Company anticipates that it may require additional funds in order to participate in the Joint Venture Company following its initial capital contributions and to continue its research and development activities. The Company's estimated funding capacity

indicated above assumes, although there is no assurance, that the waiver of salary and pension benefits by the Chairman of the Board, the President and senior level personnel will continue.

The National Association of Securities Dealers, Inc. ("NASD") requires that the Company maintain a minimum of \$4 million of net tangible assets to maintain its NASDAQ - NMS listing. The Company anticipates that it will seek additional sources of funding, when necessary, in order to satisfy the NASD requirements.

There can be no assurance that adequate funds will be available to satisfy the Company's Joint Venture and NASD funding requirements or that, if available, such funds will be available on terms and conditions favorable to the Company.

PART II - OTHER INFORMATION  
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Item 4. Submission of Matters to a Vote of Security Holders.  
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At the Company's Annual Meeting of Shareholders held on July 19, 1995, five directors were elected, amendments to the CopyTele, Inc. 1993 Stock Option Plan were approved and the selection of Arthur Andersen LLP, independent public accountants, to audit the financial statements of the Company for the fiscal year ending October 31, 1995 was ratified. The following is a tabulation of the voting with respect to the foregoing matters:

(a) Election of directors -

Nominee -----	For ---	Withheld -----
Denis A. Krusos	22,594,386	389,485
Frank J. DiSanto	22,594,536	389,335
John R. Shonnard	22,594,476	389,395
John E. Gillies	22,592,906	390,965
Gerald J. Bentivegna	22,595,386	388,485

(b) Approval of amendments to the CopyTele, Inc. 1993 Stock Option Plan -

For ---	Against -----	Abstain -----	Broker Nonvotes -----
12,893,652	1,481,108	108,432	8,500,679

(c) Ratification of selection of Arthur Andersen LLP -

For ---	Against -----	Abstain -----
22,910,739	35,462	37,670

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

(a) Exhibits  
-----

27 - Financial Data Schedule

(b) Reports on Form 8-K.  
-----

No reports on Form 8-K were filed for the Company during the quarter ended July 31, 1995.

SIGNATURES  
-----

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

CopyTele, Inc.

DENIS A. KRUSOS

-----  
Denis A. Krusos  
Chairman of the Board,  
Chief Executive Officer  
and Director (Principal  
Executive Officer)

September 12, 1995

FRANK J. DISANTO

-----  
Frank J. DiSanto  
President and Director

September 12, 1995

GERALD J. BENTIVEGNA

-----  
Gerald J. Bentivegna  
Vice President - Finance and  
Chief Financial Officer  
(Principal Financial and  
Accounting Officer)

September 12, 1995

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
-----	-----
27	- Financial Data Schedule



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This Schedule contains summary financial information extracted from the financial statements contained in the body of the accompanying Form 10-Q and is qualified in its entirety by reference to such financial statements.

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