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 April 30, 1996

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 reqirements for the past 90 days.

Yes X No

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

Number of shares of common stock, par value $.01 per share, outstanding as of June 3, 1996:	28,255,183 shares

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

Signatures.

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements.

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COPYTELE, INC.

(Development Stage Enterprise)

CONDENSED BALANCE SHEETS (UNAUDITED)

<S>	April 30, 1996 <C>	October 31, 1995 <C>
ASSETS		
CURRENT ASSETS:		
Cash (including cash equivalents and interest bearing accounts of $13,877,155 and $8,786,210, respectively)	$ 13,908,581	$ 8,864,293
Accrued interest receivable	9,493	36,206
Prepaid expenses and other current assets	50,180	52,451
	13,968,254	8,952,950
PROPERTY AND EQUIPMENT (net of accumulated depreciation and amortization of $736,791 and $690,420, respectively)	540,146	235,201
INVESTMENT IN JOINT VENTURE COMPANY (Note 2)	811,291	349,687
OTHER ASSETS	121,181	157,560
DEFERRED TAX BENEFITS (net of valuation allowance of $19,135,000 and $15,983,000, respectively)	-	-
	$ 15,440,872	$ 9,695,398
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 498,496	$ 218,954
Accrued liabilities	69,622	39,736
	568,118	258,690
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 27,225,053 and 25,955,103 shares, respectively	272,251	259,551
Additional paid-in capital	39,882,098	32,492,127
Accumulated (deficit) during development stage	(25,281,595)	(23,314,970)
	14,872,754	9,436,708
	$ 15,440,872	$ 9,695,398

</TABLE>

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

<TABLE>
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COPYTELE, INC.

(Development Stage Enterprise)

CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)

<S>	For the six months ended April 30, 1996 <C>	For the six months ended April 30, 1995 <C>	For the period from November 5, 1982 (inception) through April 30, 1996 <C>
SALES	$ -	$ -	$ -

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, including research and development expenses of approximately $1,461,000, $960,000 and $18,346,000, respectively	2,203,541	1,479,329	28,183,983
INTEREST INCOME	236,916	148,742	2,902,388
NET (LOSS)	($ 1,966,625)	($ 1,330,587)	($ 25,281,595)
NET (LOSS) PER SHARE OF COMMON STOCK	($0.07)	($0.05)	($1.13)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	26,439,525	24,916,707	22,349,836

</TABLE>

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 April 30,	
	1996	1995
<S>	<C>	<C>
SALES	$ -	$ -
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES, including research and development expenses of approximately $694,000 and $481,000, respectively	1,115,273	738,778
INTEREST INCOME	119,967	79,477
NET (LOSS)	($ 995,306)	($ 659,301)
NET (LOSS) PER SHARE OF COMMON STOCK	($.04)	($.03)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	26,717,364	24,998,685

</TABLE>

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 APRIL 30, 1996 (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 APRIL 30, 1996 (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 on various dates from September 1993 through March 1996	579,800	5,799	2,651,463	-
Common stock issued upon exercise of stock options from December 16, 1992 to April 30, 1996 under stock option plans, net of registration costs	3,378,210	33,782	19,215,549	-
Accumulated (deficit) during development stage	-	-	-	(25,281,595)
BALANCE, April 30, 1996	27,225,053	$ 272,251	$ 39,882,098	($ 25,281,595)

</TABLE>

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)

<S>	For the six months ended April 30, 1996 <C>	For the six months ended April 30, 1995 <C>	For the period from November 5, 1982 (inception) through April 30, 1996 <C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers, employees and consultants	($ 1,979,627)	($ 1,340,607)	($ 27,198,517)
Interest received	263,629	148,510	2,892,896
Net cash (used in) operating activities	(1,715,998)	(1,192,097)	(24,305,621)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for purchases of property and equipment	(152,385)	(15,196)	(1,082,647)
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 Company	(490,000)	-	(857,500)
Net cash (used in) investing activities	(642,385)	(15,196)	(1,940,147)
CASH FLOWS FROM FINANCING ACTIVITIES:			
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	7,402,671	1,838,110	22,571,610
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	7,402,671	1,838,110	40,154,349
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,044,288	630,817	13,908,581
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	8,864,293	6,244,801	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 13,908,581	$ 6,875,618	$ 13,908,581

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COPYTELE, INC.

(Development Stage Enterprise)

CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)

Continued

<S>	For the six months ended April 30, 1996 <C>	For the six months ended April 30, 1995 <C>	For the Period from November 5, 1982 (inception) through April 30, 1996 <C>
RECONCILIATION OF NET (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:			
Net (loss)	($ 1,966,625)	($ 1,330,587)	($ 25,281,595)
Pro-rata share of Joint Venture Company losses	28,396	-	46,209
Depreciation and amortization	46,371	30,128	741,432
(Increase) Decrease in accrued interest receivable	26,713	(232)	(9,493)
(Increase) Decrease in prepaid expenses and other current assets	2,271	9,956	(50,180)

Decrease (Increase) in other assets	36,379	(4,973)	(121,181)
Increase in accounts payable and accrued liabilities related to operating activities	110,497	103,611	369,187
Net cash (used in) operating activities	($ 1,715,998)	($ 1,192,097)	($ 24,305,621)

</TABLE>

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 April 30,	
	1996	1995
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers, employees and consultants	($ 1,100,515)	($ 713,014)
Interest received	134,133	84,388
Net cash (used in) operating activities	(966,382)	(628,626)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property and equipment	(147,932)	(3,117)
Net cash (used in) investing activities	(147,932)	(3,117)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from exercise of stock options and warrants, net of registration disbursements	4,844,957	1,838,110
Net cash provided by financing activities	4,844,957	1,838,110
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,730,643	1,206,367
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	10,177,938	5,669,251
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$13,908,581	$6,875,618
RECONCILIATION OF NET (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:		
Net (loss)	($ 995,306)	($ 659,301)
Pro-rata share of Joint Venture Company losses	15,524	-
Depreciation and amortization	27,647	15,407
Decrease in accrued interest receivable	14,166	4,911
(Increase) Decrease in prepaid expenses	4,587	(2,421)
Decrease in other assets	36,465	482
(Decrease) Increase in accounts payable and accrued liabilities related to operating activities	(69,465)	12,296
Net cash (used in) operating activities	($ 966,382)	($ 628,626)

</TABLE>

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

COPYTELE, INC.

(Development Stage Enterprise)

NOTES TO CONDENSED FINANCIAL STATEMENTS

APRIL 30, 1996 (UNAUDITED)

(1) Summary of significant accounting policies and

other disclosures:

During 1995, the Company signed a joint venture contract (the "Joint Venture Contract") with Shanghai Electronic Components Corp. ("SECC") to form a joint venture in Shanghai, China with a 20 year duration. With this contract, a joint venture company, Shanghai CopyTele Electronics Co., Ltd. ("Shanghai CopyTele" or "Joint Venture") was formed with the Company owning a 55% interest in capital and profits. The remaining 45% is owned by SECC, 35%, and Shanghai International Trade and Investment Developing Corp. ("SIT"), 10% (See Note 2, Investment in Joint Venture). The Company, pursuant to a Technology License Agreement entered into on the same date as the Joint Venture Contract, has licensed its flat panel application technology to the Joint Venture for exclusive use in China. It is contemplated that the Joint Venture, in conjunction with the Company and SECC, will develop, manufacture and market products worldwide in the telecommunications field. Reference is made to "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion involving the Joint Venture Contract. On April 17, 1996, the Company and SECC signed a Letter of Intent with respect to a second joint venture which will manufacture and sell electronic components and parts used in Shanghai CopyTele's products and in products of other manufacturers (the "Second Joint Venture", and together with the Joint Venture, the "Joint Ventures").

The Company has produced a pre-production multi-functional telecommunications prototype, trademarked MAGICOM, that is directed toward the higher end of its potential market. This prototype is a unique telephone based multi-functional telecommunications product incorporating the Company's flat panel and associated proprietary hardware and software technology. The Company believes that the features of the prototype will position the product for the needs of the developing digital information field and various on-line services.

Reference is made to the October 31, 1995 audited financial statements and notes thereto included in the Company's Annual

Report on Form 10-K for the fiscal year ended October 31, 1995, for more extensive disclosures than contained in these condensed financial statements.

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

The information contained herein for the six and three month periods ended April 30, 1996 and 1995 and for the period from November 5, 1982 (inception) through April 30, 1996 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 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 not yet determined how Statement of Financial Accounting Standard ("SFAS") No. 123, Accounting for Stock Based Compensation will be implemented and, accordingly, has not yet determined what impact it will have on the Company's financial statements. This statement will be adopted by the Company no later than fiscal 1997. The Company has adopted all other recently issued accounting standards which have a material impact on its condensed financial statements.

(2) Investment in Joint Venture:

Pursuant to the terms of the Joint Venture Contract, the Company is required to contribute $1,225,000 in cash, and technology which has been valued for purposes of the Joint Venture Contract at $700,000. The Joint Venture does not reflect the $700,000 in technology as an asset or equity investment in the condensed financial statements presented below. The Company will recognize losses on the Joint Venture to the extent of its cash investment. SECC and SIT are required to contribute cash aggregating $1,575,000. As of June 3, 1996, the Company has contributed $857,500 in cash and SECC and SIT have contributed $1,102,500 in cash. The balance of the required contributions will be made at such time as the

Company, SECC and SIT mutually agree. The Company has reflected its investment in the Joint Venture under the equity method of accounting (See Note 1, Summary of significant accounting policies and other disclosures).

Condensed financial information for Shanghai CopyTele Electronics Co., Ltd. at April 30, 1996 and for the six month period ended April 30, 1996:

Condensed Balance Sheet

(Unaudited)

Cash	$1,154,721
Other Current Assets	25,430
Land occupancy rights	308,165
Fixed assets, net, and construction in progress	387,669
Total Assets	$1,875,985
Capital	1,875,985
Total Liabilities and Capital	$1,875,985

Condensed Statement of Operations

(Unaudited)

Net sales	$ -
Operating (loss)	(61,449)
Interest Income	9,820
Net (Loss)	($ 51,629)

(3) 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, 1995 to April 30, 1996, after adjustments for applicable stock splits, is as follows:

	Shares	Range of Option Price Per Share
Shares under option at October 31, 1995	884,060	$4.19 - $13.88
Exercised	(302,200)	$4.19 - $ 8.50
Shares under option at April 30, 1996	581,860	$4.94 - $13.88

The exercise price with respect to each option granted under the 1987 Plan from its inception was equal to at least the fair market value of the underlying common stock of the Company (the "Common Stock") on the date of grant. As of April 30, 1996, all of the options to purchase shares of Common Stock granted and outstanding under the 1987 Plan were exercisable. Upon the approval of the CopyTele, Inc. 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.

From May 1, 1996 through June 3, 1996, the Company received proceeds aggregating approximately $1,619,000 relating to the exercise of options to purchase 174,680 shares of Common Stock pursuant to the 1987 Plan.

Information regarding the 1993 Plan from October 31, 1995 to April 30, 1996 is as follows:

	Shares	Range of Option Price Per Share
Shares under option at October 31, 1995	4,446,600	$ 4.88 - $17.00
Granted	1,750,000	$ 9.50 - $10.59
Exercised	(829,470)	$ 4.88 - $ 7.88
Shares under option at April 30, 1996	5,367,130	$ 5.63 - $17.00

The exercise price with respect to each option granted under the 1993 Plan from its inception was equal to at least the fair market value of the underlying Common Stock on the date of grant. As of April 30, 1996, 2,717,130 of the options to purchase shares of Common Stock granted and outstanding under the 1993 Plan were exercisable. At that date, 454,000 options were available for future grants under the 1993 Plan.

From May 1, 1996 through June 3, 1996, the Company received proceeds aggregating approximately $6,253,000 relating to the exercise of options to purchase 855,450 shares of Common Stock pursuant to the 1993 Plan.

As of June 3, 1996, 3,046,680 of the 4,511,680 options to purchase shares of Common Stock granted and outstanding under the 1993 Plan were exercisable.

(4) Warrants to purchase common stock:

Information from October 31, 1995 to April 30, 1996 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, 1995	426,333	$ 7.79
Warrants exercised	(138,280)	$ 3.83
Warrants expired	(26,600)	$ 3.75
Shares covered by warrants at April 30, 1996	261,453	$10.25

The exercise price of each warrant was equal to at least the fair market value of the underlying Common Stock on the date of issuance of such warrant. As of April 30, 1996, all of the warrants to purchase shares of Common Stock issued and outstanding were exercisable.

(5) Subsequent Event

On May 24, 1996, the Company declared a two-for-one stock split, effected in the form of a 100% stock dividend, payable on June 17, 1996 to shareholders of record as of June 4, 1996. The accompanying financial statements have not been restated to reflect this stock split.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

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 are the development of products, further enhancements of its flat panel and its interest in Shanghai CopyTele Electronics Co., Ltd., the Company's 55% owned joint venture in Shanghai, China, which is accounted for under the equity method of accounting. See Notes 1 and 2 to the Company's financial statements. 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 produced or sold in commercial quantities. 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.

Except for the historical information contained herein, the matters discussed in this Quarterly Report on Form 10-Q are forward- looking statements relating to future events which involve certain risks and uncertainties, including those identified herein and in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1995 (the "1995 10-K"). See "Business" and Note 1 to the Company's Financial Statements contained in the 1995 10-K for discussions regarding uncertainties that may significantly affect the results of operations, future liquidity and capital resources.

Results of Operations

Selling, general and administrative expenses for the six and three month periods ended April 30, 1996 and 1995 and for the period from November 5, 1982 (inception) through April 30, 1996 were $2,203,541, $1,479,329, $1,115,273, $738,778 and $28,183,983, respectively. These amounts include research, development and tooling costs of approximately $1,461,000, $960,000, $694,000, $481,000 and $18,346,000, respectively, as well as normal operating expenses. The increase in selling, general and administrative expenses during the six and three months ended April 30, 1996 as compared to the same periods ended in 1995 resulted primarily from increases in

expenditures for engineering supplies and services necessitated by the present phase of the Company's development program and related activities and initial marketing costs. Professional fees increased during the fiscal 1996 periods, especially patent application preparation and filing fees, offset somewhat by a decrease in other legal fees. Initial marketing costs were incurred with the opening and staffing of a marketing office and with the retention of public relations and advertising firms. Other expense catagories, to a lesser extent, also increased for the fiscal 1996 period as a result of the Company's present phase of development and related activities. The six and three month periods ended April 30, 1996 also includes the Company's portion of the Joint Venture loss for its same periods.

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 senior level employee also is currently waiving such salary and benefit rights for an undetermined period of time.

The increase in interest income during both the six and three months ended April 30, 1996 as compared to the same periods ended in 1995 primarily resulted from an increase in funds available for investment offset, to a lesser extent, by slightly lower interest rates. Funds available for investment during the six and three month periods ended April 30, 1996 and 1995, on a monthly weighted average basis, were approximately $10,690,000, $6,100,000, $12,000,000 and $6,300,000, respectively. The investment instruments selected by the Company are principally money market accounts, treasury bills and commercial paper.

The Company has not yet determined how Statement of Financial Accounting Standard ("SFAS") No. 123, Accounting for Stock Based Compensation will be implemented and, accordingly has not yet determined what impact it will have on the Company's financial statements. This statement will be adopted by the Company no later than fiscal 1997. The Company has adopted all other 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.

From November 1, 1995 to April 30, 1996, the Company received proceeds aggregating approximately $6,873,000 relating to the exercise of options to purchase 1,131,670 shares of Common Stock under the 1987 and 1993 Plans. In addition, from May 1, 1996 to June 3, 1996, the Company received proceeds aggregating approximately $7,872,000 relating to the exercise of options to purchase 1,030,130 shares of Common Stock under the 1987 and 1993 Plans.

The Joint Venture Contract contemplates an initial investment of $7,000,000, of which half is expected to be borrowed from banks, and a registered capital of $3,500,000. The Company is required to contribute $1,225,000 in cash and SECC and SIT are required to contribute $1,575,000 in cash to the Joint Venture.

As stipulated in the letter of intent signed with SECC, the Second Joint Venture is expected to have an initial capitalization of approximately $2,000,000, of which half would consist of bank borrowings. The Company would invest cash of up to $550,000 and SECC would contribute cash, equipment and technology collectively valued at $450,000. The Second Joint Venture may require an ultimate capitalization of up to $10,000,000 depending on the nature and extent of its business activities, which if necessary, is expected to be financed through a combination of bank borrowings and equity investments contributed by the parties in proportion to their equity interests and on terms to be agreed upon. It is anticipated that a joint venture agreement and receipt of all necessary governmental approvals can be completed by the end of 1996.

The Company believes that even without sales it will have sufficient funds through fiscal 1999 to maintain its present level of development efforts and to make its $375,000 contribution to the Joint Venture (which constitutes the balance of its initial capital contribution of $1,225,000) and to make its anticipated capital contribution of $550,000 to the Second Joint Venture. 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 Company anticipates that it may require additional funds in order to participate in the Joint Ventures following its initial capital contributions and to continue its research and development activities.

The National Association of Securities Dealers, Inc. ("NASD") requires that the Company maintain a minimum of $4,000,000 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.

The Company currently has no plans with respect to additional financing. There can be no assurance that adequate funds will be available to the Company or the Joint Ventures, including any future capital contribution, if any (beyond its inital capital contributions of $1,225,000 to the Joint Venture and the anticipated capital contribution of $550,000 to the Second Joint Venture) and its NASD funding requirements, or that, if available, the Company or the Joint Ventures will be able to obtain such funds on favorable terms and conditions.

PART II - OTHER INFORMATION

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

(a) Exhibits

10.32 - Amendment, dated May 10, 1996, to the CopyTele, Inc. 1993 Stock Option Plan, subject to shareholder approval.

27 - Financial Data Schedule

(b) Reports on Form 8-K.

The Company filed a Report on Form 8-K, dated April 17, 1996, which included a copy of a Press Release issued by the Company on the same date.

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

June 13, 1996	Denis A. Krusos Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)
	FRANK J. DISANTO

June 13, 1996	Frank J. DiSanto President and Director
	GERALD J. BENTIVEGNA

June 13, 1996	Gerald J. Bentivegna Vice President - Finance and Chief Financial Officer and Director (Principal Financial and Accounting Officer)

EXHIBIT INDEX

EXHIBIT NO.		DESCRIPTION
10.32	-	Amendment, dated May 10, 1996, to the CopyTele, Inc. 1993 Stock Option Plan, subject to shareholder approval.
27	-	Financial Data Schedule

AMENDMENT NO. 2 TO
COPYTELE, INC.
1993 STOCK OPTION PLAN

Amendment, dated May 10, 1996, to the CopyTele, Inc. 1993 Stock Option Plan (the "Plan"). Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Plan.

RECITALS

WHEREAS, CopyTele, Inc., a Delaware corporation (the "Company"), created and adopted the Plan effective as of April 28, 1993, which was subsequently approved by the shareholders of the Company on July 14, 1993; and

WHEREAS, the Plan was amended by the Board of Directors on May 3, 1995, which amendment was approved by the shareholders on July 19, 1995; and

WHEREAS, the Company, through its Board of Directors, deems it desirable to further amend the Plan as set forth herein;

NOW, THEREFORE, subject to the approval of the shareholders of the Company as set forth in Section 2 hereto, the Plan is hereby amended as follows, effective as of May 10, 1996:

1. Amendment to Article II. The first sentence in the first paragraph of Article II of the Plan is hereby amended to read in its entirety as follows:

> "The total number of Common Shares of the Company which either may be purchased pursuant to the exercise of Options granted under the Plan or acquired pursuant to the exercise of Rights granted under the Plan shall not exceed, in the aggregate, Ten Million (10,000,000) of the currently authorized shares of Common Stock, $.01 par value per share, of the Company (the "Shares"), with no individual to be granted Options or Rights to purchase, in the aggregate, more than 500,000 Shares in any given year of the Plan, such numbers to be subject to adjustment in accordance with Article XVII of the Plan."

2. Shareholder Approval. This Amendment is subject to the approval by the affirmative vote of the holders of a majority of the shares of the Company's common stock voting at its Annual Meeting of Shareholders to be held on July 24, 1996, or any adjournment or postponement thereof; provided, however, that if such shareholder approval is not obtained, this Amendment and any awards thereunder shall be null and void.

3. Effect on the Plan. All references in the Plan to "this Plan", the "Plan", and all phrases of like import shall refer to the Plan as amended by this Amendment. The terms "hereof," "herein," "hereby," and all phrases of like import, as used in the Plan, shall refer to the Plan as amended by this Amendment. Except as amended hereby, the Plan shall remain in full force and effect.

4. No Further Amendment. Except as expressly provided herein, no other term or provision of the Plan is amended hereby.

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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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