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Short-Term Report

January 2, 2003

Update – Strong Buy

Kopin Corporation (NASD) KOPN \$4.20

Company Data

52-Week Range	\$1.93 -\$15
Market Cap	\$272.0M
Shares Outstanding	69.4M
Book Value	\$2.26
Price/Book	1.73
Average Daily Vol.	929,000
Dividend/Yield	none
Target Price	\$7.00
Target Percentage	65.8%
Stop Price	\$3.70



Kopin Corporation is a developer and manufacture of advanced semiconductor material and flat panel displays primarily to the telecommunications industry.

We are attracted to Kopin Corp. because of its proprietary products, which are considered the best performing in the industry. Additionally, we believe Kopin Corp.'s stock is attractive for the following reasons:

- **The company has recently experienced an upturn in both sales and orders (backlog) primarily due to improved business at Motorola and Nokia.** As this economic improvement continues, Kopin should show market improvement.
- Kopin Corp. has significantly reduced operating expenses over the past year and thus enjoys significant upside operating leverage.
- The company's recently introduced CyberDisplay products have received exceptional reception within the marketplace. The majority of the 78% increase in third quarter sales was the result of the new CyberDisplay products.
- Currently, the company has a book value of \$2.24 per share and \$1.00 per share in cash. The stock is presently selling at \$4.20 per share, which is modest relative to its book value and operating potential.
- We estimate that Kopin will have earnings of \$0.25 per share for 2003 as compared with an estimated loss of \$0.18 per share in 2002.

QUOTE: "The man who fears no truth has nothing to fear from lies" -- Thomas Jefferson

Update – Strong Buy Thermo Electron Corp (NYSE) TMO \$20.38

Company Data

52-Week Range	\$14-\$25
Market Cap	\$3.29B
Shares Outstanding	163.5M
Book Value	\$11.96
Price/Book	1.68
Average Daily Vol.	667,000
Dividend/Yield	None
Target Price	\$25.00
Target Percentage	22.7%
Stop Price	\$18.00



Thermo Electron Corp. develops and manufactures a broad range of highly technical instruments, systems and components. The company's major markets are the Health Care Industry, Industrial Processing and the Semiconductor Industry.

We originally recommended the purchase of Thermo Electron on March 7th, 2002 at a price of \$20.46. Since our original recommendation the stock has remained unchanged while the overall market (S+P500) has declined 22%. We are reiterating our purchased recommendation of Thermo Electron for the following reasons:

- During the past year, the company has been exceptionally well managed in a difficult economic environment. **Thermo Electron recently reported its third quarter results, which exceeded expectations.** Third quarter operating earnings were \$.25 per share which were 25% better than the year-ago earnings of \$.20 per share.
- **Over the past year, the company has significantly streamlined its cost structure as well as its product line.** These initiatives not only have improved profitability but also its cash earnings. It should be noted that the product realignment did not affect overall sales, which were down slightly in a relatively poor economic environment.
- **The company is positioned to achieve strong earnings growth as the economy gradually improves.** This potential earnings growth is based on Thermo's significant operating leverage and well-received new product for the bio-medical industry.
- **At the present time the company has about \$6.00 per share in cash and, as a result the company will reduce its debt by about 10%.** This reduction will bring total debt to about 35%, which is quite modest. The resulting cash per share should approximate \$5.00 per share.
- The company has a current book value of about \$12.00 per share and we anticipate that 2003 earnings will be about \$1.20 per share. **At its current price of \$20.00, we believe Thermo Electron is an especially attractive Long Term investment.**