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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

OCTOBER 5, 2001
(Date of Report)

KOSS CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State or other
jurisdiction of
incorporation)

0-3295
(Commission File
Number)

39-1168275
(IRS Employer
ID Number)

4129 NORTH PORT WASHINGTON AVENUE
MILWAUKEE, WISCONSIN 53212

(Address of principal executive offices)

(414) 964-5000
(Registrant's telephone number, including area code)

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This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts included in this report are forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified based on current expectations. Consequently, future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements contained in this report, other filings, press releases or otherwise.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from such expectations ("Cautionary Factors") include, without limitation, unanticipated developments in any one or more of the following areas: the profitability of the Company, capital requirements, operational costs, business opportunities, tax considerations, general economic conditions, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, restrictions in any then-existing credit agreements, and other risks factors which may be detailed from time to time in the Company's Securities and Exchange Commission filings. All subsequent written or oral forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the Cautionary Factors. Shareholders, potential investors and other readers are urged to consider these Cautionary Factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements.

ITEM 5. OTHER EVENTS

PRESS RELEASE. On October 2, 2001, Koss Corporation issued a Press Release announcing its two-for-one stock split. The stock split will be effective for shareholders of record on October 22, 2001, with a distribution date of November 5, 2001. A copy of said Press Release is attached hereto as Exhibit 99.1 and is incorporated herein by this reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits:

99.1 Press release announcing stock split.

SIGNATURES

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

KOSS CORPORATION
(Registrant)

By: /s/ Michael J. Koss

Michael J. Koss
President, Chief Executive Officer
and Chief Financial Officer

Date: October 5, 2001

KOSS CORPORATION
EXHIBIT INDEX
TO
CURRENT REPORT ON FORM 8-K

EXHIBIT NUMBER	DESCRIPTION	INCORPORATED HEREIN BY REFERENCE	FILED HEREWITH
99.1	Press release announcing stock split.		X

Koss First Quarter Sales Dip 9% as Retail Recoils
Company Announces 2:1 Stock Split

October 2, 2001 -- Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based leader in high-fidelity stereophones, has announced the results of its first quarter ending September 30, 2001 and that it would split the company stock 2:1 effective November 5, 2001 to shareholders of record on October 22, 2001. Sales for the three months dipped 9% to \$8,951,411 compared to \$9,879,638 for the same period one year ago. Income from operations for the three months fell from \$1,902,460 to \$1,525,927. Net income fell from \$1,383,991 compared to \$1,030,874. First quarter diluted earnings per share were \$0.50 compared with \$0.59 one year ago.

"Our thoughts and prayers go to the victims and families of the devastating attacks on our country," Michael J. Koss, President and CEO, told employees here at a quarterly profit sharing meeting. "We salute the brave volunteers who have given so selflessly to help rescue and recover those whom we all have lost. The attack of September 11, 2001 did have a chilling affect on the economy and on the company's first quarter performance. Combined with general inconsistencies in retail market segments during July and August, the nation's consumer reaction to the devastation of September 11, brought many North American retailers to a stand still for one full week, followed by reduced consumer store traffic in the wake of shaken economic reports."

Koss went on to say that the company had seen a slight softening in sales during July and August, but had continued to anticipate more typical September sales in preparation for the holiday season. The loss of store traffic during the final three weeks of September resulted in vastly reduced retail sales that impacted automatic product replenishment.

Reductions in sales revenue clipped gross margins by 1.4% from 40% in 2000 to 38.6% in 2001 reflecting a lower rate of overhead absorption.

Royalty income from the licensing agreement with Orient Power was dramatically affected by the depressed market conditions resulting in a reduction in royalty payments of 43% from \$293,888 to \$167,714, impacting net income compared with the same three month period a year ago.

"The company has taken active steps to plan for any subsequent diversions that might interrupt supply and delivery. We have also focused on our resource allocations in the event that consumers hunker down and retail sales further soften," Koss said. "Continuous and flexible planning and execution will be our focus as businesses across America rally to support freedom and free enterprise. We are bullish on the ingenuity, and patriotism of America, and the American consumer specifically, as we work through these challenging times."

Koss went on to say that the company's Board of Directors had approved the distribution of its first dividend since 1983. The quarterly dividend of \$0.25 cents per share to shareholders of record on September 30, 2001 will be paid on October 15, 2001.

Koss Corporation markets a complete line of high-fidelity stereophones, speaker-phones, computer headsets, telecommunications headsets, active noise canceling stereophones, wireless stereophones, and compact disc recordings of American Symphony Orchestras on the Koss Classics label.

Forward-looking statements in this release are subject to many uncertainties in the Company's operations and business environment. These uncertainties include general economic conditions, in particular, consumer demand for the Company's and its customers' products, competitive and technological developments, foreign currency fluctuations, and costs of operations. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are only made as of the date of this press release and the company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances. In addition, such uncertainties and other operational matters are discussed further in the Company's quarterly and annual filings with the Securities and Exchange Commission.

KOSS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

Three Months Ended September 30

	2001	2000
Net Sales	\$ 8,951,411	\$ 9,879,638
Cost of goods sold	5,499,520	5,927,391
Gross profit	3,451,891	3,952,247
Selling, general and administrative expense	1,925,964	2,049,787
Income from operations	1,525,927	1,902,460
Other income (expense)		
Royalty income	167,714	293,888
Interest income	7,281	45,387
Interest expense	(10,964)	(7,816)
Income before income tax provision	1,689,958	2,233,919
Provision for income taxes	659,084	849,928
Net income	\$ 1,030,874	\$ 1,383,991
Earnings per common share:		
Basic	\$ 0.54	\$ 0.62
Diluted	\$ 0.50	\$ 0.59
Dividends per common share	\$ 0.25	None

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