

**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 EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): October 22, 2014

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
Identification No.)

4129 North Port Washington Avenue, Milwaukee, Wisconsin 53212
(Address of principal executive offices) (Zip code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 22, 2014, Koss Corporation issued a press release announcing its financial results for the quarter ended September 30, 2014. A copy of the press release is being furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

The information in this report is being furnished pursuant to Item 2.02 Results of Operations and Financial Condition. In accordance with General Instruction B.2 of Form 8-K, the information in this report shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Number</u>	<u>Description</u>
Exhibit 99.1	Press release of Koss Corporation dated 10/22/2014.

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 hereunto duly authorized.

October 22, 2014

KOSS CORPORATION

By: /s/ Michael J. Koss

Michael J. Koss

Chief Executive Officer and President



NEWS RELEASE

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FOR IMMEDIATE RELEASE

October 22, 2014

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President & CEO
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European Sales Continue to Sag as Koss Reports Quarterly Results

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high-fidelity headphone company, has reported its first quarter results for the quarter ended September 30, 2014.

"Sales, especially in Europe, remain soft. We have begun to see the full impact of our cost reduction initiatives in the quarter ended September 30, 2014," Michael J. Koss, President and CEO, told employees here today. "Sales in Europe were off approximately \$1.0 million with Ukraine and Czech Republic accounting for most of this sales decline compared to the same quarter last year. U.S. sales changes were impacted by a large promotional load-in order with a customer in last year's first quarter. When adjusted for that load-in sale, U.S. sales were actually higher this quarter as compared to last year."

Sales for the first quarter were \$5,469,486 compared to \$6,824,339 for the same three month period one year ago, a 19.9% decrease. The three month net loss was \$94,998, compared to net income of \$79,402 for the first quarter last year. Diluted loss per common share for the quarter was \$0.01 compared with diluted income per common share of \$0.01 for the same three month period one year ago.

"While we are certainly disappointed with recent sales figures, especially in the export markets, we have taken actions to significantly reduce our costs and conserve cash," Koss said. "These cost reductions included suspending our Mexico operations and curtailing the STRIVA product line development. There were also many other actions that helped reduce selling, general and administrative expenses by almost \$1.0 million from last year's levels." Koss also noted that Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) from operations, which excludes unauthorized transaction related costs and recoveries, was \$227,964 for the current quarter, compared to \$174,052 for the same quarter last year.*

The Company determined that based on the financial results, the Company would not declare a dividend for the quarter ending September 30, 2014. The Company will determine whether to declare and the amount of any future dividends on a quarter-by-quarter basis.

* This is a non-GAAP financial measure for which reconciliation is provided along with the financial statements accompanying this release.

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

This press release contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "forecasts," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of such terms and other comparable terminology. These statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Actual events or results may differ materially. In evaluating forward-looking statements, you should specifically consider various factors that may cause actual results to vary from those contained in the forward-looking statements, such as 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
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	September 30	
	2014	2013
Net sales	\$ 5,469,486	\$ 6,824,339
Cost of goods sold	3,626,769	4,512,694
Gross profit	1,842,717	2,311,645
Operating expenses:		
Selling, general and administrative expenses	1,938,993	2,884,481
Unauthorized transaction related costs and recoveries, net	52,492	(708,716)
Total operating expenses	1,991,485	2,175,765
Income (loss) from operations	(148,768)	135,880
Other expense:		
Interest expense	(4,333)	(7,606)
Income (loss) before income tax provision (benefit)	(153,101)	128,274
Income tax provision (benefit)	(58,103)	48,872
Net income (loss)	\$ (94,998)	\$ 79,402
Income (loss) per common share:		
Basic	\$ (0.01)	\$ 0.01
Diluted	\$ (0.01)	\$ 0.01
Dividends declared per common share	\$ —	\$ 0.06

KOSS CORPORATION
RECONCILIATION OF NET INCOME (LOSS) TO EBITDA FROM OPERATIONS
(Unaudited)

	Three Months Ended September 30	
	2014	2013
Net income (loss)	\$ (94,998)	\$ 79,402
Interest expense	4,333	7,606
Income tax provision (benefit)	(58,103)	48,872
Unauthorized transaction related costs and recoveries, net	52,492	(708,716)
Depreciation of equipment and leasehold improvements	161,653	209,819
Amortization of product software development expenditures	—	364,539
Stock-based compensation expense	162,587	172,530
EBITDA from operations	\$ 227,964	\$ 174,052

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