

**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): January 22, 2008 (January 15, 2008)

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 January 15, 2008, Koss Corporation (the "Registrant") issued a press release (the "Press Release") announcing its financial results for the quarter ended December 31, 2007 (the "Second Quarter"). Compared with the same period one year ago, sales for the Second Quarter declined by 1%, net income dropped by 3%, and diluted earnings per share went unchanged at \$0.34.

The description of the Registrant's Second Quarter financial results contained in this Item 2.02 is qualified in its entirety by reference to the full text of the Press Release, dated as of January 15, 2008, in substantially the form attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) **Exhibits.**

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--------------------------------------------------------------------------------------------------------------|
| 99.1 | Press Release, dated January 15, 2008, announcing financial results for the quarter ended December 31, 2007. |

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.

Dated: January 22, 2008

KOSS CORPORATION

By: /s/ Michael Koss
Michael J. Koss
Chief Executive Officer, President and Chief
Financial Officer

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INDEX TO EXHIBITS

| <u>Exhibit Number</u> | <u>Description</u> |
|----------------------------------|-------------------------------------------------------------------------------------------------------------|
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FOR IMMEDIATE RELEASE

CONTACT: MICHAEL J. KOSS

JANUARY 15, 2008

(414) 964-5000

Koss Q2 EPS Matches 2006

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high fidelity stereophone company, has reported its results for the second quarter ending December 31, 2007. Sales for the period declined by 1% to \$12,099,397 from \$12,222,584 for the same period one year ago. Net income dropped by \$37,206 from \$1,283,758 to \$1,246,552, or 3% compared with the same quarter one year ago. Diluted earnings per share were unchanged at \$0.34 for the second quarter ending December 31, 2007, compared with the same period one year ago.

“Europe came back from a tough first quarter start to post a 2% gain in the second quarter,” Michael J. Koss, President and CEO, said here today. “The Company also saw a significant increase in sales to domestic retail accounts. The increase at U.S. retail is positive news in light of the mixed retail results reported recently in the press.”

Year to date sales for the six months ending December 31, 2007 now stand at \$24,737,003 compared with \$25,547,683 for the same period last year, a decline of 3%. Net income for the six months was \$2,582,226 compared with \$2,977,438 in 2006, a decline of 13%. Year to date diluted earnings per share were down 11% to \$0.70 per share compared with \$0.79 for the same six months in 2006.

Koss went on to explain that the principal reason for the reduction in year to date profits was the decline in sales of infrared stereophones to automotive companies for use in rear seat entertainment systems.

“The Company continued to post results that are very close to its profit projections despite the planned increase in Product Development expenses, the setback in sales to Europe in our first quarter and the \$1.8 million decline in automotive sales this year,” Koss said. “Shipments to U.S. retailers have increased by 19% for the six months to help offset the decline in automotive sales.”

Koss paid a special dividend of \$1.00 per share on December 17, 2007 to shareholders of record on November 16, 2007. The Company will pay a quarterly dividend of \$0.13 cents per share on January 15, 2008 to shareholders of record on December 31, 2007.

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.

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 only predictions. 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 AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

| Period Ended December 31 | Three Months | | Six Months | |
|---------------------------------------------|---------------|---------------|---------------|---------------|
| | 2007 | 2006 | 2007 | 2006 |
| Net sales | \$ 12,099,397 | \$ 12,222,584 | \$ 24,737,003 | \$ 25,547,683 |
| Cost of goods sold | 7,775,022 | 7,812,019 | 15,620,648 | 15,541,574 |
| Gross profit | 4,324,375 | 4,410,565 | 9,116,355 | 10,006,109 |
| Selling, general and administrative expense | 2,371,276 | 2,421,909 | 5,155,302 | 5,354,710 |
| Income from operations | 1,953,099 | 1,988,656 | 3,961,053 | 4,651,399 |
| Other income (expense) | | | | |
| Royalty income | 43,750 | 81,249 | 175,000 | 162,498 |
| Interest income | 46,751 | 34,611 | 97,191 | 67,149 |
| Interest expense | 0 | 0 | 0 | 0 |
| Income before income tax provision | 2,043,600 | 2,104,516 | 4,233,244 | 4,881,046 |
| Provision for income taxes | 797,048 | 820,758 | 1,651,018 | 1,903,608 |
| Net income | \$ 1,246,552 | \$ 1,283,758 | \$ 2,582,226 | \$ 2,977,438 |
| Earnings per common share: | | | | |
| Basic | \$ 0.34 | \$ 0.35 | \$ 0.70 | \$ 0.80 |
| Diluted | \$ 0.34 | \$ 0.34 | \$ 0.70 | \$ 0.79 |
| Dividends per common share | \$ 0.13 | \$ 0.13 | \$ 1.26 | \$ 0.26 |

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