
**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):
April 9, 2004 (April 7, 2004)

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)

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

TABLE OF CONTENTS

[Item 7. Financial Statements and Exhibits.](#)

[Items 9 & 12. Regulation FD Disclosure and Results of Operations and Financial Condition.](#)

[SIGNATURES](#)

[INDEX TO EXHIBITS](#)

[Press Release](#)

[Table of Contents](#)

Item 7. Financial Statements and Exhibits.

(c) *Exhibits*

- 99.1 Press Release dated April 7, 2004, announcing financial results for the quarter ended March 31, 2004 (*furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and not deemed incorporated by reference in any filing under the Securities Act of 1934, as amended*).

Items 9 & 12. Regulation FD Disclosure and Results of Operations and Financial Condition.

On April 7, 2004, Koss Corporation issued a press release announcing its financial results for the quarter ended March 31, 2004. A copy of the press release is being furnished as Exhibit 99.1 to this Form 8-K.

The information in this report is being furnished (i) pursuant to Regulation FD, and (ii) pursuant to Item 12 Results of Operations and Financial Condition. In accordance with General Instructions B.2 and B.6 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 1934, as amended. The furnishing of the information set forth in this report is not intended to, and does not, constitute a determination or admission as to the materiality or completeness of such information.

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: April 9, 2004

KOSS CORPORATION

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

INDEX TO EXHIBITS

| Exhibit Number | Description |
|-------------------|---|
| 99.1 | Press Release dated April 7, 2004, announcing financial results for the quarter ended March 31, 2004 (<i>furnished and not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and not deemed incorporated by reference in any filing under the Securities Act of 1934, as amended</i>). |

FOR IMMEDIATE RELEASE
April 7, 2004

CONTACT: MICHAEL J. KOSS
(414) 964-5000

Koss Sets New Third Quarter Sales Record on 28% Increase

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. producer of high fidelity stereophones, has announced third quarter earnings for the period ending March 31, 2004. Sales for the third quarter increased by 28%, reaching \$10,547,180 from \$8,264,668 for the same period one year ago. Net income increased by 66% to \$1,157,816 compared to \$699,188. Third quarter diluted earnings per share rose to \$0.29 compared with \$0.18 for the same period one year ago.

Sales for the nine months have increased by 18% and now stand at \$29,551,443 compared to \$25,038,494 for the same nine month period one year ago. Net income for the nine months increased to \$3,473,796 compared to \$2,846,103. Diluted earnings per share for the nine months rose to \$0.88 compared with \$0.74 one year ago.

“We are extremely pleased with the continued growth and improvement in sales revenue and profits this year,” Michael J. Koss, President and CEO, told employees at a meeting here today. “Our wireless stereophone addition to the Chrysler automotive entertainment system has continued to complement sales improvements throughout our general retail distribution.”

Koss went on to explain that additional improvements in export shipments and the addition of its Bi-Audio division were also making more positive contributions.

“Our export sales performance, particularly in Europe, has continued to shine,” Koss continued. “Shipments to Europe increased by 62% for the third quarter and are now up by 67% for the nine months. We have also received an outstanding reception to the Bi-Audio Bodyset product at the Cellular Telecommunications and Internet Association show (CTIA) in Atlanta in March. We are optimistic about this new product and several new specialized versions scheduled for introduction over the coming 12 months.”

Koss explained that the Bi-Audio Bodyset was a unique new product for telecommunications and wireless security applications that allows hands free communications for cellular telephones and two-way radios. The new Bodyset has already commenced shipping to dealers, radio manufacturers, and distributors that supply public safety personnel including fire and police officers.

“The world’s growing emphasis on security bodes well for this innovative new product,” Koss said. “We are excited about the potential that this new market will hold for our Company in the future and for the extensions that the new technology will bring in the general ‘hands free’ marketplace.”

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Koss Corporation will pay a quarterly dividend of \$0.13 cents on April 15, 2004 to shareholders of record on March 31, 2004. The Company's Board of Directors has also approved the use of up to two million dollars for the repurchase of the shares of its stock.

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 March 31 | Three Months | | Nine Months | |
|---|--------------|-------------|--------------|--------------|
| | 2004 | 2003 | 2004 | 2003 |
| Net Sales | \$10,547,180 | \$8,264,668 | \$29,551,443 | \$25,038,494 |
| Cost of goods sold | 6,299,669 | 4,749,862 | 18,064,287 | 14,802,071 |
| Gross profit | 4,247,511 | 3,514,806 | 11,487,156 | 10,236,423 |
| Selling, general and administrative expense | 2,533,181 | 2,412,662 | 6,535,030 | 6,026,457 |
| Income from operations | 1,714,330 | 1,102,144 | 4,952,126 | 4,209,966 |
| Other income (expense) Royalty income | 183,750 | 34,015 | 761,442 | 452,736 |
| Interest income | 1,711 | 1,851 | 6,832 | 8,632 |
| Interest expense | — | — | (960) | (11,290) |
| Income before income tax provision | 1,899,791 | 1,138,010 | 5,719,440 | 4,660,044 |
| Provision for income taxes | 741,975 | 438,822 | 2,245,644 | 1,813,941 |
| Net income | \$ 1,157,816 | \$ 699,188 | \$ 3,473,796 | \$ 2,846,103 |
| Earnings per common share: | | | | |
| Basic | \$ 0.31 | \$ 0.19 | \$ 0.92 | \$ 0.78 |
| Diluted | \$ 0.29 | \$ 0.18 | \$ 0.88 | \$ 0.74 |
| Dividends per common share | \$ 0.13 | \$ 0.13 | \$ 0.39 | \$ 0.39 |

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