
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): 01/16/2006

Koss Corporation

(Exact name of registrant as specified in its charter)

Commission File Number: 0-3295

DE

(State or other jurisdiction of
incorporation)

39-1168275

(IRS Employer
Identification No.)

4129 North Port Washington Avenue, Milwaukee, WI 53212

(Address of principal executive offices, including zip code)

(414) 964-5000

(Registrant's telephone number, including area code)

(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))
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Item 2.02. Results of Operations and Financial Condition

On January 16, 2006, Koss Corporation issued a press release announcing its financial results for the quarter ended December 31, 2005. 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 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 1934, as amended.

Item 9.01. Financial Statements and Exhibits

Exhibit 99.1 Press Release dated January 16, 2006, announcing financial results for the quarter ended December 31, 2005

Signature(s)

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.

Koss Corporation

Date: January 17, 2006

By: /s/ Michael J. Koss

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

Exhibit Index

| Exhibit No. | Description |
|--------------------|------------------------------------------------------------------------------------------------------------|
| EX-99.1 | Press Release dated January 16, 2006, announcing financial results for the quarter ended December 31, 2005 |

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

Koss Second Quarter Sales Jump 51%

Net Income Increases 67%

Company Tops All Previous Quarterly Sales and Earnings Records as EPS Rises 71%

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high fidelity stereophone company has announced its results for the second quarter ending December 31, 2005. Sales for the second quarter jumped 51% to \$15,435,597 compared with \$10,225,079 for the same period one year ago. Income from operations for the second quarter rose by 112% from \$1,501,793 to \$3,188,786. Net income increased by 67%, from \$1,219,442 to \$2,031,246 for the same three months, and diluted earnings per share increased by 71% to \$0.53 compared with \$0.31 for the three months in 2004.

"Our second quarter was absolutely outstanding," said Michael J. Koss, President and CEO. "Last year, during the same reporting period the Company set a new record for sales during the month of December. In 2005, the month of December set a new record as the best sales month in our entire history."

Koss went on to say that export sales, most notably to Europe, had increased significantly.

"This is the third consecutive year of solid growth in Europe," Michael Koss said. "This quarter's 120% increase in export sales brings the six month increase to 106% for the period ending December 31, 2005 and complements the 82% increase in export sales we reported for the year ending June 30, 2005, and the 72% increase in export sales we reported for the year ending June 30, 2004."

Koss went on to explain that higher incoming freight charges for inventory, required changes in accounting to reflect stock options as expenses, and the termination of the Jiangsu License Agreement were concerns during the quarter, but were easily offset by the Company's 51% increase in sales revenue.

"Holiday sales were strong for Koss this season," Koss said. "It appears that our retailers, and distributors, who thoughtfully increased stock levels of Koss stereophones throughout the autumn, were assured of excellent "instock" positions through the peak gift giving season. Sales were so dynamic, in fact, that the Company carried its first significant backorder for November shipments into the first week of December."

On a year to date basis for the six month period ending December 31, 2005, sales significantly eclipsed the prior year's six month performance, increasing by 43% to \$27,385,438 from \$19,197,659 during the same six month period one year ago. Income from operations for the six months increased by 93%. Net income for the six months increased by 65% from \$2,109,353 compared to \$3,472,464 for the same six months ending December 31, 2004. Six month diluted earnings per share increased by 67% to \$0.92 compared with \$0.55 for the same period one year ago.

"We have successfully linked three record breaking consecutive quarters," Michael Koss continued, "but best of all, the second quarter, which ended December 31, 2005 broke every record for every quarter in our history."

Koss Corporation paid a quarterly dividend of \$0.13 cents on January 13, 2006 to shareholders of record on December 31, 2005.

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)

| | Three Months | | Six Months | |
|---------------------------------------------|--------------|--------------|--------------|--------------|
| Period Ended December 31 | 2005 | 2004 | 2005 | 2004 |
| Net sales | \$15,435,597 | \$10,225,079 | \$27,385,438 | \$19,197,659 |
| Cost of goods sold | 9,397,027 | 6,266,461 | 16,671,989 | 11,816,068 |
| Gross profit | 6,038,570 | 3,958,618 | 10,713,449 | 7,381,591 |
| Selling, general and administrative expense | 2,849,784 | 2,456,825 | 5,297,401 | 4,576,346 |
| Income from operations | 3,188,786 | 1,501,793 | 5,416,048 | 2,805,245 |
| Other income (expense) | | | | |
| Royalty income | 100,307 | 484,614 | 201,918 | 636,070 |
| Interest income | 40,825 | 12,678 | 75,470 | 16,876 |
| Interest expense | 0 | 0 | 0 | 0 |
| Income before income tax provision | 3,329,918 | 1,999,085 | 5,693,436 | 3,458,191 |
| Provision for income taxes | 1,298,672 | 779,643 | 2,220,972 | 1,348,838 |
| Net income | \$ 2,031,246 | \$ 1,219,442 | \$ 3,472,464 | \$ 2,109,353 |
| Earnings per common share: | | | | |
| Basic | \$0.55 | \$0.33 | \$0.93 | \$0.57 |
| Diluted | \$0.53 | \$0.31 | \$0.92 | \$0.55 |
| Dividends per common share | \$0.13 | \$0.13 | \$0.26 | \$0.26 |

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