

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 7, 2004 (October 6, 2004)

Koss Corporation

(Exact name of registrant as specified in its charter)

Delaware

0-3295

39-1168275

(State or other
Jurisdiction of
Incorporation)

(Commission File
Number)

(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))
-

TABLE OF CONTENTS

[Items 2.02 & 7.01 Results of Operations and Financial Condition and Regulation FD Disclosure.](#)

[Item 9.01. Financial Statements and Exhibits.](#)

[SIGNATURES](#)

[INDEX TO EXHIBITS](#)

[Press Release](#)

[Table of Contents](#)

Items 2.02 & 7.01 Results of Operations and Financial Condition and Regulation FD Disclosure.

On October 6, 2004, Koss Corporation issued a press release announcing its financial results for the quarter ended September 30, 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 Item 2.02 Results of Operations and Financial Condition, and (ii) pursuant to Regulation FD. 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.

Item 9.01. Financial Statements and Exhibits.

(c) *Exhibits*

- 99.1 Press Release dated October 6, 2004, announcing financial results for the quarter ended September 30, 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*).

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: October 7, 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 October 6, 2004, announcing financial results for the quarter ended September 30, 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
OCTOBER 6, 2004

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

**Koss Sales Slip On Slow Mass Market Re-Orders
and Reductions in OEM Sales**

Milwaukee, Wisconsin: Koss Corporation (NASDAQ SYMBOL: KOSS), the U.S. based high fidelity stereophone leader, has announced the results of its first quarter for the period ending September 30, 2004. Sales for the first quarter slipped 2% to \$8,972,580 compared to \$9,164,691 for the same period one year ago. Net income for the period declined to \$889,911 compared to \$944,629 from one year ago. First quarter diluted earnings per share were \$0.23 compared with \$0.24 one year ago.

“Re-orders for the U.S. mass market did not occur at the same levels as the prior year,” Michael J. Koss, President and CEO, told employees at a quarterly profit sharing meeting. “The decline of approximately \$55,000 in net income can be attributed to sagging domestic retail sales, OEM communications sales, and expenses in our one year old Bi-Audio Communications company. Unfortunately, this new venture did not generate enough sales to make a profitable contribution during the first quarter. The sag in sales revenue of OEM products was also echoed by slower than expected re-orders from domestic U.S. superstores and the mass market during the first three months.”

Michael Koss went on to explain that the Company had shifted approximately 3% of its orders from September to October as a result of a requested fulfillment change from customers in the automotive industry.

“Had the change in the fulfillment process for our wireless products not taken place at the end of September, we believe that these products would have shipped directly to our customers during the quarter and that the addition of these sales would have more than covered the reductions we have reported for this period,” Koss stated.

Koss went on to say that the U.S. retail based portion of the Company’s business was slow in July and August but began to pick up very late in the month of September. Sales to Europe continued to be strong and increased sharply over the prior year by 58%.

“We continue to be encouraged with the outstanding progress we are seeing in our export sales particularly to Europe,” Koss said.

Koss will pay a dividend of \$0.13 cents per share on October 15, 2004, to shareholders of record September 30, 2004.

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 Ended September 30	2004	2003
Net Sales	\$8,972,580	\$9,164,691
Cost of goods sold	5,549,607	5,667,046
Gross profit	3,422,973	3,497,645
Selling, general and administrative expense	2,119,521	2,029,734
Income from operations	1,303,452	1,467,911
Other income (expense)		
Royalty income	151,456	190,325
Interest income	4,198	4,420
Interest expense	0	0
Income before income tax provision and cumulative effect of change in accounting principles	1,459,106	1,662,656
Provision for income taxes	569,195	642,152
Income before cumulative effect of change in accounting principles	889,911	1,020,504
Cumulative effect of change in accounting principles (net of tax of \$49,125)	0	(75,875)
Net income	<u>\$ 889,911</u>	<u>\$ 944,629</u>
Earnings per common share:		
Basic earnings per common share:		
Before cumulative effect of accounting change	\$ 0.24	\$ 0.27
Accounting change	0.00	(0.02)
Basic earnings per common share:	<u>\$ 0.24</u>	<u>\$ 0.25</u>
Diluted earnings per common share:		
Before cumulative effect of accounting change	\$ 0.23	\$ 0.26
Accounting change	0.00	(0.02)
Diluted earnings per common share	<u>\$ 0.23</u>	<u>\$ 0.24</u>
Dividends per common share	<u>\$ 0.13</u>	<u>\$ 0.13</u>