
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): **August 11, 2009**

COMMUNICATIONS SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation)

001-31588
(Commission File Number)

41-0957999
(I.R.S. Employer Identification No.)

10900 Red Circle Drive, Minnetonka, MN
(Address of principal executive offices)

55343
(Zip Code)

Registrant's telephone number, including area code **(952) 996-1674**

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 (*see* General Instruction A.2. below):

- 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-2)
 - 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 August 11, 2009, the Registrant issued a press release, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated by reference herein.

Note: The information in this report (including the exhibit) is furnished pursuant to "Item 2.02. Results of Operations and Financial Condition" and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, unless incorporated by specific reference in such filing.

ITEM 9.01. Financial Statements and Exhibits

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

The following are filed as exhibits to this Current Report:

Exhibit No.	Description of Exhibit
99.1	Press Release issued August 11, 2009

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.

COMMUNICATIONS SYSTEMS, INC.

By /s/ David T. McGraw
David T. McGraw
Its: Chief Financial Officer

Dated: August 13, 2009

For Immediate Release:

Contact: Jeffrey K. Berg, President and Chief Executive Officer
David T. McGraw, Vice President – Finance, Chief Financial Officer
Telephone 952-996-1674

**Communications Systems, Inc. Announces
Results for 2009 Second Quarter and Six Months Ending June 30, 2009**

Minnetonka, MN — August 11, 2009 — Communications Systems, Inc. (NASDAQ: JCS) today reported financial results for its second quarter and six months ended June 30, 2009.

Sales in the 2009 second quarter decreased 9% to \$28,584,000 compared to \$31,291,000 for the same period in 2008, and net income in the second quarter was \$1,748,000, or \$.21 per diluted share, compared to \$2,260,000, or \$.26 per diluted share, in the comparable period in 2008. For the six months ended June 30, 2009 consolidated sales decreased 10% to \$55,349,000 compared to \$61,612,000 for the same period in 2008 while net income increased to \$2,971,000 or \$.36 per diluted share, compared to \$2,447,000, or \$.28 per diluted share, in the same period of 2008.

Despite the continuing recession within the United States, including weakness in the housing and construction sectors, the Company's consolidated revenues from sales in North America increased slightly in the first six months of 2009 compared to the same period in 2008. Consolidated revenues from sales outside North America during the first half of 2009 were, however, impacted by weak economic conditions in Europe and the rest of the world and declined approximately 53% compared to the same period in 2008. Additional and more detailed information regarding the Company's financial results is contained in the Company's report on Form 10-Q which is being filed with the Securities and Exchange Commission on or about August 12, 2009.

Jeffrey K. Berg, President and CEO of Communications Systems, Inc. commented: "During these difficult economic times I am pleased with the performance of CSI and our business units' teams. While the world wide economic downturn in general, and the decline in construction and housing markets in particular, provided many challenges for our business, our operating income for the second quarter and six months ended June 30, 2009 exceeded our internal forecast. In addition, even though we expect difficult market conditions for the remainder of the year, our financial strength will enable us to continue making strategic investments for future sales growth and increased profitability at each of our businesses."

David T. McGraw, Vice President – Finance and CFO, also commented: "CSI's balance sheet remains very strong with a current ratio of 6 to 1 and cash, cash equivalents and investments have increased by \$4.6 million dollars to \$34,600,000 from December 31, 2008. Net investment income has increased by 54% in 2009 compared to the first six months of 2008, due to a shift in investment strategy that started in 2008. CSI has over \$18,000,000 invested in certificates of deposit that are currently yielding over 2.6%, significantly higher than current money market funds. During the first half of 2009, cash provided by operations was \$9,000,000 compared to \$2,400,000 for the same period in 2008. Significant decreases in outstanding receivables and reductions in inventories added to cash flows from operations. Due to our strong cash flow effective as of July 1, 2009 our Board of Directors increased the dividend payable to shareholders to \$.14 per share compared to \$.12 per share for the past eight quarters."

About Communications Systems

Communications Systems, Inc. provides physical connectivity infrastructure and services for cost-effective broadband solutions and is a leading supplier of voice-grade connecting devices and wiring systems. CSI serves the broadband network market as the world's leading supplier of media conversion technology that permits networks to deploy fiber optic technology while retaining the copper-based infrastructure already embedded in the network. In addition, CSI supplies copper wire and fiber optic structured wiring systems for broadband networks, as well as line filters for digital subscriber line service. CSI also provides network design, training and management services.

Cautionary Statement

From time to time, in reports filed with the Securities and Exchange Commission, in press releases, and in other communications to shareholders or the investing public, the Communications Systems Inc. may make forward-looking statements concerning possible or anticipated future financial performance, business activities or plans which are typically preceded by the words "believes," "expects," "anticipates," "intends" or similar expressions. For these forward-looking statements, the Company claims the protection of the safe harbor for forward-looking statements contained in federal securities laws. Shareholders and the investing public should understand that these forward-looking statements are subject to risks and uncertainties which could cause actual performance, activities or plans after the date the statements are made to differ significantly from those indicated in the forward-looking statements when made.

CSI CONSOLIDATED SUMMARY OF EARNINGS

Selected Income Statement Data

	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Sales	\$ 28,584,399	\$ 31,291,042	\$ 55,349,357	\$ 61,612,277
Gross margin	10,650,096	11,261,700	20,429,541	22,712,254
Operating income	2,767,708	2,929,632	4,544,344	3,128,375
Income before income taxes	3,014,291	3,089,485	4,951,003	3,446,077
Income taxes	1,265,910	829,000	1,979,690	999,000
Net income	\$ 1,748,381	\$ 2,260,485	\$ 2,971,313	\$ 2,447,077
Basic net income per share	\$ 0.21	\$ 0.26	\$ 0.36	\$ 0.28
Diluted net income per share	\$ 0.21	\$ 0.26	\$ 0.36	\$ 0.28
Cash dividends per share	\$ 0.12	\$ 0.12	\$ 0.24	\$ 0.24
Average basic shares outstanding	8,343,262	8,609,628	8,330,093	8,593,851

Average dilutive shares outstanding	8,350,628	8,652,053	8,335,162	8,635,834
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Selected Balance Sheet Data

	<u>June 30, 2009</u>	<u>December 31, 2008</u>
Total assets	\$ 103,013,825	\$ 98,737,791
Cash & Investments	34,600,812	29,951,561
Property, plant and equipment, net	13,563,488	12,014,541
Long-term liabilities	3,943,823	4,918,716
Stockholders' equity	85,355,090	83,728,143
