

TIVO INC
Form 8-K
March 08, 2006

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) March 8, 2006

TIVO INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-27141
(Commission File Number)

77-0463167
(IRS Employer
Identification No.)

2160 Gold Street,
Alviso, California
(Address of principal executive offices)

95002
(Zip Code)
Registrant's telephone number, including area code (408)519-9100

(Former name or former address, if changed since last report.)

Edgar Filing: TIVO INC - Form 8-K

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-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 8.01 OTHER EVENTS.

On March 8, 2006 we announced financial results for our fourth quarter ended January 31, 2006. Service and technology revenues for the quarter increased 37% to \$47.0 million, compared with \$34.2 million for the same prior year period. Net loss for the quarter was (\$19.5) million or (\$0.23) per share, compared to a net loss of (\$33.7) million, or (\$0.42) per share, for the three months ended January 31, 2005.

Our total subscriptions reached almost 4.4 million, with the addition of 356,000 total new subscriptions in the quarter. TiVo-Owned subscription gross additions were 221,000 for the quarter, compared to 276,000 in the fourth quarter of last year. TiVo-Owned subscription net additions were 183,000 compared to 251,000 in the fourth quarter of last year. The installed base of DIRECTV subscriptions is now approximately 2.9 million with the addition of 173,000 new DIRECTV subscriptions in the quarter. We also announced, effective next week, the elimination of the product lifetime service option for new subscribers.

TIVO INC.**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS****(In thousands, except per share data)****(unaudited)**

	Three Months Ended January 31,		Twelve Months Ended January 31,	
	2006	2005	2006	2005
Service revenues	\$ 46,305	\$ 32,996	\$ 167,194	\$ 107,166
Technology revenues	663	1,169	3,665	8,310
Service and Technology revenues	46,968	34,165	170,859	115,476
Hardware revenues	32,266	50,452	72,093	111,275
Rebates, revenue share, and other payments to channel	(19,167)	(25,188)	(47,027)	(54,696)
Net revenues	60,067	59,429	195,925	172,055
Cost of service revenues	10,250	10,426	34,179	29,360
Cost of technology revenues	(121)	440	782	6,575
Cost of hardware revenues	37,267	52,267	84,216	120,323
Gross margin	12,671	(3,704)	76,748	15,797
Research and development	10,693	11,206	41,087	37,634
Sales and marketing	10,637	11,529	35,047	37,367
General and administrative	11,769	4,194	38,018	16,593
Loss from operations	(20,428)	(30,633)	(37,404)	(75,797)
Interest and other income (expense), net	899	(3,006)	3,070	(3,911)
Provision for taxes	(13)	(26)	(64)	(134)
Net loss attributable to common stockholders	\$ (19,542)	\$ (33,665)	\$ (34,398)	\$ (79,842)
Net loss per common share - basic and diluted	\$ (0.23)	\$ (0.42)	\$ (0.41)	\$ (0.99)
Weighted average common shares used to calculate basic and diluted net loss per share	84,643,094	80,792,542	83,682,575	80,263,980

TIVO INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

(unaudited)

	January 31, 2006	January 31, 2005
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, and short-term investments	\$ 104,213	\$ 106,345
Accounts receivable	20,111	25,879
Finished goods inventories	10,939	12,103
Prepaid expenses and other, current	11,069	4,476
Total current assets	146,332	148,803
LONG-TERM ASSETS		
Property and equipment, net	\$ 9,448	\$ 7,780
Capitalized software and intangible assets, net	5,206	2,231
Prepaid expenses and other, long-term	623	1,238
Total long-term assets	15,277	11,249
Total assets	\$ 161,609	\$ 160,052
LIABILITIES AND STOCKHOLDERS DEFICIT		
LIABILITIES		
CURRENT LIABILITIES		
Bank line of credit	\$	\$ 4,500
Accounts payable	24,050	18,736
Accrued liabilities	37,449	33,173
Deferred revenue, current	57,902	42,017
Total current liabilities	119,401	98,426
LONG-TERM LIABILITIES		
Deferred revenue, long-term	67,575	63,131
Deferred rent and other	1,404	1,187
Total long-term liabilities	68,979	64,318
Total liabilities	188,380	162,744
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS DEFICIT		
Preferred stock, par value \$0.001:		
Authorized shares are 10,000,000		
Issued and outstanding shares - none		
Common stock, par value \$0.001:	85	82
Authorized shares are 150,000,000		
Issued and outstanding shares are 85,376,191 and 82,280,876, respectively		
Additional paid-in capital	667,055	654,746
Deferred compensation	(2,421)	(428)
Accumulated deficit	(691,490)	(657,092)
Total stockholders deficit	(26,771)	(2,692)

Edgar Filing: TIVO INC - Form 8-K

Total liabilities and stockholders' deficit	\$	161,609	\$	160,052
---	----	---------	----	---------

TIVO INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(unaudited)

	Three Months Ended January 31, 2006		Twelve Months Ended January 31, 2005	
	2006	2005	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss	\$ (19,542)	\$ (33,665)	\$ (34,398)	\$ (79,842)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization of property and equipment and intangibles	1,756	1,242	6,345	4,896
Loss on disposal of fixed assets		3	2	13
Non-cash interest expense		3,438		4,854
Recognition of stock-based compensation expense	338	253	386	1,056
Changes in assets and liabilities:				
Accounts receivable, net (change includes \$1,500 from related parties for the year ended January 31, 2005)	9,481	(721)	5,768	(13,748)
Finished goods inventories	10,243	24,331	1,164	(3,537)
Prepaid expenses and other, current (change includes \$2,832 to related parties for the year ended January 31, 2005)	(3,050)	267	(6,593)	157
Prepaid expenses and other, long-term (change includes \$3,268 to related parties for the year ended January 31, 2005)	129	476	615	2,641
Accounts payable	(10,797)	(6,407)	5,314	3,708
Accrued liabilities (change includes \$(880) to related parties for the year ended January 31, 2005)	6,903	8,419	4,276	17,354
Deferred revenue, current (change includes \$(1,814) from related parties for the year ended January 31, 2005)	10,536	6,732	15,885	7,765
Deferred revenue, long-term	9,180	12,958	4,444	17,096
Deferred rent and other long-term liabilities	510	461	217	373
Net cash used in operating activities	\$ 15,687	\$ 17,787	\$ 3,425	\$ (37,214)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of short-term investments	(10,127)	(3,400)	(15,502)	(23,150)
Sales of short-term investments	5,062	2,025	15,687	9,075
Acquisition of property and equipment	(3,178)	(423)	(7,075)	(3,924)
Acquisition of capitalized software and intangibles		(100)	(3,915)	(100)
Net cash used in investing activities	\$ (8,243)	\$ (1,898)	\$ (10,805)	\$ (18,099)
CASH FLOWS FROM FINANCING ACTIVITIES				
Borrowing under bank line of credit		4,500	3,500	4,500
Payments to bank line of credit			(8,000)	
Payment of redemption of convertible notes payable		(4,250)		(4,250)
Proceeds from issuance of common stock related to employee stock purchase plan	680		2,922	2,409
Proceeds from issuance of common stock related to exercise of common stock options	568	299	7,011	1,689
Net cash provided by financing activities	\$ 1,248	\$ 549	\$ 5,433	\$ 4,348
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ 8,692			