

Edgar Filing: TIVO INC - Form 8-K

TIVO INC
Form 8-K
March 13, 2002

=====

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: March 1, 2002
(Date of earliest event reported)

TIVO INC.
(exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	Commission File: 000-27141 -----	77-0463167 ----- (I.R.S. Employer Identification No.)
----------------------------------------------------------------------------------	----------------------------------------	----------------------------------------------------------------

2160 Gold Street
P.O. Box 2160
Alviso, California 95002
(Address of Principal executive offices, including zip code)

(408) 519-9100

(Registrant's telephone number, including area code)

=====

ITEM 5. OTHER EVENTS

Fourth Quarter and Year-End Results

On March 7, 2002, we reported financial results for the fourth quarter and year ended January 31, 2002. During the fourth quarter, we added approximately 100,000 new subscribers to the TiVo service, bringing the total subscriber base to approximately 380,000 as of January 31, 2002. Our subscriber base grew by 226,000, representing 147% growth during the year.

Revenues for the quarter increased 212% to \$6.8 million, compared with \$2.2

Edgar Filing: TIVO INC - Form 8-K

million for the three months ended January 31, 2001. Net loss for the quarter was \$38.5 million, or \$(0.85) per share, compared to a net loss of \$81.5 million, or \$(2.00) per share, for the three months ended January 31, 2001.

Revenues for the fiscal year ended January 31, 2002 grew 318% to \$19.4 million, compared with \$4.6 million for the twelve months ended January 31, 2001. Net loss for the year was \$157.7 million, or \$(3.67) per share, compared to a net loss of \$216.6 million, or \$(5.75) per share, for the twelve months ended January 31, 2001.

TIVO INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		
	January 31, 2002	January 31, 2001	
Revenue:			
Revenue	\$ 6,753	\$ 2,166	\$
Revenue - related parties	-	-	
Total Revenue	6,753	2,166	
Costs and expenses:			
Cost of revenue	4,830	5,661	
Cost of revenue - related parties	-	-	
Research and development	5,815	5,888	
Sales and marketing	2,649	46,905	
Sales and marketing - related parties	24,959	21,093	
General and administrative	4,486	4,483	
Stock based compensation	273	562	
Total operating expenses	43,012	84,592	
Loss from operations	(36,259)	(82,426)	
Other income and (expenses), net	(1,845)	2,219	
Net loss before taxes	(38,104)	(80,207)	
Provision for Income Taxes	-	-	
Net loss	(38,104)	(80,207)	
Series A preferred stock dividend	(428)	(1,272)	
Net loss attributable to common stock	\$ (38,532)	\$ (81,479)	\$
Net loss per share - basic and diluted	\$ (0.85)	\$ (2.00)	\$
Shares used in per share computation	(45,276)	(40,774)	

Edgar Filing: TIVO INC - Form 8-K

TIVO
CONSOLIDATED B
(In tho

	January 31, 2002

ASSETS	
Cash, cash equivalents and short-term investments	\$ 52,327
Restricted cash	51,735
Accounts receivable, net	2,185
Accounts receivable - related parties	6,687
Prepaid expenses and other	13,146
Prepaid expenses and other - related parties	12,423
Property and equipment, net	18,146

Total assets	\$ 156,649
	=====
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK & STOCKHOLDERS' EQUITY (DEFICIT)	
Accounts payable and accrued liabilities	\$ 28,377
Accounts payable and accrued liabilities - related parties	28,902
Deferred revenue	36,338
Deferred revenue - Related Parties	11,427
Capital lease obligations	538
Convertible notes payable, long term	24,280
Convertible notes payable - related parties, long term	12,453
Redeemable convertible preferred stock	46,555
Total stockholders' equity (deficit)	(32,221)

Liabilities, redeemable convertible preferred stock & stockholders' equity (deficit)	\$ 156,649
	=====

Agreements with America Online

Under the terms of our investment agreement, as amended, with America Online, Inc., we escrowed \$48 million and earmarked these funds to be used to subsidize the production of the jointly developed AOL-TiVo set-top box. We report these funds as restricted cash on our balance sheet and have not considered them as working capital available to our business. We have since modified our business model and intend to sharply reduce our subsidy payments. As a result, the commitment of restricted cash for this purpose is no longer essential to our plans.

The investment agreement, as amended, provides that if the launch of the AOL-TiVo set-top box has not occurred by December 31, 2001 or a later date agreed to by both parties and AOL has not committed a material breach under our related commercial agreement with AOL, then AOL has the option to require us to use the escrowed funds to repurchase from AOL our Series A redeemable preferred stock having an initial liquidation value of \$48 million. The AOL-TiVo set-top box was not launched by December 31, 2001 and we and AOL are in discussions regarding modification of the terms of our agreements. There can be no

Edgar Filing: TIVO INC - Form 8-K

assurances about the outcome of these discussions.

Summary Judgment Granted in Ezra Birnbaum Litigation

On January 10, 2002, the Supreme Court of the State of New York granted our motion for summary judgment and dismissed on all counts the class action complaint filed against us by Ezra Birnbaum, the details of which are set forth in our Quarterly Reports on Form 10-Q for the quarterly periods ended July 31, 2001 and October 31, 2001. Our summary judgment win became conclusive on March 1, 2002.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, including those pertaining to our future financial performance and business model. You can identify forward-looking statements by use of forward-looking terminology such as "believes," "anticipates," "expects," "plans," "may," "will," "intends" or the negative of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. Such forward-looking statements have known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. Actual results could differ materially from those set forth in such forward-looking statements. Factors that may cause actual results to differ materially include delays in development, competitive service offerings and lack of market acceptance, as well as the "Factors That May Affect Future Operating Results" and other risks detailed in our Annual Report on Form 10-K for the period ended December 31, 2000, our Transition Report on Form 10-K for the period ended January 31, 2001, and our Quarterly Reports on Form 10-Q for the quarterly periods ended April 30, 2001, July 31, 2001 and October 31, 2001, filed with the Securities and Exchange Commission. We caution you not to place undue reliance on forward-looking statements, which reflect an analysis only and speak only as of the date of this Current Report.

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 hereunto duly authorized.

TIVO INC.

Date: March 13, 2002

By: /s/ Matthew P. Zinn

Matthew P. Zinn
Vice President and General Counsel