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TIVO INC
Form 8-K
August 31, 2001

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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: August 30, 2001
(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)

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ITEM 5. OTHER EVENTS

On August 30, 2001, we reported financial results for the second quarter ended July 31, 2001. During the second quarter, we activated 40,000 new subscribers to the TiVo Service, bringing the total subscriber base to approximately 229,000 as of July 31, 2001.

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Revenue for the quarter increased 28% to \$4.1 million, compared with \$3.2 million for the three-month period ended April 30, 2001. Net loss for the quarter was \$34.5 million, or \$(0.82) per share, compared with a net loss of \$50.2 million, or \$(1.20) per share, in the first quarter.

Revenue grew 28%, compared to the first quarter and four-fold over last year's first quarter. Our total subscriber base grew by 21% in the quarter and increased 332% compared to the second quarter of last year. Major drivers contributing to the results were price incentives from our consumer electronics partners, retail execution, increased TiVo brand awareness, and a new advertising campaign.

On August 28, we closed a \$51.75 million private placement with financial and strategic investors. Three of our existing commercial partners, Discovery, NBC and British Sky Broadcasting, contributed a total of \$22 million, consisting of cash and promotional services, to this offering.

We also announced the rollout of a major service upgrade that will allow subscribers to watch and record two shows at once. The dual tuner feature is available through a service update to all current subscribers with a DIRECTV receiver with TiVo. All new DIRECTV TiVo combination receivers will be provided with the upgrade automatically after activation of their TiVo and DIRECTV services.

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

| | Three Months Ended | | July |
|--|--------------------|---------------|------|
| | July 31, 2001 | July 31, 2000 | |
| Revenue | \$ 4,106 | \$ 869 | \$ |
| Costs and expenses: | | | |
| Cost of service | 4,415 | 4,295 | |
| Research and development | 6,786 | 6,788 | |
| Sales and marketing | 5,756 | 16,422 | |
| Sales and marketing - related parties | 16,146 | 9,293 | |
| General and administrative | 4,288 | 3,720 | |
| Stock based compensation | 339 | 808 | |
| Total operating expenses | 37,730 | 41,326 | |
| Loss from operations | (33,624) | (40,457) | |
| Other income and expenses, net | 3 | 1,476 | |
| Net loss | \$ (33,621) | \$ (38,981) | \$ |
| Series A preferred stock dividend | 840 | | |
| Net loss attributable to common stock | \$ (34,461) | \$ (38,981) | \$ |
| | ===== | ===== | == |
| Net loss per share - basic and diluted | \$ (0.82) | \$ (1.09) | \$ |

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| | | | |
|--------------------------------------|-------------|-------------|----|
| | ===== | ===== | |
| Shares used in per share computation | 42,095 | 35,865 | |
| | ===== | ===== | |
| Other Data | | | |
| ----- | | | |
| Net Activations | 40,000 | 15,000 | |
| Cumulative Subscribers | 229,000 | 53,000 | |
| Adjusted EBITDA* ('000s) | \$ (24,017) | \$ (35,726) | \$ |

* Adjusted EBITDA is defined as EBITDA plus the change in deferred revenue over the reporting period.

TIVO INC CONSOLIDATED BALANCE SHEETS (In thousands)

| | Pro forma* July 31, 2001 | July 31, |
|---|-----------------------------|-----------|
| | ----- | ----- |
| ASSETS | | |
| Cash, cash equivalents and short-term investments | \$ 81,087 | \$ 40,28 |
| Restricted cash | 51,156 | 51,15 |
| Accounts receivable, net | 657 | 65 |
| Accounts receivable - related parties | 3,861 | 3,86 |
| Prepaid expenses and other | 9,368 | 4,98 |
| Prepaid expenses and other - related parties | 17,419 | 4,31 |
| Property and equipment, net | 21,599 | 21,59 |
| | ----- | ----- |
| Total assets | \$ 185,147 | \$ 126,86 |
| | ===== | ===== |
| LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK & STOCKHOLDERS' EQUITY | | |
| Accounts payable and accrued liabilities | \$ 27,887 | \$ 27,88 |
| Accrued liabilities - related parties | 33,411 | 28,41 |
| Deferred revenue | 25,922 | 25,92 |
| Capital lease obligations | 943 | 94 |
| Convertible notes payable, long term | 29,927 | - |
| Convertible notes payable - related parties, long term | 12,215 | - |
| Redeemable convertible preferred stock | 46,555 | 46,55 |
| Total stockholders' equity | 8,287 | (2,85) |
| | ----- | ----- |
| Liabilities, redeemable convertible preferred stock & stockholders' equity | \$ 185,147 | \$ 126,86 |
| | ===== | ===== |

* The pro forma July 31, 2001 information shown in the above balance sheets reflect the closing of a private placement of \$51,750,000 of convertible debt and warrants to financial and corporate investors on August 28, 2001.

TiVo is a registered trademark of TiVo Inc. in the United States and other jurisdictions. All other company or product names mentioned may be trademarks or registered trademarks of the respective companies with which they are associated.

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Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, including those pertaining to the impact of the funds received in the private placement and the rollout of the new dual tuner feature. 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 Report on Form 10-Q for the period ended April 30, 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: August 30, 2001

By: /s/ David H. Courtney

David H. Courtney
Chief Financial Officer and Sr. Vice
President of Finance and Administration
(Principal Financial and Accounting
Officer)