

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): December 3, 2003

FORGENT NETWORKS, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-20008

74-2415696

(State or other jurisdiction of
incorporation or organization)

(Commission File Number)

(IRS Employer
Identification No.)

108 Wild Basin Road
Austin, Texas

78746

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (512) 437-2700

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

Item 7. Financial Statements and Exhibits.

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

The following exhibit to this Current Report on Form 8-K is not being filed but is being furnished pursuant to Item 12 below:

99.1 Press Release dated December 3, 2003

Item 12. Results of Operations and Financial Condition.

On December 3, 2003, the registrant announced its financial results for the fiscal 2004 first quarter ending October 31, 2003 by issuing a press release. The full text of the press release issued in connection with the announcement is attached hereto as Exhibit No. 99.1. This information is being furnished under Item 12 (Results of Operations and Financial Condition) of Form 8-K. This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The press release contains and may implicate, forward-looking statements regarding the registrant and includes cautionary statements identifying important factors that could cause actual results to differ materially from those anticipated.

SIGNATURE

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.

Date: December 3, 2003

FORGENT NETWORKS, INC.

By: /s/ Richard N. Snyder

Name: Richard N. Snyder
Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated December 3, 2003

For Immediate Release

FORGENT
NETWORKS

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Forgent Announces Results for the Fiscal 2004 First Quarter

AUSTIN, Texas, Dec. 3, 2003--Forgent(TM)Networks (Nasdaq: FORG), a leading provider of enterprise meeting automation software, today announced the results of the fiscal 2004 first quarter ending October 31, 2003. Highlights for the quarter include:

- o Forgent acquiring Network Simplicity Software Inc. ("Network Simplicity"), a privately held provider of web-based scheduling solutions for the small-medium business market segment
- o Realizing intellectual property revenue for the seventh consecutive quarter
- o Reducing operating expenses by approximately 8% compared to the fourth fiscal quarter of 2003
- o Growing cash reserves by approximately 6% since the prior fiscal quarter to approximately \$26 million, and maintained a healthy working capital position

"We believe we turned in a solid performance in the software business in the first quarter as we were able to meet revenue targets, reduce expenses, and make a solid acquisition for the future," said Richard Snyder, chairman and CEO of Forgent. "While it is challenging to forecast intellectual property revenues given the inherent unpredictability of the timing and amounts of the program we continue to be confident in its ability to provide positive contributions to our overall financial performance."

Fiscal First Quarter Results

Revenues were \$3.9 million for the fiscal first quarter compared to \$24.3 million for the 2003 fiscal fourth quarter, primarily due to lower intellectual property revenues. Gross margins were \$1.6 million for the fiscal first quarter compared to \$11.7 million for the 2003 fiscal fourth quarter. Overall expenses declined to approximately \$4.1 million. Net loss from continuing operations was \$2.5 million or \$0.10 per share for the first fiscal quarter of 2004 compared to net income of \$7.1 million or \$0.28 per share for the fourth fiscal quarter of 2003. Cash, cash equivalents and short-term investments increased by 6% at the end of the first quarter compared to the fourth fiscal quarter of 2003 to approximately \$26 million.

Software

Software revenues improved slightly to approximately \$1.0 million for the first quarter of fiscal 2004 compared to \$0.985 million for the fourth quarter of fiscal 2003. The company recently launched Forgent ALLIANCE(TM), the first enterprise meeting automation software that extends familiar, easy-to-use applications, Microsoft Outlook and Lotus Notes, with the ability to schedule and manage all aspects of a meeting, including scheduling attendees and facilities, requesting special services and launching rich media such as audio, video, and web conferencing. Initial feedback and results from new and repeat enterprise level customers are positive, even though Forgent ALLIANCE(TM) has only been available for approximately four months.

During the first quarter of fiscal 2004 Forgent finalized the acquisition of certain assets of Network Simplicity, a privately held provider of web-based scheduling solutions for the small-medium business market segment. Network Simplicity markets two products--its flagship Meeting Room Manager(TM) and Visual Asset Manager. By adding these offerings to Forgent's Meeting Automation solutions, Forgent is the only vendor that can offer a full spectrum of scheduling capabilities up and down market with products for the small-medium business up to the largest of global enterprises.

Intellectual Property

The intellectual property program revenues were approximately \$2.9 million for the fiscal first quarter of 2004 compared to \$23.3 million for the fourth

quarter of fiscal 2003, primarily due to the unpredictability of the timing and amounts of license revenues. Since the intellectual property program was initiated Forgent has garnered over \$82 million in license revenue. The '672 patent program has a wide field of use including licensing opportunities with any digital still image device used to compress, store, manipulate, print or transmit digital still images. Forgent has noticed companies in such diverse geographies as Asia, Europe and North America. The company believes that through these efforts it will have additional licensing revenue in subsequent quarters, although predicting the timing and amounts is difficult.

Outlook

Forgent believes that software revenue for the second fiscal quarter of 2004 will grow by 10% to 20% over the first fiscal quarter of 2004 and will range between \$6 and 7 million for the full 2004 fiscal year. Forgent expects to generate IP license revenue for the second fiscal quarter of 2004 marking the eighth consecutive quarter of results and anticipates additional IP licensing revenues throughout fiscal 2004 and fiscal 2005, although predicting the timing and amounts is difficult. Additionally, the company expects to be profitable for the full 2004 fiscal year.

Conference Call and Webcast

Forgent has scheduled a conference call with the investment community for Wed. Dec. 3, 2003, at 10:00 a.m. CT (11:00 a.m. ET) to discuss the quarter and outlook.

To participate, dial 800-884-5695 ten minutes before the conference call begins, ask for the Forgent event, and use a pass code of 71463745. International callers should dial 617-786-2960 and use a pass code of 71463745. Investors, analysts, media and the general public will also have the opportunity to listen to the conference call over the Internet by visiting the investor relations page of Forgent's web site at www.forgent.com. To listen to the live call, please visit the web site at least fifteen minutes early to register, download and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available shortly after the call on the investor relations page of our web site at www.forgent.com.

About Forgent

Forgent(TM) Networks is a proven provider of meeting automation software and services that enable organizations to optimize their meeting environment. Forgent's enterprise software suite, Forgent ALLIANCE(TM), helps organizations increase productivity and reduce costs by streamlining the planning and execution of meetings. For additional information visit www.forgent.com.

In October 2003, Forgent acquired Network Simplicity, a provider of scheduling and asset management solutions for the small and medium business market. For additional information on Network Simplicity products, visit www.netsimplicity.com.

Safe Harbor

This release may include projections and other forward-looking statements that involve a number of risks and uncertainties and as such, actual results in future periods may differ materially from those currently expected or desired. Some of the factors that could cause actual results to differ materially include changes in the general economy and the technology industry, rapid changes in technology, sales cycle and product implementations, risks associated with transitioning to a new business model and the subsequent limited operating history, the possibility of new entrants into the collaboration management market, the possibility that the market for the sale of certain software and services may not develop as expected; that development of these software and services may not proceed as planned, risks associated with the company's license program, including risks of litigation involving intellectual property, patents and trademarks, acquisition integration, and the ability to consummate certain divestiture transactions. Additional discussion of these and other risk factors affecting the company's business and prospects is contained in the company's periodic filings with the SEC.

	OCTOBER 31, 2003	JULY 31, 2003
	-----	-----
	(UNAUDITED)	
ASSETS		
Current Assets:		
Cash and equivalents, including restricted cash of \$650 and \$730 at October 31, 2003 and July 31, 2003, respectively	\$ 19,439	\$ 21,201
Short-term investments	7,032	3,845
Accounts receivable, net of allowance for doubtful accounts of \$11 and \$0 at October 31, 2003 and July 31, 2003	1,245	9,457
Notes receivable, net of reserve of \$710 and \$639 at October 31, 2003 and July 31, 2003	75	74
Prepaid expenses and other current assets	640	415
	-----	-----
Total Current Assets	28,431	34,992
Property and equipment, net	4,481	2,158
Intangible assets, net	5,451	5,042
Capitalized software, net	4,779	4,827
Other assets	433	230
	-----	-----
	\$ 43,575	\$ 47,249
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 2,245	\$ 3,178
Accrued compensation and benefits	635	683
Other accrued liabilities	1,732	1,661
Notes payable, current position	352	323
Deferred revenue	434	281
	-----	-----
Total Current Liabilities	5,398	6,126
Long-Term Liabilities:		
Deferred revenue	82	59
Other long-term obligations	1,523	1,810
	-----	-----
Total Long-Term Liabilities	1,605	1,869
Stockholders' equity:		
Preferred stock, \$.01 par value; 10,000 Authorized; none issued or outstanding	--	--
Common stock, \$.01 par value; 40,000 authorized; 24,617 and 26,172 shares issued; 22,896 and 24,588 shares outstanding at October 31, 2003 and July 31, 2003, respectively	263	261
Treasury stock, 1,721 and 1,584 issued at October 31, 2003 and July 31, 2003, respectively	(4,685)	(4,231)
Additional paid-in capital	264,151	263,875
Accumulated deficit	(222,514)	(219,991)
Unearned compensation	(13)	(28)
Accumulated other comprehensive income	(630)	(632)
	-----	-----
Total Stockholders' Equity	\$ 36,572	\$ 39,254
	-----	-----
	\$ 43,575	\$ 47,249
	=====	=====

FORGENT NETWORKS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	FOR THE THREE MONTHS ENDED OCTOBER 31,	
	2003	2002
	-----	-----
	(UNAUDITED)	
REVENUES:		
Software & professional services	\$ 999	\$ 1,214
Intellectual property licensing	2,850	6,213
Other	22	382
	-----	-----
Total Revenues	3,871	7,809
COST OF SALES:		
Software & professional services	851	733
Intellectual property licensing	1,425	3,106
Other	24	384

Total Cost of Sales	----- 2,300	----- 4,223
GROSS MARGIN	1,571	3,586
OPERATING EXPENSES:		
Selling, general and administrative	3,033	3,043
Research and development	1,084	1,172
Amortization of intangible assets	4	--
Impairment of assets	--	(499)
Total Operating Expenses	----- 4,121	----- 3,716
LOSS FROM OPERATIONS	(2,550)	(130)
OTHER INCOME AND EXPENSES:		
Interest Income	62	57
Other	(45)	--
Total Other Income and Expenses	----- 17	----- 57
LOSS FROM CONTINUING OPERATIONS, BEFORE INCOME TAXES	(2,533)	(73)
Provision for income taxes	--	1
LOSS FROM CONTINUING OPERATIONS	(2,533)	(72)
Income from discontinued operations, net of income taxes	10	997
NET (LOSS) INCOME	----- \$ (2,523)	----- \$ 925
	=====	=====
(Loss) income per share from continuing operations - basic and diluted	\$ (0.10)	\$ 0.00
	=====	=====
(Loss) income per share from discontinued operations - basic and diluted	\$ 0.00	\$ 0.04
	=====	=====
Net (loss) income per share - basic and diluted	\$ (0.10)	\$ 0.04
	=====	=====
WEIGHTED AVERAGE SHARE OUTSTANDING:		
Basic	24,600	24,771
	=====	=====
Diluted	24,600	25,286
	=====	=====