

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): September 17, 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 September 17, 2003

Item 12. Results of Operations and Financial Condition.

On September 17, 2003, the registrant announced its financial results for the fiscal year ended July 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: September 17, 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 September 17, 2003

For Immediate Release

FORGENT NETWORKS

Press contact: Caroline Langley
512.437.2731
caroline_langley@forgent.com

Investor contact: Michael Noonan
512.437.2476
michael_noonan@forgent.com

Forgent Announces Record Revenue Growth for Fiscal 2003
61% increase in revenue for the 2003 fiscal year

AUSTIN, Texas, Sep. 17, 2003-- Forgent(TM) Networks (Nasdaq: FORG), a leading provider of enterprise meeting automation software and services, today announced the results of the fiscal 2003 fourth quarter and year ending July 31, 2003, marking the sixth consecutive quarter of profitability. Highlights for the fiscal year include:

- o Launched Forgent ALLIANCE(TM), a leading enterprise meeting automation software and services product that enables organizations to optimize their meeting environment
- o Realized intellectual property licensing revenues totaling \$48.9 million for the fiscal year
- o Succeeded in nearly doubling software revenues
- o Attained \$0.37 earnings per share for continuing operations for the 2003 fiscal year
- o Achieved profitability for the sixth consecutive quarter
- o Grew cash reserves by over 25% since last fiscal year to approximately \$25 million
- o Finalized the sale for the videoconferencing hardware services business

"We are very pleased with the performance of the company over the past year as we were able to increase software revenues, grow cash, reduce liabilities, and remain profitable. This was accomplished while we were releasing a new product during a time of continuing weakness in the enterprise software market," said Richard Snyder, chairman and CEO of Forgent. "The ongoing intellectual property program continues to provide positive contributions to our financial performance."

Fiscal Year Results

Revenue for the 2003 fiscal year increased by 61% to \$53.9 million compared to \$33.4 million for the 2002 fiscal year end, primarily due to intellectual property and software revenues. Gross margins increased by 74% to \$25.6 million for the year ended July 31, 2003 compared to \$14.7 million reported for the year ended July 31, 2002. Overall expenses declined by 19% to \$16.0 million for fiscal 2003 compared to \$19.8 million for fiscal 2002. Net income from continuing operations totaled \$9.4 million or \$0.37 per share for fiscal 2003 compared to a net loss from continuing operations of \$3.2 million or \$0.13 per share for fiscal 2002.

Fiscal Fourth Quarter Results

Revenue increased by 82% to \$24.3 million for the fiscal fourth quarter compared to \$13.4 million for the 2003 fiscal third quarter, reflecting strong intellectual property licensing. Gross margins improved to \$11.7 million for the fiscal fourth quarter compared to \$6.3 million for the 2003 fiscal third quarter. Overall expenses remained relatively flat at approximately \$4.5 million. Net income from continuing operations increased by 327% to \$7.1 million or \$0.28 per share for the fourth fiscal quarter of 2003 compared to \$1.7 million or \$0.07 per share for the third fiscal quarter of 2003. Cash, cash equivalents and short-term investments increased by 75% at the end of the fourth quarter compared to the third fiscal quarter of 2003 to approximately \$25 million.

Intellectual Property

The intellectual property program revenues improved by 57% to approximately \$48.9 million for fiscal 2003 compared to \$31.2 million for fiscal 2002, as a result of licensing Forgent's still-image compression technology, embodied in U.S. Patent No. 4,698,672 ('672 patent). Since the intellectual property program was initiated Forgent has garnered over \$80 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.

Software

Software revenues improved by approximately 95% to \$4.4 million for fiscal 2003 compared to \$2.2 million for fiscal 2002. At the end of the 2003 fiscal year Forgent launched 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 and video conferencing. The new software suite streamlines the existing scheduling process and can cut costs associated with meetings by as much as 50%.

Other Items

During the fourth quarter Forgent finalized the sale of its videoconferencing hardware services business, based in King of Prussia, PA, to GTG Holdings Corp., an affiliate of Gores Technology Group. As a result of this sale, Forgent reported its videoconferencing hardware services business as a discontinued operation and recorded a loss from discontinued operations of \$3.0 million for the 2003 fiscal fourth quarter. The company reported total net income of \$4.1 million or \$0.16 per share, for the fourth fiscal quarter of 2003, compared to \$1.7 million or \$0.07 per share for the third fiscal quarter of 2003.

Conference Call and Webcast

Forgent will release actual results of the fiscal 2003 fourth quarter and year on Wed. Sep. 17, 2003, at 8 a.m. CT (9 a.m. ET). Forgent has scheduled a conference call with the investment community for Wed. Sep. 17, 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 40412945. International callers should dial 617-786-2960 and use a pass code of 40412945. 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 leading provider of enterprise meeting automation software and services that enable organizations to optimize their conferencing environment. Forgent's key software suite, FORGENT ALLIANCE, streamlines the planning and execution of meetings by providing one-stop scheduling of all resources needed for any meeting and automatically launches the communications media at the outset of the session. As a result, organizations recognize increased productivity and reduced administrative overhead associated with their current environment. For additional information visit www.forgent.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.

Forgent Networks Consolidated Balance Sheets
(Amounts in thousands, except per share-data)

	JULY 31,	
	2002	2003
	(Unaudited)	
ASSETS		
Current assets:		
Cash and equivalents	\$ 17,237	\$ 21,201
Short-term investments	2,715	3,845
Accounts receivable, net of allowance for doubtful accounts of \$163 and \$0 at July 31, 2002 and July 31, 2003, respectively	1,026	9,457
Notes receivable, net of reserve of \$967 and \$639 at July 31, 2002 and July 31, 2003, respectively	189	74
Inventories	26	-
Prepaid expenses and other current assets	410	415
Total current assets	21,603	34,992
Property and equipment, net	3,011	2,158
Intangible assets, net	6,894	5,042
Capitalized software	3,537	4,827
Other assets	415	230
Net assets from discontinued operations	7,118	--
	\$ 42,578	\$ 47,249
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,734	\$ 3,178
Accrued compensation and benefits	1,264	683
Other accrued liabilities	1,980	1,661
Notes payable, current portion	899	323
Deferred revenue	440	281
Total current liabilities	8,317	6,126
Long-term liabilities:		
Deferred revenue	--	59
Other long-term obligations	1,983	1,810
Total long-term liabilities	1,983	1,869
Stockholders' equity:		
Preferred stock, \$.01 par value; 10,000 authorized; none issued or outstanding	--	--
Common stock, \$.01 par value; 40,000 authorized; 25,755 and 26,172 shares issued, 24,880 and 24,588 shares outstanding at July 31, 2002 and July 31, 2003, respectively	257	261
Treasury stock, 875 and 1,584 issued at July 31, 2002 and July 31, 2003	(2,857)	(4,231)
Additional paid-in capital	263,334	263,875
Accumulated deficit	(228,011)	(219,991)
Unearned compensation	(227)	(28)
Accumulated other comprehensive income	(218)	(632)
Total stockholders' equity	32,278	39,254
	\$ 42,578	\$ 47,249

Forgent Networks Consolidated Statements of Operations
(Amounts in thousands, except per-share data)

For the Three Months Ended		For the Twelve Months Ended	
July 31, 2003	April 30, 2003	July 31, 2003	2002
(Unaudited)	(Unaudited)	(Unaudited)	

Revenues:

Network software and services	\$ 985	\$ 1,134	\$ 4,363	\$ 2,236
Technology licensing	23,317	12,150	48,935	31,150
Other	-	97	566	-
Total revenues	24,302	13,381	53,864	33,386
Cost of sales:				
Network software and services	920	945	3,338	4,057
Technology licensing	11,662	6,075	24,471	14,675
Other	-	77	497	-
Total cost of sales	12,582	7,097	28,306	18,732
Gross margin	11,720	6,284	25,558	14,654
Operating expense:				
Selling, general and administrative	2,988	2,458	11,013	8,517
Research and development	1,085	901	3,869	3,210
Asset impairment	428	1,211	1,140	8,030
Total operating expenses	4,501	4,570	16,022	19,757
Income (loss) from operations	7,219	1,714	9,536	(5,103)
Other income (expense):				
Interest income	38	37	160	123
Gain on investment	-	-	-	1,670
Interest expense and other	(121)	(36)	(195)	(114)
Total other income (expense)	(83)	1	(35)	1,679
Income (loss) from continuing operations, before income taxes	7,136	1,715	9,501	(3,424)
(Provision) benefit for income taxes	(58)	(59)	(126)	177
Income (loss) from continuing operations	7,078	1,656	9,375	(3,247)
(Loss) income from discontinued operations, net of income tax (provision) benefit of \$15 and (\$2) for the three months ended July 31, 2003 and April 30, 2003, respectively and (\$21) and \$0 for the year ended July 31, 2003 and July 31, 2002, respectively	(1,067)	67	599	(2,601)
Loss on disposal, net of income tax (provision) benefit of (\$42) and \$0 for the three months ended July 31, 2003 and April 30, 2003, respectively and (\$42) and \$0 for the year ended July 31, 2003 and July 31, 2002, respectively	(1,954)	-	(1,954)	(255)
(Loss) income from discontinued operations, net of income taxes	(3,021)	67	(1,355)	(2,856)
Net income (loss)	\$ 4,057	\$ 1,723	\$ 8,020	\$ (6,103)
Basic income (loss) per share:				
Income (loss) from continuing operations	\$ 0.29	\$ 0.07	\$ 0.38	\$ (0.13)
Loss from discontinued operations	\$ (0.12)	\$ -	\$ (0.05)	\$ (0.12)
Net income (loss)	\$ 0.17	\$ 0.07	\$ 0.33	\$ (0.25)
Diluted income (loss) per share:				
Income (loss) from continuing operations	\$ 0.28	\$ 0.07	\$ 0.37	\$ (0.13)
Loss from discontinued operations	\$ (0.12)	\$ -	\$ (0.05)	\$ (0.12)
Net income (loss)	\$ 0.16	\$ 0.07	\$ 0.32	\$ (0.25)
Weighted average shares outstanding:				
Basic	24,560	24,629	24,660	24,814
Diluted	25,335	24,715	25,201	24,814