

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: March 01, 2007
(Date of earliest event reported)

Forgent Networks, Inc.
(Exact name of registrant as specified in its charter)

TX
(State or other jurisdiction
of incorporation)

0-20008
(Commission File
Number)

74-2415696
(IRS Employer
Identification Number)

108 Wild Basin Rd
(Address of principal executive offices)

78746
(Zip Code)

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

Not Applicable
(Former Name or Former Address, if changed since last report)

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:

- 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 9.01. Financial Statements and Exhibits

(a) Financial statements:

None

(b) Pro forma financial information:

None

(c) Shell company transactions:

None

(d) Exhibits

99.1 [Press Release of Forgent Networks, Inc. dated March 01, 2007](#)

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 hereunto duly authorized.

Dated: March 01, 2007

FORGENT NETWORKS, INC.

By: /s/ Jay Peterson
Jay Peterson
Chief Financial Officer

<u>Exhibit No.</u>	Exhibit Index	<u>Description</u>
99.1		Press Release of Forgent Networks, Inc. dated March 01, 2007

Forgent Announces Results for the 2007 Fiscal Second Quarter

Company Reports \$1.3M in Profit and Software Revenue Growth of 86% for 2007 Fiscal Second Quarter Over 2006 Fiscal Second Quarter

AUSTIN, TX -- 03/01/2007 -- Forgent™ Networks (NASDAQ: FORG) today announced results for the 2007 fiscal second quarter ended Jan. 31, 2007. For the quarter, the company reported net income of approximately \$1.3 million. Highlights for the quarter include:

- Grew NetSimplicity software revenue 86% over the quarter one year ago and 6% over the prior quarter
- Realized \$2.9M in cash from a patent sale to Tandberg Telecom AS.
- Grew cash and investments from \$15.0M to \$18.0M, an increase of 20% over the prior quarter
- Held operating expenses to \$2.7M, essentially flat with the prior quarter
- Increased working capital from \$14.1M to approximately \$15.1M, an increase of 7% over the prior quarter
- Achieved profitability for the second consecutive quarter

"We see continued progress with respect to the litigation of the '746 patent and are encouraged by the recent claims construction ruling and that the May 2007 trial remains on schedule. Additionally, we are pleased with the continued growth of our NetSimplicity software business and we remain optimistic about the continued growth prospects for this business," commented Richard Snyder, chairman and CEO of Forgent.

Intellectual Property

U.S. Patent No. 6,285,746 (the '746 Patent)

Forgent has litigation pending against 12 companies for infringement of its '746 Patent in the United States District Court for the Eastern District of Texas, Tyler Division. A jury trial is scheduled for May 2007. The '746 Patent relates to a computer controlled video system that allows playback during recording.

Software

NetSimplicity software revenue increased by 6% to over \$1 million for the second quarter of fiscal 2007, as compared to the prior quarter. This was the fourth consecutive quarter of revenue growth for NetSimplicity. NetSimplicity's growth can be attributed to several factors including an overall strong performance by the sales organization, the growing customer base investing further with additional purchases and upgrades, and a growing average sales price due to the penetration of larger accounts.

Fiscal Second Quarter Results

Revenue was approximately \$1.0 million for the 2007 fiscal second quarter compared to \$9.1 million for the 2007 fiscal first quarter. Overall operating expenses of \$2.7 million increased by approximately \$50,000 from the prior quarter. The company reported net income of \$1.3 million or \$0.05 per share for the second fiscal quarter of 2007, as compared to net income \$2.7 million or \$0.11 per share for the first quarter of 2007. Cash and investments were \$18.0 million for the quarter.

Outlook

Forgent expects to generate additional IP licensing revenue in the 2007 fiscal year. However, predicting the timing and amounts will be complicated because of the uncertainty of licensing negotiations and due to the ongoing litigation. In addition, we believe NetSimplicity will continue to be a growth business for Forgent.

Conference Call and Webcast

Forgent has scheduled a conference call with the investment community for Thu, Mar 1, 2007, at 10:00 a.m. CT (11:00 a.m. ET) to discuss the quarter and outlook. To take part, dial 888-396-2356 ten minutes before the conference call begins, ask for the Forgent event, and use a pass code of 77953307. International callers should dial 617-847-8709 and use a pass code of 77953307. 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 15 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 relation's page of our web site at www.forgent.com.

About Forgent

Forgent™ Networks (NASDAQ: FORG) develops and licenses intellectual property and provides scheduling and asset management software to a wide variety of organizations. Forgent's intellectual property licensing program is related to communication technologies developed from its patent portfolio. Forgent's software division, NetSimplicity, develops software that simplifies day-to-day office administration tasks. The products are specifically designed for the management and scheduling of rooms, equipment, assets and resources. For additional information please 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 actual results in future periods may differ materially from those currently expected. Some of the factors that could cause actual results to differ materially include changes in the general economy or in our 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 our software markets, the possibility that the market for the sale of certain software and services may not develop as expected; or that development of these software and services may not proceed as planned; the risks associated with the company's license program, and including risks of litigation involving

intellectual property, patents and trademarks. 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, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share data)

	JANUARY 31, 2007	JULY 31, 2006
	-----	-----
	(UNAUDITED)	
ASSETS		
Current Assets:		
Cash and cash equivalents, including restricted cash of \$0 and \$543 at January 31, 2007 and July 31, 2006	\$ 16,489	\$ 16,206
Short-term investments	1,527	--
Accounts receivable, net of allowance for doubtful accounts of \$6 and \$13 at January 31, 2007 and July 31, 2006, respectively	710	714
Prepaid expenses and other current assets	278	274
	-----	-----
Total Current Assets	19,004	17,194
Property and equipment, net	619	788
Intangible assets, net	--	4
Other assets	3	3
	-----	-----
	\$ 19,626	\$ 17,989
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,390	\$ 3,631
Accrued compensation and benefits	563	547
Other accrued liabilities	1,104	907
Notes payable, current position	--	313
Deferred revenue	842	683
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Total Current Liabilities	3,899	6,081
Long-Term Liabilities:		
Deferred revenue	7	11
Other long-term obligations	1,349	1,777
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Total Long-Term Liabilities	1,356	1,788
Stockholders' Equity:		
Preferred stock, \$.01 par value; 10,000 authorized; none issued or outstanding	--	--
Common stock, \$.01 par value; 40,000 authorized; 27,386 and 27,163 shares issued; 25,596 and 25,373 shares outstanding at January 31, 2007 and July 31, 2006, respectively	274	271
Treasury stock at cost, 1,790 issued at January 31, 2007 and July 31, 2006	(4,815)	(4,815)
Additional paid-in capital	265,619	265,406
Accumulated deficit	(246,707)	(250,754)
Accumulated other comprehensive income	--	12
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Total Stockholders' Equity	14,371	10,120
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\$ 19,626 \$ 17,989
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FORGENT NETWORKS, INC.
 CONSOLIDATED STATEMENTS OF INCOME
 (Amounts in thousands, except per share data)

	FOR THE THREE MONTHS ENDED JANUARY 31, 2007		FOR THE SIX MONTHS ENDED JANUARY 31, 2006	
	(UNAUDITED)		(UNAUDITED)	
REVENUES:				
Intellectual property licensing	\$ 28	\$ 3,805	\$ 8,162	\$ 6,722
Software and services	1,017	546	1,979	1,277
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Total revenues	1,045	4,351	10,141	7,999
COST OF SALES:				
Intellectual property licensing	3	2,080	3,543	4,167
Software and services	192	198	502	392
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Total cost of sales	195	2,278	4,045	4,559
GROSS MARGIN	850	2,073	6,096	3,440
OPERATING EXPENSES:				
Selling, general and administrative	2,539	2,477	5,039	5,159
Research and development	132	170	248	301
Amortization of intangible assets	--	6	4	17
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Total operating expenses	2,671	2,653	5,291	5,477
(LOSS) INCOME FROM OPERATIONS	(1,821)	(580)	805	(2,037)
OTHER INCOME AND (EXPENSES):				
Interest income	234	134	390	232
Gain on sale of assets	2,896	--	2,896	--
Interest expense and other	(11)	(29)	(44)	(46)
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Total other income and (expenses)	3,119	105	3,242	186
INCOME (LOSS) FROM OPERATIONS, BEFORE INCOME TAXES	1,298	(475)	4,047	(1,851)
Provision for income taxes	--	(5)	--	(10)
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NET INCOME (LOSS)	\$ 1,298	\$ (480)	\$ 4,047	\$ (1,861)
	=====	=====	=====	=====
BASIC AND DILUTED INCOME (LOSS) PER SHARE:				
Net income (loss)	\$ 0.05	\$ (0.02)	\$ 0.16	\$ (0.07)
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic	25,489	25,238	25,435	25,208
Diluted	25,489	25,238	25,435	25,208

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