

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

MOVE INC

CIK: **1085770** | IRS No.: **954438337** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-26659** | Film No.: **061002380**
SIC: **6531** Real estate agents & managers (for others)

Mailing Address

30700 RUSSELL RANCH RD
WESTLAKE VILLAGE CA
91362

Business Address

30700 RUSSELL RANCH RD
WESTLAKE VILLAGE CA
91362
805-557-2300

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): August 3, 2006

Move, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	000-26659 (Commission File Number)	95-4438337 (IRS Employer Identification No.)
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30700 Russell Ranch Road
Westlake Village, California 91362
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: (805) 557-2300

Homestore, Inc.

(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 (see General Instruction A.2. below):

- 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))

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Item 2.02. Results of Operations and Financial Condition.

SIGNATURE

EXHIBIT INDEX

EXHIBIT 99.1

Item 2.02. Results of Operations and Financial Condition.

On August 3, 2006, Move, Inc. issued a press release announcing its financial results for the second quarter ended June 30, 2006. A copy of that release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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.

MOVE, INC.

Date: August 3, 2006

By: /s/ Lewis R. Belote, III

Lewis R. Belote, III
Chief Financial Officer

EXHIBIT INDEX

99.1 Press release of Move, Inc. dated August 3, 2006

Move, Inc. Reports Second Quarter 2006 Results; Revenue Up 17 Percent Year-Over-Year, GAAP Net Income of \$1.7 Million

WESTLAKE VILLAGE, Calif.--(BUSINESS WIRE)--Aug. 3, 2006--Move, Inc. (NASDAQ:MOVE) reported financial results for the second quarter ended June 30, 2006. Total revenue for the second quarter was \$73.9 million, a 17 percent increase compared to \$63.3 million in the second quarter of 2005.

Net income applicable to common stockholders for the second quarter of 2006 was \$1.7 million, or \$0.01 per share, compared to net income of \$3.3 million, or \$0.02 per share, for the second quarter of 2005. Excluding stock-based compensation expense, net income would have been \$4.3 million for the second quarter of 2006.

Move's EBITDA (earnings before interest, restructuring charges and certain other non-cash and non-recurring items, principally stock-based charges, depreciation, and amortization) for the second quarter of 2006 was \$4.7 million, compared to \$2.9 million for the second quarter of 2005. EBITDA for the second quarter of 2005 included \$4.2 million in expense related to the Company's obligation to advance the defense costs of former officers. The Company has reported EBITDA because management uses it to monitor and assess the Company's performance and believes it is helpful to investors in understanding the Company's business.

"We had a strong second quarter. We successfully implemented essential components of our corporate strategy, including our new corporate brand, the industry's most powerful real estate search engine, Move.com, and a suite of new products and services," said Mike Long, Move's chief executive officer. "We are pleased that even with continued large investments in our business, we were able to achieve improving financial performance."

CONFERENCE CALL

As previously announced, Move will host a conference call, which will be broadcast live over the Internet today, Thursday, August 3, 2006, at 2:00 p.m. PDT (5:00 p.m. EDT). Chief Executive Officer, Mike Long, and Chief Financial Officer, Lew Belote, will discuss the Company's second quarter 2006 results. In order to participate in the call, investors should log on to <http://investor.move.com> and click on "Event Calendar." Please connect to the above Web site ten minutes prior to the call to load any necessary audio software. A replay of the call will be available in the same section of the Company's Web site two hours after the end of the call. A telephone replay will be available from 5:00 p.m. PDT (8:00 p.m. EDT) until midnight on August 10, 2006 at 888-286-8010, conference ID 31160907. For additional information regarding the Company's results, please go to the "SEC Filings" section at <http://investor.move.com> to view annual reports as

filed with the Securities and Exchange Commission on Form 10-K. Move's Form 10-Q for the quarter ended June 30, 2006 is expected to be filed with the Securities and Exchange Commission on, or before, August 7, 2006.

USE OF NON-GAAP FINANCIAL MEASURES

To supplement its consolidated financial statements presented in accordance with generally accepted accounting principles in the United States ("GAAP"), Move uses a non-GAAP measure of income (loss) from operations excluding restructuring, impairment and certain other non-cash and non-recurring items, principally depreciation, amortization and stock-based compensation and other charges, which is referred to as EBITDA. We have also presented a non-GAAP table of our Segment Data for the three and six months ended June 30, 2006 that extracts stock based compensation under SFAS 123R "Share Based Payment". A reconciliation of these non-GAAP measures to GAAP is provided in the attached tables. These non-GAAP adjustments are provided to enhance the user's overall understanding of Move's current financial performance and its prospects for the future and should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP. These non-GAAP measures are the primary basis management uses for planning and forecasting its future operations. Move believes these non-GAAP results provide useful information to both management and investors by excluding certain expenses that it believes are not indicative of its core operating results and a more consistent basis for comparison between quarters and should be carefully evaluated.

This press release may contain forward-looking statements, including information about management's view of Move's future expectations, plans and prospects, within the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors which may cause the results of Move, its subsidiaries, divisions and concepts to be materially different than those expressed or implied in such statements. These risk factors and others are included from time to time in documents Move files with the Securities and Exchange Commission, including but not limited to, its Form 10-Ks, Form 10-Qs and Form 8-Ks. Other unknown or unpredictable factors also could have material adverse effects on Move's future results. The forward-looking statements included in this press release are made only as of the date hereof. Move cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, Move expressly disclaims any intent or obligation to update any forward-looking statements to reflect subsequent events or circumstances.

ABOUT MOVE, INC.

Move(TM) (NASDAQ:MOVE), the world's largest moving community, provides home buyers and renters with the real estate and community information, and professional connections they need before, during and after a move. The Company operates Move.com(TM) (www.move.com), the most comprehensive real estate search site for rentals and homes to buy and REALTOR.com(R) (www.realtor.com), the official Web site of the National Association of REALTORS(R). Move also operates Welcome Wagon(R) (www.welcomewagon.com), a 78-year old neighborhood expert that provides new movers with valuable and comprehensive information about businesses and professionals in their new communities. Move.com is the official new homes Web site of the National Association of Home Builders. Move also operates Moving.com (www.moving.com), SeniorHousingNet(TM) (www.seniorhousingnet.com), TOP PRODUCER(R) Systems (www.homeinsight.com), FactoryBuiltHousing.com (www.factorybuilthousing.com) and Homeplans (www.homeplans.com).

MOVE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(unaudited)		(unaudited)	
Revenue	\$ 73,891	\$ 63,253	\$ 142,870	\$119,709
Cost of revenue (1)	16,447	13,539	32,853	26,440
Gross profit	57,444	49,714	110,017	93,269
Operating expenses: (1)				
Sales and marketing	28,312	22,689	53,653	45,051
Product and web site development	8,793	5,062	17,148	9,441
General and administrative	19,378	19,692	40,354	36,069
Amortization of intangible assets	589	958	1,336	2,155
Restructuring Charges	--	(1,442)	--	(1,442)
Total operating expenses	57,072	46,959	112,491	91,274
Income (loss) from operations	372	2,755	(2,474)	1,995
Interest income, net	1,794	496	3,409	849
Other income, net	431	69	503	81

Net income	2,597	3,320	1,438	2,925
Convertible preferred stock dividends	(885)	-	(1,763)	-
Net income (loss) applicable to common stockholders	\$ 1,712	\$ 3,320	\$ (325)	\$ 2,925
Net income (loss) per common share:				
Basic net income (loss) applicable to common stockholders	\$ 0.01	\$ 0.02	\$ (0.00)	\$ 0.02
Diluted net income (loss) applicable to common stockholders	\$ 0.01	\$ 0.02	\$ (0.00)	\$ 0.02
Shares used to calculate basic and diluted per share amounts				
Basic	150,769	146,729	149,865	146,693
Diluted	165,127	151,842	149,865	153,037

(1) Includes stock-based compensation as follows:

Cost of revenue	\$ 29	\$ -	\$ 158	\$ -
Sales and Marketing	302	-	791	-
Product and web site development	340	-	839	-
General and administrative	1,878	-	4,131	-
	\$ 2,549	\$ -	\$ 5,919	\$ -

MOVE, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURE

INCOME (LOSS) FROM OPERATIONS EXCLUDING RESTRUCTURING CHARGES
AND CERTAIN OTHER NON-CASH AND NON-RECURRING ITEMS,
PRINCIPALLY STOCK-BASED COMPENSATION AND CHARGES,
DEPRECIATION, AND AMORTIZATION (EBITDA)

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(unaudited)		(unaudited)	
Income (loss) from operations	\$ 372	\$ 2,755	\$ (2,474)	\$ 1,995
Plus:				
Stock-based charges	(174)	133	(33)	517
Amortization of intangible assets	589	958	1,336	2,155
Depreciation	2,571	1,836	5,015	3,460
Stock-based compensation	2,549	--	5,919	--
Restructuring charge reversal	--	(1,442)	--	(1,442)
Non-recurring refund of insurance premium	(1,184)	--	(1,184)	--
Non-recurring revenue	--	(1,332)	--	(1,332)
EBITDA	\$ 4,723	\$ 2,908	\$ 8,579	\$ 5,353

MOVE, INC.
SEGMENT OPERATING RESULTS
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
	(unaudited)		(unaudited)	
Revenue:				
Real Estate Services	\$ 52,099	\$ 45,705	\$ 101,348	\$ 85,433
Move-Related Services	21,792	17,548	41,522	34,276
Total revenue	\$ 73,891	\$ 63,253	\$ 142,870	\$ 119,709
Operating income (loss) (1)				
Real Estate Services	\$ 11,379	\$ 14,287	\$ 22,976	\$ 23,471
Move-Related Services	323	(234)	(1,254)	203
Unallocated	(11,330)	(11,298)	(24,196)	(21,679)

Income (loss) from operations	\$ 372	\$ 2,755	\$ (2,474)	\$ 1,995
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(1) Includes stock-based compensation as follows:

Real Estate Services	\$ 1,068	\$ -	\$ 2,348	\$ -
Move-Related Services	321	-	945	-
Unallocated	1,160	-	2,626	-
	\$ 2,549	\$ -	\$ 5,919	\$ -

MOVE, INC.
SEGMENT OPERATING RESULTS
NET OF STOCK-BASED COMPENSATION EXPENSE
(in thousands)

Three months ended
June 30, 2006

(unaudited)

	Real Estate Services	Move-Related Services	Unallocated	Stock-based Compensation	Total revenue
Revenue	\$ 52,099	\$ 21,792	\$ -	\$ -	\$ 73,891
Cost of Revenue	8,449	7,063	906	29	16,447
Gross Profit	43,650	14,729	(906)	(29)	57,444
Sales and marketing	17,875	9,272	863	302	28,312
Product and web site development	6,283	1,173	997	340	8,793
General and administrative	7,045	3,640	6,815	1,878	19,378
Amortization of intangibles	-	-	589	-	589
Total operating expenses	31,203	14,085	9,264	2,520	57,072

Income (loss) from operations	\$	12,447	\$	644	\$	(10,170)	\$	(2,549)	\$	372
		=====		=====		=====		=====		=====

Three months ended
June 30, 2005

(unaudited)

	Real Estate Services	Move- Related Services	Unallocated	Stock-based Compensation	Total revenue
Revenue	\$ 45,705	\$ 17,548	\$ -	\$ -	\$ 63,253
Cost of Revenue	7,024	6,113	402	-	13,539
Gross Profit	38,681	11,435	(402)	-	49,714
Sales and marketing	15,122	7,327	240	-	22,689
Product and web site development	3,597	1,070	395	-	5,062
General and administrative	5,675	3,272	10,745	-	19,692
Amortization of intangibles	-	-	958	-	958
Restructuring charges	-	-	(1,442)	-	(1,442)
Total operating expenses	24,394	11,669	10,896	-	46,959
Income (loss) from operations	\$ 14,287	\$ (234)	\$ (11,298)	\$ -	\$ 2,755
		=====		=====	

MOVE, INC.
SEGMENT OPERATING RESULTS
NET OF STOCK-BASED COMPENSATION EXPENSE
(in thousands)

Six months ended
June 30, 2006

(unaudited)

	Real Estate Services	Move- Related Services	Unallocated	Stock-based Compensation	Total revenue
Revenue	\$ 101,348	\$ 41,522	\$ -	\$ -	\$142,870
Cost of Revenue	16,043	14,759	1,893	158	32,853
Gross Profit	85,305	26,763	(1,893)	(158)	110,017
Sales and marketing	33,914	17,591	1,357	791	53,653
Product and web site development	11,905	2,132	2,272	839	17,148
General and administrative	14,162	7,349	14,712	4,131	40,354
Amortization of intangibles	-	-	1,336	-	1,336
Total operating expenses	59,981	27,072	19,677	5,761	112,491
Income (loss) from operations	\$ 25,324	\$ (309)	\$ (21,570)	\$ (5,919)	\$ (2,474)

Six months ended
June 30, 2005

(unaudited)

	Real Estate Services	Move- Related Services	Unallocated	Stock-based Compensation	Total revenue
Revenue	\$ 85,433	\$ 34,276	\$ -	\$ -	\$119,709
Cost of Revenue	13,757	11,961	722	-	26,440
Gross Profit	71,676	22,315	(722)	-	93,269
Sales and marketing	30,462	14,081	508	-	45,051
Product and web site development	6,972	1,661	808	-	9,441
General and administrative	10,771	6,370	18,928	-	36,069
Amortization of					

intangibles	-	-	2,155	-	2,155
Restructuring charges	-	-	(1,442)	-	(1,442)

Total operating expenses	48,205	22,112	20,957	-	91,274

Income (loss) from operations	\$ 23,471	\$ 203	\$ (21,679)	\$ -	\$ 1,995
	=====				

MOVE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30,	
	-----	-----
	2006	2005

	(unaudited)	
Cash flows from continuing operating activities:		
Net income	\$ 1,438	\$ 2,925
Adjustments to reconcile net income to net cash provided by continuing operating activities:		
Depreciation	5,015	3,460
Amortization of intangible assets	1,336	2,155
Provision for doubtful accounts	540	565
Stock-based compensation and charges	5,886	517
Other non-cash items	(315)	2
Changes in operating assets and liabilities:		
Accounts receivable	(1,842)	(716)
Other assets	(2,380)	(1,650)
Accounts payable and accrued expenses	(16,995)	(5,409)
Deferred revenue	11,941	4,854

Net cash provided by operating activities	4,624	6,703

Cash flows from investing activities:		
Purchases of property and equipment	(6,854)	(4,204)
Maturities of short-term investments	16,950	4,000
Purchases of short-term investments	(10,050)	(8,710)
Acquisitions, net	(9,572)	-

Net cash used in investing activities	(9,526)	(8,914)

Cash flows from financing activities:		
Proceeds from exercise of stock options	4,816	535
Restricted cash	855	(77)
Payments on capital lease obligations	(1,374)	(927)
	-----	-----
Net cash provided by (used in) financing activities	4,297	(469)
	-----	-----
Change in cash and cash equivalents	(605)	(2,680)
Cash and cash equivalents, beginning of period	13,272	14,819
	-----	-----
Cash and cash equivalents, end of period	\$ 12,667	\$12,139
	=====	=====

MOVE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	June 30, 2006	December 31, 2005

	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,667	\$ 13,272
Short-term investments	132,150	139,050
Accounts receivable, net	18,764	15,966
Other current assets	22,093	19,485
	-----	-----
Total current assets	185,674	187,773
Property and equipment, net	28,263	20,717
Goodwill, net	23,877	19,502
Intangible assets, net	17,408	14,264
Restricted cash	4,171	5,026
Other assets	1,423	1,744
	-----	-----
Total assets	\$ 260,816	\$ 249,026
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,070	\$ 6,427
Accrued expenses	28,429	40,879
Obligation under capital leases	1,919	1,005
Deferred revenue	56,456	43,652
	-----	-----

Total current liabilities	88,874	91,963
Obligation under capital leases	3,065	--
Other liabilities	3,542	3,790
	-----	-----
Total liabilities	95,481	95,753
	-----	-----
Series B convertible preferred stock	93,705	91,349
Stockholders' equity:		
Series A convertible preferred stock	-	-
Common stock	152	149
Additional paid-in capital	2,057,675	2,047,456
Deferred stock-based charges	-	(351)
Accumulated other comprehensive income	394	343
Accumulated deficit	(1,986,591)	(1,985,673)
	-----	-----
Total stockholders' equity	71,630	61,924
	-----	-----
Total liabilities and stockholders' equity	\$ 260,816	\$ 249,026
	=====	=====

CONTACT: Move, Inc.

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