

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2004-08-12** | Period of Report: **2004-08-12**
SEC Accession No. **0001157523-04-007649**

([HTML Version](#) on [secdatabase.com](#))

FILER

INNODATA ISOGEN INC

CIK: **903651** | IRS No.: **133475943** | State of Incorpor.: **DE** | Fiscal Year End: **1216**
Type: **8-K** | Act: **34** | File No.: **000-22196** | Film No.: **04968497**
SIC: **7374** Computer processing & data preparation

Mailing Address
*THREE UNIVERSITY PLAZA
SUITE 506
HACKENSACK NJ 07601*

Business Address
*THREE UNIVERSITY PLAZA
SUITE 506
HACKENSACK NJ 07601
201 488 1200*

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 12, 2004

INNODATA ISOGEN, INC.

(Exact name of registrant as specified in its charter)

Delaware (State of other jurisdiction of incorporation)	0-22196 (Commission File Number)	13-3475943 (I.R.S. Employer Identification No.)
---	--	---

Three University Plaza Hackensack, NJ 07601 (Address of principal executive offices)	07601 (Zip Code)
--	---------------------

(201) 488-1200
(Registrant's telephone number, including area code)

Table of Contents

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release, dated August 12, 2004, issued by Innodata Isogen, Inc.

Item 12. Results of Operations and Financial Condition.

The information contained in this Item 12 is being furnished pursuant to Item 12 of Form 8-K in accordance with SEC Release Nos. 33-8216 and 34-47583.

On August 12, 2004, Innodata Isogen, Inc. issued a press release announcing its results of operations for the three months ended June 30, 2004, and financial condition as of June 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1.

The information, including the exhibit attached hereto, in this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise expressly stated in such filing.

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.

INNODATA ISOGEN, INC.

Date: August 12, 2004

By: /s/ Stephen Agress

Stephen Agress
Vice President, Finance

EXHIBIT INDEX

Exhibit No.

Description

99.1

Press Release, dated August 12, 2004, issued by
Innodata Isogen, Inc.

Innodata Isogen Reports Second Quarter 2004 Results

NEW YORK--(BUSINESS WIRE)--Aug. 12, 2004--INNODATA ISOGEN, INC.
(NASDAQ: INOD)

- Company Earns \$1.6 Million on a 53% Jump in Revenues
- Additional \$3 Million in Cash to Balance Sheet
- Revenues up 67% for First Half of This Year

INNODATA ISOGEN, INC. (NASDAQ: INOD), a leading provider of content supply chain solutions, today reported earnings of \$1,577,000, or \$.06 per diluted share, for the second quarter of 2004, versus a net loss of \$636,000, or \$0.03 per diluted share, for the second quarter of 2003.

Earnings in the first six months of 2004 are \$3,657,000, or \$0.15 per diluted share, as compared to a loss of \$1,749,000, \$0.08 per diluted share, over the same period in 2003.

Revenues increased 53% to \$12,354,000 in the second quarter of 2004 from revenues of \$8,056,000 in the second quarter of 2003; and revenues rose 67% to \$24,511,000 for the six months ending June 30, 2004 from \$14,709,000 for the same period last year.

In addition, the company's cash position increased from approximately \$10.3 million at the end of the first quarter 2004 to \$13.3 million at the end of the second quarter 2004.

In the second quarter of 2004, Innodata Isogen generated approximately \$3.1 million in cash from operations. In addition, working capital increased to approximately \$16.8 million. The company currently carries virtually no debt other than routine payables.

Innodata Isogen attributed the strong financial results to enhanced competitive positioning, organizational improvements and increased levels of capital spending in the commercial and enterprise publishing sectors and other segments in which the company markets its services.

"We've improved our financial performance significantly in 2004, delivering substantial gains in revenue and profitability over the same period last year," said Jack Abuhoff, Chairman and CEO of Innodata Isogen. "Our company consistently demonstrates the ability to generate significant amounts of cash, which of course can be used to fund further growth, organic or otherwise."

Abuhoff said he expects the company's financial results in the third quarter of 2004 to show continued improvement.

"We're building a company with broader horizons and that takes a lot of work," Abuhoff concluded. "But our team is enthusiastic about the next set of challenges. No company I'm aware of can more effectively help leading organizations control their content creation,

management and distribution costs. It's a very exciting place to be."

Timing of Conference Call with Q&A

Innodata Isogen will conduct an investor conference call, including a question & answer period, at 11:00 AM ET today. Interested parties can participate in this call by dialing the following call-in numbers:

1-800-915-4836 (Domestic)
1-973-317-5319 (International)

Replays will also be made available at:

1-800-428-6051 (Domestic Replay)
1-973-709-2089 (International Replay)
(Passcode on Replay only: 369109)

Investors are also invited to access a live Webcast of the conference call at the Investor Relations section of www.innodata-isogen.com. Please note that the Webcast feature will be in a listen-only mode. Call-in or Webcast replay will be available for 30 days following the conference call.

About Innodata Isogen

Innodata Isogen (www.innodata-isogen.com) optimizes content supply chains, helping clients realize significant cost savings and productivity gains from content-related operations, achieve better outcomes and compete more effectively in demanding global markets.

Our solutions encompass virtually every activity necessary to create, use and distribute information products. Clients can choose from an array of integrated point solutions or simply outsource their entire content supply chain to Innodata Isogen.

The company, based in metro New York, has three content solution centers in North America, seven certified content production facilities and a dedicated tools and technology center in Asia, together employing over 7,000 content specialists worldwide.

Among our extensive roster of blue-chip clients are the world's leading commercial publishers, Global 2000 enterprises, government agencies, and major archives, libraries and museums.

This release contains certain forward-looking statements, including without limitation, statements concerning the company's operations, economic performance, and financial condition. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "indicate," "point to" and other similar expressions generally identify forward-looking statements, which speak only as of their dates.

These forward-looking statements are based largely on the

company's current expectations, and are subject to a number of risks and uncertainties, including without limitation, continuation or worsening of present depressed market conditions, changes in external market factors, the ability and willingness of the company's clients and prospective clients to execute business plans which give rise to requirements for digital content and professional services in knowledge processing, difficulty in integrating and deriving synergies from acquisitions, potential undiscovered liabilities of companies that Innodata Isogen acquires, changes in the company's business or growth strategy, the emergence of new or growing competitors, various other competitive and technological factors, and other risks and uncertainties indicated from time to time in the company's filings with the Securities and Exchange Commission.

Actual results could differ materially from the results referred to in the forward-looking statements. In light of these risks and uncertainties, there can be no assurance that the results referred to in the forward-looking statements contained in this release will occur.

INNODATA ISOGEN, INC., AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2004	2003	2004	2003
REVENUES	\$ 12,354	\$ 8,056	\$ 24,511	\$ 14,709
OPERATING COSTS AND EXPENSES:				
Direct operating expenses	7,859	6,408	15,634	12,233
Selling and administrative expenses	2,413	2,513	4,667	4,559
Bad debt recovery - net	-	-	(963)	-
Interest expense (income) - net	-	(6)	1	(15)
Total	10,272	8,915	19,339	16,777
INCOME (LOSS) BEFORE PROVISION FOR (BENEFIT FROM) INCOME TAXES	2,082	(859)	5,172	(2,068)

PROVISION FOR (BENEFIT FROM) INCOME TAXES	505	(223)	1,515	(319)
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ 1,577	\$ (636)	\$ 3,657	\$ (1,749)
	=====	=====	=====	=====
BASIC INCOME (LOSS) PER SHARE	\$.07	\$ (.03)	\$.17	\$ (.08)
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING	22,145	21,466	22,049	21,451
	=====	=====	=====	=====
DILUTED INCOME (LOSS) PER SHARE	\$.06	\$ (.03)	\$.15	\$ (.08)
	=====	=====	=====	=====
ADJUSTED DILUTIVE SHARES OUTSTANDING	24,433	21,466	24,480	21,451
	=====	=====	=====	=====

INNODATA ISOGEN, INC., AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2004	December 31, 2003
	-----	-----
	Unaudited	From audited financial statements
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 13,336	\$ 5,051
Cash and equivalents - restricted	1,000	1,000
Accounts receivable-net	7,674	8,497
Refundable income taxes	-	1,075
Prepaid expenses and other current assets	1,322	999
Deferred income taxes	278	1,421
	-----	-----
Total current assets	23,610	18,043
PROPERTY AND EQUIPMENT - NET	4,886	5,628
OTHER ASSETS	868	800
GOODWILL	675	675
	-----	-----

TOTAL	\$ 30,039	\$25,146
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,677	\$ 2,451
Accrued salaries and wages	3,393	2,865
Income and other taxes	622	598
Current portion of capital lease obligations	153	146
	-----	-----
Total current liabilities	6,845	6,060
	-----	-----
DEFERRED INCOME TAXES PAYABLE	1,401	1,410
	-----	-----
OBLIGATIONS UNDER CAPITAL LEASE	192	272
	-----	-----
STOCKHOLDERS' EQUITY	21,601	17,404
	-----	-----
TOTAL	\$ 30,039	\$25,146
	=====	=====

CONTACT: Innodata Isogen
Al Girardi, 201-488-1200, ext. 5392
agirardi@innodata-isogen.com