

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2005-05-02** | Period of Report: **2005-05-02**
SEC Accession No. **0001188112-05-000866**

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FILER

MACROVISION CORP

CIK: **1027443** | IRS No.: **770156161** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-22023** | Film No.: **05791220**
SIC: **7373** Computer integrated systems design

Business Address
2830 DE LA CRUZ BLVD.
SANTA CLARA CA 95050
4087438600

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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

MAY 2, 2005

Date of Report (Date of earliest event reported)

MACROVISION CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	000-22023	77-0156161
(State or other jurisdiction of incorporation or organization)	(Commission File No.)	(I.R.S. employer identification number)

2830 DE LA CRUZ BOULEVARD
SANTA CLARA, CALIFORNIA 95050
(Address of principal executive offices, including zip code)

(408) 562-8400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 2, 2005, Macrovision Corporation (the "Company") issued a press release reporting its financial results for the first quarter ended March 31, 2005, providing guidance for the second quarter of 2005 and confirming guidance for fiscal year 2005. A copy of the press release is furnished as Exhibit 99.1 to this report.

The press release is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

In addition to reporting financial results in accordance with generally accepted accounting principles, or GAAP, Macrovision provides pro forma earnings and pro forma earnings per share in the press release as additional information for its operating results. These measures are not in accordance with, or an alternative for, GAAP and may be different from pro forma measures used by other companies. Macrovision's management believes that this presentation of pro forma earnings and pro forma earnings per share provides useful information to management and investors regarding certain additional financial and business trends relating to its financial condition and results of operations. In addition, management uses these measures for reviewing the financial results of Macrovision and for budget planning purposes.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

The following exhibit is furnished with this report on Form 8-K:

EXHIBIT NUMBER	DESCRIPTION
99.1	Press release dated May 2, 2005, reporting financial results for the first quarter ended March 31, 2005.

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.

MACROVISION CORPORATION
(Registrant)

Date: May 2, 2005

By: /s/ George M. Monk

George M. Monk
Acting Chief Financial Officer

[LOGO] ma(c) rovision

Macrovision Corporation
2830 De La Cruz Blvd.
Santa Clara, CA 95050

(408) 562-8400 Main
(408) 567-1800 Fax

FOR IMMEDIATE RELEASE

MACROVISION CORPORATION REPORTS
RESULTS FOR THE FIRST QUARTER OF 2005

COMPANY ACHIEVES RECORD FIRST QUARTER REVENUES AND EARNINGS

SANTA CLARA, CALIF. (BUSINESS WIRE)--May 2, 2005--Macrovision Corporation (Nasdaq: MVSN) announced today first quarter 2005 net revenues of \$51.3 million, an increase of 35% compared to \$38.0 million in the first quarter of 2004. Pro forma earnings (before amortization of intangibles from acquisitions, non-cash deferred compensation expense, impairment gains and losses on investments, and adjustments for changes to our tax rate, as applicable) were \$11.5 million. Pro forma diluted earnings per share for the quarter were \$0.22. The Company generated \$15.1 million of cash from operations and its ending cash and cash equivalents, short-term investments and long term marketable securities were \$265.2 million.

GAAP net income for the first quarter of 2005 was \$5.5 million which includes a charge of \$5.8 million as a result of writing down an investment in Digimarc to market. Diluted GAAP earnings per share for the quarter were \$0.11.

"We are very pleased with our first quarter results," said Bill Krepick, President and CEO at Macrovision. "Our software business turned in a strong performance and for the first time our software technologies' revenues exceeded our entertainment technologies revenues. We increased our customer base for both our new Hawkeye(TM) peer-to-peer anti-piracy service and our RipGuard DVD(TM) anti-ripping product. We are pleased that we were able to manage our costs even in the face of additional Sarbanes Oxley expenses and continued investment in new products and in the integration of our acquired products. We were also pleased that we filed our first 10-K under the rules governed by Sarbanes Oxley, and we received an unqualified opinion from our independent registered public accounting firm on our internal controls."

Krepick continued, "Looking ahead, we are confirming our FY2005 guidance for revenues to be between \$220 and \$230 million, but increasing our guidance for pro forma EPS which we expect to be in the \$1.05-\$1.07 range, and GAAP earnings per share in the range of \$0.83-\$0.86. For Q2 2005, we are estimating that our revenues will be in the range of \$47 -\$49 million and our pro forma EPS will be in the range of \$0.15-\$0.17. Our forecasts take into account the fact that we have a number of new products that we expect will slowly gain traction as the year progresses and will culminate in a strong Q4, which will reflect historical seasonality in both of our business units. These projections include the impact of the InstallShield(R) acquisition for the full year."

MVSN 1Q05 EARNINGS RELEASE
MAY 2, 2005

--MORE--

Immediately following the Q1 2005 earnings release, Macrovision will hold an

investor conference call on May 2, 2005, from 5:00 p.m. to 6:00 p.m. ET. Investors and analysts interested in participating in the conference are welcome to call 800-219-6110 (OR INTERNATIONAL +1 303-262-2050) and reference the Macrovision call.

The conference call can also be accessed via live Webcast at WWW.MACROVISION.COM or WWW.FULLDISCLOSURE.COM (or WWW.STREETEVENTS.COM for subscribers) on May 2, 2005 at 5:00 p.m. ET. Approximately 1-2 hours after the live Webcast ends, the on-demand Webcast of Macrovision's earnings conference call can be accessed until June 1, 2005.

Investors and analysts interested in listening to a recorded replay of the conference are welcome to call 800-405-2236 (OR INTERNATIONAL +1 303-590-3000) AND ENTER PASSCODE 11028650#. Access to the replay is available through May 3, 2005.

ABOUT MACROVISION

Macrovision develops and markets content value management and software value management technologies for the home video, PC games, music, cable/satellite, consumer software, and enterprise software industries. Macrovision holds a total of 187 issued or pending United States patents and 1129 issued or pending international patents, and continues to increase its patent portfolio with new and innovative technologies in related fields. Macrovision has its corporate headquarters in Santa Clara, California, with other offices in Schaumburg, Illinois, the United Kingdom, Amsterdam, Frankfurt, Tel Aviv, Tokyo, Hong Kong, Taipei and Seoul.

NOTE TO EDITORS: FOR MORE INFORMATION ON MACROVISION CORPORATION AND ITS PRODUCTS, PLEASE VISIT WWW.MACROVISION.COM.

(C) 2005 Macrovision Corporation. Macrovision, FLEXnet, Hawkeye, InstallShield and RipGuard DVD are registered trademarks or trademarks of Macrovision Corporation. All other brands and product names and trademarks are the registered property of their respective companies.

All statements contained herein, including the quotations attributed to Mr. Krepick, as well as oral statements that may be made by the Company or by officers, directors or employees of the Company acting on the Company's behalf, that are not statements of historical fact, including statements that use the words "will," "believes," "anticipates," "estimates," "expects," "intends" or "looking to the future" or similar words that describe the Company's or its management's future plans, objectives, or goals, are "forward-looking statements" and are made pursuant to the Safe-Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include the Company's forecast of future revenues and earnings, the business strategies and product plans of the Company and the features and benefits of the products of the Company.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results and/or from any future results or outcomes expressed or implied by such forward-looking statements. Among the important factors that could cause results to differ materially are the following: the failure of markets for home video, audio CDs,

MVSN 1Q05 EARNINGS RELEASE
MAY 2, 2005

--MORE--

consumer or enterprise software value management, or markets for the technological protection of copyrighted materials contained in such products, to continue, develop or expand, and the failure of the Company's products to achieve or sustain market acceptance or to meet, or continue to meet, the changing demands of content or software providers. Other factors include those

outlined in the Company's Annual Report on Form 10-K for 2004 and such other documents as are filed with the Securities and Exchange Commission from time to time. These factors may not constitute all factors that could cause actual results to differ materially from those discussed in any forward-looking statement. The Company operates in a continually changing business environment and new factors emerge from time to time. The Company cannot predict such factors, nor can it assess the impact, if any, of such factors on the Company or its results. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company is not obligated to revise or update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

Macrovision uses pro forma condensed consolidated statements of income in the presentation of financial results and earnings guidance. Management believes that this presentation may be more meaningful in analyzing the results of operations and income generation, as non-cash, non-operating or non-recurring items (such as amortization of intangibles from acquisitions, amortization of deferred stock-based compensation, impairment gains and losses on investments, and adjustments for changes to the tax rate) are excluded from the pro forma earnings calculation. The Company believes this presentation is more indicative of its ongoing operational performance. The tables below present the differences between pro forma earnings and GAAP net income on an absolute and per share basis.

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INVESTOR CONTACT:
George Monk
Macrovision Corporation
+1 (408) 562-8400
ir-info@macrovision.com

MVSN 1Q05 EARNINGS RELEASE --MORE--
MAY 2, 2005

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MACROVISION CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
<S>	<C>	<C>
Net Revenues	\$51,257	\$37,982
Costs and expenses:		
Costs of revenues, including amortization of intangibles of \$2,416 and \$779 for the three months ended March 31, 2005 and 2004, respectively	7,794	3,084
Research and development	8,697	5,587
Selling and marketing	12,922	8,556
General and administrative	8,426	5,513
Deferred compensation expense relating to Globetrotter	--	185

Impairment losses (gains) on investments, net	5,726	(1,040)
	-----	-----
Total costs and expenses	43,565	21,885
	-----	-----
Income before interest and income taxes	7,692	16,097
Interest and other income, net	937	728
	-----	-----
Income before income taxes	8,629	16,825
Income taxes	3,162	6,057
	-----	-----
Net income	\$ 5,467	\$10,768
	=====	=====
Diluted earnings per share	\$ 0.11	\$ 0.21
	=====	=====
Shares used in computing diluted earnings per share	51,341	50,210
	=====	=====

MACROVISION CORPORATION AND SUBSIDIARIES
PRO FORMA RECONCILIATION OF CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) (1)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
	-----	-----
Net income	\$ 5,467	\$ 10,768
Add:		
Adjustment to pro forma tax rate	358	--
Amortization of intangibles from acquisitions (net of taxes)	1,790	647
Deferred compensation expense relating to Globetrotter	--	185
Impairment losses (gains) on investments, net (net of taxes)	3,865	(670)
	-----	-----
Pro forma net income	\$11,480	\$10,930
	=====	=====
Diluted earnings per share reconciliation:		
Net income	\$ 0.11	\$ 0.21
Add:		
Adjustment to pro forma tax rate	0.01	--
Amortization of intangibles from acquisitions (net of taxes)	0.03	0.01
Deferred compensation expense relating to Globetrotter	--	0.01
Impairment losses on investments, net of gains (net of taxes)	0.07	(0.01)
	-----	-----
Pro forma diluted earnings per share	\$ 0.22	\$ 0.22
	=====	=====
Shares used in computing diluted earnings per share	51,341	50,210
	=====	=====

</TABLE>

NOTES:

- (1) Pro forma results for the three ended March 31, 2005 and 2004 are presented for information purposes only. These results present the operating results of Macrovision Corporation, excluding costs associated with amortization of intangibles from acquisitions, amortization of capitalized patents from our acquisition of TTR's assets in the second quarter of 2003, deferred compensation expense, and impairment gains and losses on investments. These costs were \$6,013 for the three month period ended March 31, 2005, net of taxes when applicable, using the Company's pro forma tax rate. The amortization expense for capitalized TTR patents included in cost of revenues was \$236 for the three months ended March 31, 2005. The format presented above is not in accordance with Generally Accepted Accounting Principles.

MVSN 1Q05 EARNINGS RELEASE --MORE--
MAY 2, 2005

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MACROVISION CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(IN THOUSANDS)

	MARCH 31, 2005	DECEMBER 31, 2004
	----- <C>	----- <C>
<S>		
ASSETS		
Cash and cash equivalents	\$ 113,740	\$ 104,957
Restricted cash	--	859
Short-term investments	122,449	101,299
Accounts receivable, net	39,047	41,468
Prepaid expenses and other assets	13,976	12,643
	-----	-----
Total Current Assets	289,212	261,226
Property and equipment, net	9,381	9,295
Long-term marketable investment securities	29,024	47,414
Goodwill	74,188	74,529
Other intangibles from acquisitions, net	28,724	31,185
Deferred tax assets	17,033	17,151
Patents and other assets	11,537	11,673
	-----	-----
TOTAL ASSETS	\$ 459,099	\$ 452,473
	=====	=====
LIABILITIES		
Accounts payable	\$ 5,127	\$ 5,907
Accrued expenses and income taxes payable	27,558	32,639
Deferred revenue	18,032	14,604
	-----	-----
Total Current Liabilities	50,717	53,150
Other liabilities	1,553	979
	-----	-----
TOTAL LIABILITIES	52,270	54,129

STOCKHOLDERS' EQUITY

406,829

398,344

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY

\$ 459,099

\$ 452,473

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MVSN 1Q05 EARNINGS RELEASE
MAY 2, 2005

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