

---

**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): **November 6, 2008**

---

**MICROVISION, INC.**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**0-21221**  
(Commission File Number)

**91-1600822**  
(IRS Employer  
Identification No.)

**6222 185<sup>th</sup> Avenue NE**  
**Redmond, Washington 98052**  
(Address of Principal Executive Offices)(Zip Code)

Registrant's telephone number, including area code: **(425) 936-6847**

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))
-

**Item 2.02 Results of Operations and Financial Condition.**

The information in this Current Report is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

On November 6, 2008, Microvision, Inc. issued a press release announcing its financial results for the quarter ended September 30, 2008. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(c) *Exhibits.*

99.1 Microvision, Inc. Press Release Announcing Financial Results for the Quarter Ended September 30, 2008.

---

**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.

MICROVISION, INC.

By:           /s/ Thomas M. Walker          

Thomas M. Walker  
*Vice President, General Counsel & Secretary*

Date: November 6, 2008

## Microvision Reports Third Quarter 2008 Results

REDMOND, Wash.--(BUSINESS WIRE)--November 6, 2008--Microvision, Inc. (NASDAQ:MVIS), a global leader in light scanning technologies, today reported operating and financial results for the third quarter of 2008.

### Operating Results

“The third quarter marked strong progress on our PicoP™ commercialization roadmap in three key areas: product development, supply chain maturation, and strengthening the balance sheet,” stated Alexander Tokman, President and CEO. “We commenced shipments of our enhanced PicoP accessory projector prototypes to several partners for evaluation. The early feedback is positive and our partners continue to view the small size, low power consumption, brightness, color saturation, and infinite focus as compelling advantages of Microvision’s PicoP solution for mobile projection applications.

“During the quarter, we formally announced a strategic supply relationship with Asia Optical Co. and that we raised over \$24 million of operating cash during challenging market conditions. The steady execution of our operating plan demonstrated by these and other milestones gives us confidence that we remain on track to achieve our previously stated expectation to commercially introduce initial quantities of an accessory projector based on the PicoP display engine in the first half of 2009 and move to higher volumes in the second half of 2009.”

During the third quarter Microvision commenced shipments of enhanced PicoP accessory projector prototypes for customer evaluation to several partners. These units incorporate important advancements including next generation green lasers, a smaller PicoP display engine which projects a brighter image, and several image quality enhancements. Evaluation of the enhanced units is in the early stages and is expected to continue over the next several months. Microvision plans to use feedback from the evaluations to finalize the accessory pico projector design expected later this year.

The company continued development of ASIC electronics for the accessory projector, which are expected to be completed and fully integrated into the final product configuration prototypes in late fourth quarter of this year. Completion and integration of the ASICs will result in a product configuration that is roughly 25% smaller than the current prototypes and reduced power that will allow the product to operate continuously for approximately 2 hours without the need for recharging.

---

The company externally validated key shock-resistance reliability requirements for its wide angle (WVGA) MEMS scanning mirror, a key component inside the company's ultra-miniature PicoP display engine. Testing showed Microvision's MEMS scanning mirror twice exceeds the shock performance requirements desired by OEM partners and could survive a four foot drop on concrete when embedded in a typical hand held device. Testing was conducted by Fraunhofer Institute for Photonic Microsystems, a recognized leader in research in electronic, mechanical, and optical components and for their integration expertise into miniature intelligent devices and systems.

Microvision also announced a strategic supply agreement with Asia Optical Co., Inc., a leading manufacturer of electro-optical components with annual sales exceeding \$1.1 billion USD, to manufacture PicoP display engines and accessory projector products. Asia Optical has extensive experience designing and manufacturing many high precision optical components including full vertical integration of digital cameras for Fuji, Olympus, Kodak, Nikon, Ricoh and GE.

"According to Yankee Group, there will be over 780 million smart phone users by 2012 and the global mobile TV market will top \$17 billion in less than five years. We believe our technology offers a compelling combination of miniature size and low power consumption that our OEMs require to embed the pico projector engines into their product offerings such as cell phones, while meeting the image quality and reliability requirements consumers' desire from mobile projection displays. We believe Microvision can fundamentally change the way people view and share information with each other and we are excited about the opportunity in front of us," concluded Tokman.

#### **Financial Results**

For the nine months ended September 30, 2008, the company reported revenue of \$5.1 million compared to \$7.5 million for the same period in 2007 and for the three months ended September 30, 2008, the company reported revenue of \$894,000 compared to \$2.6 million for the same period in 2007. As of September 30, 2008, the backlog totaled \$647,000 compared to \$5.7 million at September 30, 2007. The decrease in backlog from 2007 is primarily attributed to completion of government and commercial development contracts in 2007 and early 2008.

The company reported an operating loss for the nine months ended September 30, 2008 of \$25.3 million compared to \$18.8 million for the same period in 2007 and \$9.0 million for the quarter ended September 30, 2008 compared to \$6.5 million for the same period in 2007. The increase is primarily attributable to lower revenue for the quarter and increased development costs associated with the planned introduction of PicoP enabled products. The increased development costs include increased headcount in strategic sourcing, supplier quality and business development as well as increased material costs consistent with product commercialization.

---

The company reported a net loss of \$22.7 million for the nine months ended September 30, 2008 compared to \$13.8 million for the same period in 2007 and \$8.4 million for the quarter ended September 30, 2008 compared to \$4.7 million for the same period in 2007. The net loss for the nine months and quarter ended September 30, 2007 included a gain on the company's sale of its investment in Lumera Corporation of \$6.4 million and \$434,000, respectively. Excluding this gain, the adjusted net loss for the nine months and quarter ended September 30, 2007 was \$20.2 million and \$5.2 million, respectively.

The net loss per share was \$0.38 for the nine months ended September 30, 2008 compared to \$0.29 for the same period in 2007 and \$0.13 for the quarter ended September 30, 2008 compared to \$0.08 for the same period in 2007. Excluding the gain on the sale of Lumera of \$0.13 and \$0.01, respectively, for the nine and three months ended September 30, 2007, the adjusted net loss per share was \$0.42 and \$0.09, respectively.

Net cash used in operating activities was \$22.3 million for the nine months ended September 30, 2008 compared to \$16.6 million for the same period in 2007. The company ended the quarter with \$37.2 million in cash, cash equivalents, and investment securities.

#### **Conference Call**

Microvision will host a conference call to discuss its third quarter 2008 results and current business operations at 4:30 p.m. ET on November 6, 2008. Participants may join the conference call by dialing 866-831-6267 (for U.S. participants) or 617-213-8857 (for International participants) ten minutes prior to the start of the conference. The conference pass-code number is 79732707. Additionally, the call will be broadcast over the Internet and can be accessed from the Company's web site at [www.microvision.com/investors](http://www.microvision.com/investors). The web cast and information needed to access the telephone replay will be available through the same link following the conference call.

#### **About Microvision [www.microvision.com](http://www.microvision.com)**

Microvision provides the PicoP display technology platform designed to enable next generation display and imaging products for Pico projectors, vehicle displays, and wearable displays that interface with mobile devices. The company also manufactures and sells its bar code scanner product line which features the company's proprietary MEMS technology.

#### **Forward-Looking Statements Disclaimer**

Certain statements contained in this release, including those relating to timing of manufactured units, future products, product attributes and product applications, as well as statements containing words like "expects," "believe," "plans" and other similar expressions, are forward-looking statements that involve a number of risks and uncertainties. Factors that could cause actual results to differ materially from those projected in the Company's forward-looking statements include the following: availability and quantities of key components, our ability to raise additional capital when needed; our financial and technical resources relative to those of our competitors; our ability to keep up with rapid technological change; our dependence on the defense industry and a limited number of government development contracts; government regulation of our technologies; our ability to enforce our intellectual property rights and protect our proprietary technologies; the ability to obtain additional contract awards; the timing of commercial product launches and delays in product development; the ability to achieve key technical milestones in key products; dependence on third parties to develop, manufacture, sell and market our products; potential product liability claims and other risk factors identified from time to time in the Company's SEC reports, including the Company's Annual Report on Form 10-K filed with the SEC. Except as expressly required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in circumstances or any other reason.

---

Microvision, Inc.

**Balance Sheet**  
**(In thousands)**  
(Unaudited)

|   | September 30,<br>2008 | December 31,<br>2007 |
|---|-----------------------|----------------------|
| <b>Assets</b>   |                       |                      |
| <b>Current Assets</b>   |                       |                      |
| Cash and cash equivalents   | \$ 30,991             | \$ 13,399            |
| Investment securities, available-for-sale                                   | 6,222                 | 22,411               |
| Accounts receivable, net of allowances                                      | 169                   | 1,885                |
| Costs and estimated earnings in excess of billings on uncompleted contracts | 9                     | 443                  |
| Inventory   | 1,806                 | 761                  |
| Other current assets  | 996                   | 1,180                |
| Total current assets  | <u>40,193</u>         | <u>40,079</u>        |
| Property and equipment, net   | 3,581                 | 4,047                |
| Restricted investments  | 1,475                 | 1,125                |
| Other assets  | 48                    | 47                   |
| Total assets  | <u>\$ 45,297</u>      | <u>\$ 45,298</u>     |
| <b>Liabilities and Shareholders' Equity</b>                                 |                       |                      |
| <b>Current Liabilities</b>  |                       |                      |
| Accounts payable  | \$ 2,409              | \$ 2,146             |
| Accrued liabilities   | 3,442                 | 4,154                |
| Billings in excess of costs and estimated earnings on uncompleted contracts | 71                    | 970                  |
| Liability associated with common stock warrants                             | 524                   | 2,657                |
| Current portion of capital lease obligations                                | 41                    | 44                   |
| Current portion of long-term debt   | 69                    | 65                   |
| Total current liabilities   | <u>6,556</u>          | <u>10,036</u>        |
| Capital lease obligations, net of current portion                           | 54                    | 88                   |
| Long-term debt, net of current portion                                      | 340                   | 393                  |
| Deferred rent, net of current portion                                       | 1,487                 | 1,720                |
| Total liabilities   | <u>8,437</u>          | <u>12,237</u>        |
| Commitments and contingencies   | -                     | -                    |
| <b>Shareholders' Equity</b>   |                       |                      |
| Common stock at par value   | 68                    | 57                   |
| Additional paid-in capital  | 318,983               | 292,374              |
| Accumulated other comprehensive income (loss)                               | (23)                  | 51                   |
| Accumulated deficit   | (282,168)             | (259,421)            |
| Total shareholders' equity  | <u>36,860</u>         | <u>33,061</u>        |
| Total liabilities and shareholders' equity                                  | <u>\$ 45,297</u>      | <u>\$ 45,298</u>     |

Microvision, Inc.

Statement of Operations  
(In thousands, except earnings per share data)  
(Unaudited)

|   | Three months ended<br>September 30, |            | Nine months ended<br>September 30, |             |
|---|-------------------------------------|------------|------------------------------------|-------------|
|   | 2008                                | 2007       | 2008                               | 2007        |
| Contract revenue  | \$ 480                              | \$ 2,301   | \$ 3,767                           | \$ 6,422    |
| Product revenue   | 414                                 | 298        | 1,319                              | 1,074       |
| Total revenue   | 894                                 | 2,599      | 5,086                              | 7,496       |
| Cost of contract revenue                                | 253                                 | 1,349      | 1,389                              | 3,576       |
| Cost of product revenue                                 | 356                                 | 404        | 1,224                              | 1,134       |
| Total cost of revenue                                   | 609                                 | 1,753      | 2,613                              | 4,710       |
| Gross margin  | 285                                 | 846        | 2,473                              | 2,786       |
| Research and development expense                        | 5,804                               | 3,694      | 16,111                             | 10,247      |
| Sales, marketing, general and administrative expense    | 3,456                               | 3,691      | 11,694                             | 11,328      |
| Total operating expenses                                | 9,260                               | 7,385      | 27,805                             | 21,575      |
| Loss from operations                                    | (8,975)                             | (6,539)    | (25,332)                           | (18,789)    |
| Interest income   | 271                                 | 526        | 962                                | 860         |
| Interest expense  | (11)                                | (14)       | (36)                               | (499)       |
| Loss due to impairment of long-term investment          | (300)                               | -          | (300)                              | -           |
| Gain (loss) on derivative instruments, net              | 585                                 | 883        | 2,004                              | (1,709)     |
| Other expense   | (13)                                | (8)        | (45)                               | (25)        |
| Net loss before Lumera transactions                     | (8,443)                             | (5,152)    | (22,747)                           | (20,162)    |
| Gain on sale of investment in Lumera                    | -                                   | 434        | -                                  | 6,397       |
| Net loss  | \$ (8,443)                          | \$ (4,718) | \$ (22,747)                        | \$ (13,765) |
| Net loss per share - basic and diluted                  | \$ (0.13)                           | \$ (0.08)  | \$ (0.38)                          | \$ (0.29)   |
| Weighted-average shares outstanding - basic and diluted | 64,879                              | 56,236     | 59,483                             | 47,683      |

CONTACT:  
Microvision, Inc.  
Matt Nichols (media) 425-882-6657  
Tiffany Bradford (investors) 425-936-6847  
Michael Porter (investors) 212-564-4700