

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

January 22, 2001
Date of Report (Date of earliest event reported)

NETERGY NETWORKS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

333-15627
(Commission File Number)

77-0142404
(I.R.S. Employer
Identification No.)

2445 Mission College Blvd.
Santa Clara, California 95054
(Address of principal executive offices)

(408) 727-1885
(Registrant's telephone number, including area code)

ITEM 5. OTHER EVENTS

On January 22, 2001, Netergy Networks, Inc. ("Netergy") issued a press release announcing the resignations of Paul Voois as Chief Executive Officer and Robert Habibi as President and Chief Operating Officer. A copy of the foregoing press release is included as Exhibit 99.1 hereto and is incorporated herein by reference.

On January 23, 2001, Netergy issued a press release announcing the resignations of: Robert Habibi from Netergy's Board of Directors; Jean-Luc Calonne as Senior Vice President for Business Operations/General Manager of Netergy's Montreal office; and approximately 50 employees from the Netergy's Montreal office. A copy of the foregoing press release is included as Exhibit 99.2 hereto and is incorporated herein by reference.

On January 24, 2001, Netergy issued a press release announcing the appointment of Joe Parkinson as interim Chief Executive Officer, and the addition of Bryan Martin to the Board of Directors and his appointment as President and Chief Operating Officer. A copy of the foregoing press release is included as Exhibit 99.3 hereto and is incorporated herein by reference.

On January 31, 2001, Netergy issued a press release announcing its financial results for its third quarter of fiscal 2001, which ended December 31, 2000. A copy of the foregoing press release is included as Exhibit 99.4 hereto and is incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits.

Exhibit Number	Description
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99.1	Press release dated January 22, 2001.
99.2	Press release dated January 23, 2001.
99.3	Press release dated January 24, 2001.
99.4	Press release dated January 31, 2001.

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.

NETERGY NETWORKS, INC.

Dated: February 7, 2001

By: /s/ David Stoll

David Stoll
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press release dated January 22, 2001.
99.2	Press release dated January 23, 2001.
99.3	Press release dated January 24, 2001.
99.4	Press release dated January 31, 2001.

CONTACT:
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FOR IMMEDIATE RELEASE

NETERGY NETWORKS ANNOUNCES EXECUTIVE CHANGES

SANTA CLARA, Calif., January 22, 2001 -- Netergy Networks, Inc. (Nasdaq: NTRG) announced today that Paul Voois has resigned as Chief Executive Officer and Robert Habibi has resigned as President and Chief Operating Officer. Voois and Habibi will continue to serve in their current capacities until their successors are named by the Netergy Board of Directors.

CONTACTS:

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Martine Nadeau
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(514) 282-8484, x259

FOR IMMEDIATE RELEASE

NETERGY NETWORKS ANNOUNCES DEPARTURES

SANTA CLARA, Calif., January 23, 2001 -- Netergy Networks, Inc. (Nasdaq: NTRG) announced today that Robert Habibi has resigned as a member of Netergy's Board of Directors. In addition, the Company announced that Jean-Luc Calonne, Senior Vice President for Business Operations and General Manager of the Company's Montreal office has resigned. Approximately 50 employees of Netergy's Montreal office have also submitted their resignations.

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FOR IMMEDIATE RELEASE

NETERGY NETWORKS ANNOUNCES APPOINTMENTS

SANTA CLARA, Calif., January 24, 2001 -- Netergy Networks, Inc. (Nasdaq: NTRG) announced today that the Company's Board of Directors has appointed Joe Parkinson interim Chief Executive Officer of the Company. Mr. Parkinson has been serving as Chairman of the Company's Board of Directors and will continue in that capacity. In connection with the appointment of Mr. Parkinson as interim CEO, the Board of Directors established a search committee to find a permanent CEO. The committee consists of Mr. Parkinson, Bill Tai, and Bernd Girod.

The Company's Board of Directors also appointed Bryan Martin to the Board and named him President and Chief Operating Officer of the Company. Mr. Martin has been with the Company for ten years, most recently as Senior Vice President of Engineering Operations. He previously served on the Company's Board of Directors.

Paul Voois' resignation as Chief Executive Officer of the Company became effective today. Dr. Voois will be staying with the Company as Vice President of its Solutions Group and will remain on the Company's Board of Directors.

With today's appointments, Netergy's Board of Directors consists of Lee Camp, Bernd Girod, Guy Hecker, Christos Lagomichos, Joe Markee, Bryan Martin, Joe Parkinson, Bill Tai and Paul Voois. The officers of the Company, in addition to Joe Parkinson and Bryan Martin, are the following Vice Presidents: Ted Beck, Philip Bednarz, Jonathan Foster, David Stoll, and Paul Voois.

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NETERGY NETWORKS ANNOUNCES THIRD QUARTER FISCAL 2001 RESULTS

FOR IMMEDIATE RELEASE

SANTA CLARA, Calif., January 31, 2001 -- Netergy Networks, Inc. (Nasdaq: NTRG) today announced financial results for its third quarter of fiscal 2001, which ended December 31, 2000.

Total revenues for the third quarter of fiscal 2001 were \$4.1 million, compared with \$6.2 million for the same period in the prior year and \$3.9 million in the prior fiscal quarter. The net loss for the quarter, including the cumulative effect of a change in accounting principle and other non-cash items, was \$11.8 million, or \$0.47 per share, compared with a net loss of \$2.2 million, or \$0.12 per share for the same period last year, and a net loss of \$15.0 million, or \$0.60 per share for the prior fiscal quarter.

The company recorded a \$1.1 million non-cash expense during the third quarter of fiscal 2001 to account for a beneficial conversion feature associated with the convertible subordinated debentures and related warrants issued in December 1999. The expense, which was presented as a cumulative effect of a change in accounting principle, increased the net loss per basic and diluted share for the quarter by \$0.05 per share.

ABOUT NETERGY NETWORKS

Netergy Networks is a provider of Internet Protocol (IP) network services solutions and embedded network appliance technology for converged voice and data networks. The company is based in Santa Clara, California, and has offices in Canada, France and the United Kingdom. For more information, visit Netergy Networks' web site at <http://www.netergynet.com/>

FINANCIAL TABLES TO FOLLOW

NETERGY NETWORKS, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (IN THOUSANDS, EXCEPT PER SHARE DATA)
 (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	DECEMBER 31, 2000	December 31, 1999	DECEMBER 31, 2000	December 31, 1999
Product revenues	\$ 2,388	\$ 4,941	\$ 9,962	\$ 15,715
License and other revenues	1,063	1,297	2,758	3,127
Service revenues	653	--	1,099	--
Total revenues	4,104	6,238	13,819	18,842
Cost of revenues	1,948	1,993	5,291	6,792
Gross profit	2,156	4,245	8,528	12,050
Operating expenses:				
Research and development	4,868	2,854	13,870	8,137
Sales, general and administrative	4,497	3,545	12,924	10,918
In-process research and development	--	--	4,563	10,100
Amortization of intangibles	3,612	189	7,375	424
Total operating expenses	12,977	6,588	38,732	29,579
Loss from operations	(10,821)	(2,343)	(30,204)	(17,529)
Other income, net	67	109	1,266	2,185
Loss before provision for income taxes	(10,754)	(2,234)	(28,938)	(15,344)
Provision for income taxes	--	--	12	66
Net loss before cumulative effect of change in accounting principle	(10,754)	(2,234)	(28,950)	(15,410)
Cumulative effect of change in accounting principle (1)	(1,081)	--	(1,081)	--
Net loss	\$ (11,835)	\$ (2,234)	\$ (30,031)	\$ (15,410)
Net loss before cumulative effect of change in accounting principle per basic and diluted share	\$ (0.42)	\$ (0.12)	\$ (1.19)	\$ (0.88)
Cumulative effect of change in accounting principle (1)	(0.05)	--	(0.05)	--
Net loss per basic and diluted share	\$ (0.47)	\$ (0.12)	\$ (1.24)	\$ (0.88)
Basic and diluted shares outstanding	25,337	18,035	24,281	17,421

(1) The company recorded a \$1.1 million expense during the third quarter of fiscal 2001 to account for a beneficial conversion feature associated with the convertible subordinated debentures and related warrants issued in December 1999 due to a change in accounting principle.

NETERGY NETWORKS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, UNAUDITED)

	DECEMBER 31, 2000	March 31, 2000
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ASSETS		
Current assets:		
Cash and cash equivalents	\$34,443	\$48,576
Accounts receivable, net	2,174	2,394
Inventory	1,481	1,367
Prepaid expenses and other assets	3,174	1,043
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Total current assets	41,272	53,380
Property and equipment, net	7,645	2,687
Intangibles and other assets	37,438	3,916
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Total assets	\$86,355	\$59,983
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$2,500	\$ 1,887
Accrued compensation	2,599	2,154
Accrued warranty	559	694
Deferred revenue	5,823	731
Other accrued liabilities	1,875	1,629
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Total current liabilities	13,356	7,095
Long-term debt	717	--
Convertible subordinated debentures	6,053	5,498
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Total liabilities	20,126	12,593
Stockholders' equity	66,229	47,390
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Total liabilities and stockholders' equity	\$86,355	\$59,983
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Editors: Netergy is a trademark of Netergy Networks, Inc.