

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): January 9, 2006

CMGI, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-23262
(Commission File Number)

04-2921333
(IRS Employer
Identification No.)

1100 Winter Street
Waltham, Massachusetts 02451
(Address of Principal Executive Offices) (Zip Code)

(781) 663-5001
(Registrant's telephone number, including area code)

Not Applicable
(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))

Item 1.01 Entry into a Material Definitive Agreement.

On January 9, 2006, ModusLink Corporation (“ModusLink”), a subsidiary of CMGI, Inc. (the “Company”), entered into an employment letter agreement (the “Letter Agreement”) with William R. McLennan, President of International Business of ModusLink, in recognition of Mr. McLennan’s change in responsibility in December 2005 from President of Asia-Pacific Operations of ModusLink to his current position, in which he also now has responsibility for ModusLink’s European operations. The Letter Agreement provides for an increase in Mr. McLennan’s base salary, from \$340,000 to \$375,000, effective December 1, 2005. The Letter Agreement also provides that Mr. McLennan shall continue to be eligible to receive an annualized bonus equal to 60% of his base salary (the “Bonus”). The payment of the Bonus is subject to ModusLink’s and the Company’s achievement of fiscal year 2006 business objectives pursuant to the CMGI FY2006 Executive Management Incentive Plan.

Pursuant to the Letter Agreement, Mr. McLennan was also granted a stock option to purchase 100,000 shares of the Company’s common stock at an exercise price equal to the closing price of the Company’s common stock on the Nasdaq National Market on January 9, 2006.

In addition, subject to the Company’s achievement of certain fiscal year 2006 business and financial goals, Mr. McLennan is entitled to receive a stock option grant for an additional 100,000 shares of the Company’s common stock, at an exercise price equal to the closing price of the Company’s common stock on the Nasdaq National Market on the date of grant. Should such stock option grant occur, it would be effective on or after the third business day following the Company’s public release of its financial results for the fiscal year ending July 31, 2006.

Mr. McLennan also agreed that a provision of his original offer letter, dated February 1, 2005, permitting him to require ModusLink to transfer him to a job of equal or greater responsibility in the United States after two years of employment, would no longer be effective.

The foregoing description is subject to, and qualified in its entirety by, the Letter Agreement filed as Exhibit 10.1 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

10.1 Letter Agreement, dated January 9, 2006, by and between ModusLink Corporation and William R. McLennan.

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.

CMGI, Inc.

By: _____ /s/ THOMAS OBERDORF
Thomas Oberdorf
Chief Financial Officer and Treasurer

Date: January 13, 2006

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter Agreement, dated January 9, 2006, by and between ModusLink Corporation and William R. McLennan.



Corporate Offices
1100 Winter Street
Suite 4600
Waltham, MA 02451
United States
Tel: 781.663.5000
Fax: 781.663.5100

Via Federal Express

January 9, 2006

Mr. William R. McLennan
c/o ModusLink PTE LTD
51 Ubi Avenue 3
Singapore 408858

Dear Bill:

Congratulations on your taking on your new role as President of International Business of ModusLink Corporation ("ModusLink" or the "Company"). In this capacity you will continue to report to Joseph C. Lawler, President and Chief Executive Officer of ModusLink.

This letter will serve to memorialize certain changes to your compensation arrangements with the Company.

Effective as of December 1, 2005, your salary will be \$14,426.08 bi-weekly, which is equivalent to an annualized base salary of \$375,000. You will also continue to be eligible to receive a bonus for fiscal year 2006 based on a target annualized bonus equal to 60% of your base salary earned during fiscal 2006. The actual bonus payment you receive will be based on the Company's and CMGI's successful satisfaction of fiscal year 2006 business objectives pursuant to the terms and conditions of the CMGI FY2006 Executive Management Incentive Plan.

The provisions of your offer letter dated February 1, 2005 (the "Offer Letter") relating to your ability to request that the Company transfer you to an Equal or Greater Position (as defined in the Offer Letter) in the United States at the conclusion of two years of employment (should you remain employed for such amount of time) shall no longer be applicable to your employment.

In addition, you will be granted an option to purchase 100,000 shares of CMGI common stock under CMGI's 2004 Stock Incentive Plan or 2000 Stock Incentive Plan. This option will be priced at the closing price of CMGI's common stock (during normal trading hours) on the date hereof. Provided you remain employed by the Company on each vesting date, this option will vest in five equal annual installments (each relating to 20% of the shares covered by the option), on each of the first five anniversary dates of the date of grant, so that the option becomes fully vested and exercisable on the fifth anniversary of the date of grant. The option shall have a seven (7) year term.

On or as soon as practicable after the third business day following the public release of the results of operations of CMGI for the fiscal year ending July 31, 2006 (provided that you remain employed by ModusLink through such reporting date), should CMGI meet or exceed certain financial targets set by

www.moduslink.com

Mr. William R. McLennan

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the Board of Directors of CMGI, Inc., you will be granted an option to purchase 100,000 shares of CMGI common stock under CMGI's 2004 Stock Incentive Plan or 2000 Stock Incentive Plan. This option will be priced at the closing price of CMGI's common stock (during normal trading hours) on the date of grant. Provided you remain employed by the Company on each vesting date, this option will vest in five equal annual installments (each relating to 20% of the shares covered by the option), on each of the first five anniversary dates of the date of grant, so that the option becomes fully vested and exercisable on the fifth anniversary of the date of the grant. The option shall have a seven (7) year term.

The options described above shall each be subject to all terms, limitations, restrictions and termination provisions set for the in the Plan and in the separate option agreements (which shall be based upon the Company's standard form of option agreement) that shall be executed to evidence the grant of such option.

Except as expressly modified hereby, the agreements set forth in the Offer Letter shall remain in full force and effect.

Sincerely,

/s/ JAMES J. HERB

James J. Herb
Senior Vice President, Human Resources

Agreed and accepted:

/s/ WILLIAM R. MCLENNAN

William R. McLennan

1/9/06

Date