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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
FILED PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 7, 1999

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

DELAWARE
(State or other
jurisdiction of
incorporation)

0-22846
(Commission File Number)

04-2921333
(IRS Employer
Identification No.)

100 Brickstone Square, Andover, MA 01810
(Address of principal executive offices, including Zip Code)

(978) 684-3600
(Registrant's telephone number, including area code)

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Item 5. Other Events.

On May 7, 1999, CMGI, Inc. issued a news release relating to the restatement of its results for its third and fourth quarters of fiscal 1998 ended April 30, 1998 and July 31, 1998, respectively, and its first and second quarters of fiscal 1999 ended October 31, 1998 and January 31, 1999, respectively. A copy of the news release containing such announcement is filed herewith as Exhibit 99.1 and incorporated herein by reference.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

No financial statements or pro forma financial information are filed as a part of this report. The exhibit filed as part of this report is listed in the Exhibit index hereto.

Exhibit

No.	Description
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99.1	News release dated May 7, 1999, issued by CMGI, Inc.

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, thereunto duly authorized.

CMGI, INC.
(Registrant)

/s/ Andrew J. Hajducky III

Andrew J. Hajducky III, CPA
Chief Financial Officer and Treasurer

May 7, 1999

For Immediate Release:
May 7, 1999

Contact: Andrew J. Hajducky III
Chief Financial Officer
(978) 684-3660

CMGI, Inc. Announces Revaluation of In-Process Research and Development
Acquisition Charges

Andover, MA--- CMGI, Inc. (NASDAQ: CMGI) today announced that it has completed a review of its previously reported acquisition-related charges, including the impact of the recently announced adjustments made to in-process research and development charges by Lycos, Inc., and the in-process research and development charge recorded in the third quarter of fiscal year 1998 in conjunction with CMGI's acquisition of Accipiter, Inc.

On April 16, 1999, Lycos, Inc. announced that in connection with the filing of a Registration Statement on Form S-4 with the Securities and Exchange Commission, it had reviewed its accounting treatment for in-process research and development in four completed 1998 acquisitions. In light of the SEC's recent interpretation of the accounting for acquired in-process technology resulting from acquisitions using the purchase method of accounting, Lycos, like many other technology and Internet companies, reduced its cumulative one-time in-process research and development charges from those acquisitions and adjusted the related amortization of intangible assets for the subsequent quarters accordingly. The adjustments recorded involve only non-cash charges and do not affect Lycos' previously reported revenues, EBITDA or cash flows for any of the periods. During such periods, CMGI's ownership in Lycos ranged from approximately 46% to approximately 22%, and CMGI accounted for its investment in Lycos under the equity method of accounting, whereby CMGI's portion of the net operating performance of Lycos was reflected in equity in losses of affiliates. Additionally, during such periods CMGI recorded gains on sales of portions of its Lycos stock holdings, and recorded gains on issuances of stock by Lycos. As a result of the Lycos restatements, CMGI has accordingly restated previously reported equity in losses of Lycos, gains on sales of Lycos stock and gains on issuance of stock by Lycos for CMGI's fiscal quarters ended April 30, 1998, July 31, 1998, October 31, 1998 and January 31, 1999.

Such restatements resulted in net increases in pre-tax income of \$18,631,000 and \$283,000 for the quarters ended April 30, 1998 and October 31, 1998, respectively, and net decreases in pre-tax income of \$6,467,000 and \$1,125,000 for the quarters ended July 31, 1998 and January 31, 1999, respectively. Lycos' reduction of previously recorded in-process research and development charges resulted in higher gains on Lycos stock issuances recorded by CMGI, thereby increasing CMGI's book basis in its Lycos investment and resulting in lower gains on sales of Lycos stock and reduced gains on Lycos stock issuances in subsequent quarters. Related higher amortization charges recorded by Lycos in subsequent quarters resulted in higher equity in loss of affiliates amounts recorded by CMGI.

Beginning in January, 1999, CMGI's ownership in Lycos was reduced below 20%, and accordingly CMGI began accounting for its investment in Lycos as available-for-sale securities, carried at fair value. Since CMGI's investment in Lycos is now carried at fair value, CMGI's future operating results will not be affected by resultant increased amortization charges to be recorded in Lycos' stand-alone financial statements.

Similarly, using revised guidelines and assumptions generally suggested by the SEC and as clarified through existing practice, CMGI has voluntarily adjusted the amount originally allocated to in-process

research and development for its acquisition of Accipiter, Inc. during the third fiscal quarter of 1998. As a result, the third quarter pre-tax charge for acquired in-process research and development was decreased from the \$18 million amount previously recorded to the amount of \$9.2 million. Correspondingly, the value of goodwill recorded on the balance sheet related to the acquisition of Accipiter was increased from \$11.5 million to \$18.4 million, completed technologies were valued at \$1.6 million, and other intangibles were valued at \$300,000. These adjustments to the purchase price allocation of Accipiter have no effect upon the cash flows, financial condition or liquidity of the Company.

The Company plans to amortize the value of goodwill over five years and the values of completed technologies and other intangible assets over their estimated useful lives of five and two years, respectively, commencing as of April 1998. As a result of these changes, amortization of Accipiter acquisition-related intangible assets in the fourth quarter of fiscal 1998 increased to \$1 million from \$0.6 million previously reported. Amortization of acquisition-related intangible assets during fiscal 1999 is expected to be \$1 million per quarter and will continue at this level through the second quarter of fiscal 2003, with a final charge of \$0.7 million in the third quarter of fiscal year 2003.

The combined impact of the Lycos and Accipiter related restatements on the third quarter of fiscal 1998 is to reduce the previously recorded net loss of \$11.7 million, or (\$0.27) per diluted share, to a net income of \$7.9 million, or \$0.17 per diluted share. Similarly, the impact of recorded adjustments to fourth quarter fiscal 1998 is to reduce the previously recorded net income of \$31.4 million, or \$0.64 per diluted share, to a net income of \$27.1 million, or \$0.55 per diluted share. First quarter fiscal 1999 net income of \$38.6 million, or \$0.77 per diluted share was reduced to \$38.3 million, remaining at \$0.77 per diluted share, and second quarter fiscal 1999 net income of \$14.1 million, or \$0.28 per diluted share was reduced to \$13 million, or \$0.25 per diluted share.

The combined changes to the Company's previously reported consolidated statements of operations as a result of these adjustments are shown in the attached financial tables. Due to the Company's decision to sell its CMG Direct subsidiary, which comprised the Company's list and database business segment, amounts presented in both "As Restated" and "As Reported" in the financial tables include the results of CMG Direct's operations and the Company's previously reported gain on sale of data warehouse product rights as discontinued operations for all periods presented. In connection with SEC guidelines, the Company's annual report on Form 10K for the year ended July 31, 1998, and the quarterly reports on Form 10-Q for the third quarter of fiscal year 1998 and first and second quarters of fiscal year 1999 will be amended and restated to reflect these changes.

CMGI, Inc. is a leading provider of direct marketing services, investing in and integrating advanced Internet, interactive media and database technologies.

Forward looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Act. Investors are cautioned that actual results could differ materially from those anticipated by such statements and are advised to consult CMGI's current SEC filings for additional information concerning risk factors that affect the Company's business.

CMGI, Inc. And Subsidiaries
Consolidated Statements of Operations
(In thousands except per share amounts)

(Unaudited)

	Three Months Ended April 30, 1998	
	As Reported	Restated
	-----	-----
Net revenues	\$ 18,145	\$ 18,145
Operating expenses:		
Cost of revenues	17,203	17,230
Research and development	3,849	3,849
In-process research and development	18,060	9,250
Selling	6,203	6,203
General and administrative	4,987	5,114
	-----	-----
Total operating expenses	50,302	41,646
Operating loss	(32,157)	(23,501)
Other income (deductions):		
Gain on sale of Lycos, Inc. stock	26,092	24,850
Gain on stock issuance by Lycos, Inc.	4,082	24,294
Equity in losses of affiliates	(3,908)	(4,247)
Interest income	573	573
Interest expense	(775)	(775)
	-----	-----
Total	26,064	44,695
Income (loss) from continuing operations before income taxes	(6,093)	21,194
Income tax expense	5,454	13,125
	-----	-----
Income (loss) from continuing operations	(11,547)	8,069
Loss from discontinued operations of lists and database services segment, net of income taxes	(147)	(147)
	-----	-----
Net income (loss)	\$ (11,694)	\$ 7,922
	=====	=====

CMGI, Inc. And Subsidiaries
 Consolidated Statements of Operations -- Continued
 (In thousands except per share amounts)

(Unaudited)

	Three Months Ended April 30, 1998	
	As Reported	Restated
Basic Earnings (Loss) Per Share:		
Income (loss) from continuing operations	\$ (0.27)	\$ 0.19
Loss from discontinued operations of lists and database services segment	-	-
	-----	-----
Net income (loss)	\$ (0.27)	\$ 0.19
	=====	=====
Diluted Earnings (Loss) Per Share:		
Income (loss) from continuing operations	\$ (0.27)	\$ 0.17
Loss from discontinued operations of lists and database services segment	-	-
	-----	-----
Net income (loss)	\$ (0.27)	\$ 0.17
	=====	=====
Shares used in computing earnings (loss) per share:		
Basic	42,836	42,836
	=====	=====
Diluted	42,836	46,344
	=====	=====

CMGI, Inc. And Subsidiaries
 Consolidated Statements of Operations
 (In thousands except per share amounts)

(Unaudited)

	Three Months Ended July 31, 1998		Year Ending July 31, 1998	
	As Reported	Restated	As Reported	Restated
Net revenues	\$ 25,946	\$ 25,946	\$ 81,916	\$ 81,916
Operating expenses:				
Cost of revenues	27,690	27,770	72,843	72,950
Research and development	4,814	4,814	19,223	19,223
In-process research and development	200	200	19,135	10,325
Selling	6,931	6,931	28,882	28,882
General and administrative	6,773	7,154	20,287	20,795
Total operating expenses	46,408	46,869	160,370	152,175
Operating loss	(20,462)	(20,923)	(78,454)	(70,259)
Other income (deductions):				
Gain on sale of Lycos, Inc. stock	53,978	50,450	97,158	92,388
Gain on sale of Premiere Technologies, Inc. stock	-	-	4,174	4,174
Gain on stock issuance by Lycos, Inc.	24,305	22,077	28,301	46,285
Minority interest	-	-	(28)	(28)
Equity in losses of affiliates	(3,397)	(4,108)	(11,821)	(12,871)
Interest income	714	714	2,426	2,426
Interest expense	(1,035)	(1,035)	(3,296)	(3,296)
Total	74,565	68,098	116,914	129,078
Income from continuing operations before income taxes	54,103	47,175	38,460	58,819
Income tax expense	22,448	19,785	26,547	31,555
Income from continuing operations	31,655	27,390	11,913	27,264
Discontinued operations, net of income taxes:				
Loss from operations of lists and database services segment	(259)	(259)	(338)	(338)
Gain on sale of data warehouse product rights	-	-	4,978	4,978
Net income	\$ 31,396	\$ 27,131	\$ 16,553	\$ 31,904

CMGI, Inc. And Subsidiaries
Consolidated Statements of Operations -- Continued
(In thousands except per share amounts)

(Unaudited)

	Three Months Ended July 31, 1998		Year Ending July 31, 1998	
	As Reported	Restated	As Reported	Restated
	-----	-----	-----	-----
Basic Earnings (Loss) Per Share:				
Income from continuing operations	\$ 0.69	\$ 0.60	\$ 0.29	\$ 0.65
Loss from discontinued operations of lists and database services segment	-	-	(0.01)	(0.01)
Gain on sale of data warehouse product rights	-	-	0.12	0.12
	-----	-----	-----	-----
Net income	\$ 0.69	\$ 0.60	\$ 0.40	\$ 0.76
	=====	=====	=====	=====
Diluted Earnings (Loss) Per Share:				
Income from continuing operations	\$ 0.64	\$ 0.55	\$ 0.27	\$ 0.61
Loss from discontinued operations of lists and database services segment	-	-	(0.01)	(0.01)
Gain on sale of data warehouse product rights	-	-	0.11	0.11
	-----	-----	-----	-----
Net income	\$ 0.64	\$ 0.55	\$ 0.37	\$ 0.71
	=====	=====	=====	=====
Shares used in computing earnings (loss) per share:				
Basic	45,588	45,588	41,666	41,666
	=====	=====	=====	=====
Diluted	49,320	49,320	45,030	45,030
	=====	=====	=====	=====

CMGI, Inc. And Subsidiaries
 Consolidated Statements of Operations
 (In thousands except per share amounts)

(Unaudited)

	Three Months Ended October 31, 1998	
	As	
	Reported	Restated
Net revenues	\$ 37,405	\$ 37,405
Operating expenses:		
Cost of revenues	35,545	35,625
Research and development	5,353	5,353
Selling	8,238	8,238
General and administrative	7,936	8,317
Total operating expenses	57,072	57,533
Operating loss	(19,667)	(20,128)
Other income (deductions):		
Gain on sale of Lycos, Inc. stock	2,018	1,879
Gain on stock issuance by Lycos, Inc.	19,182	20,374
Gain on stock issuance by GeoCities	24,132	24,132
Gain on sale of investment in Sage Enterprises, Inc.	19,057	19,057
Gain on sale of investment in Reel.com, Inc.	23,158	23,158
Minority interest	101	101
Equity in losses of affiliates	(2,589)	(3,359)
Interest income	559	559
Interest expense	(1,068)	(1,068)
Total	84,550	84,833
Income from continuing operations before income taxes	64,883	64,705
Income tax expense	26,199	26,316
Income from continuing operations	38,684	38,389
Loss from discontinued operations of lists and database services segment, net of income taxes	(131)	(131)
Net income	\$ 38,553	\$ 38,258

CMGI, Inc. And Subsidiaries
 Consolidated Statements of Operations -- Continued
 (In thousands except per share amounts)

(Unaudited)

	Three Months Ended October 31, 1998	
	As Reported	Restated
Basic Earnings (Loss) Per Share:		
Income from continuing operations	\$ 0.84	\$ 0.83
Loss from discontinued operations of lists and database services segment	-	-
Net income	\$ 0.84	\$ 0.83
Diluted Earnings (Loss) Per Share:		
Income from continuing operations	\$ 0.77	\$ 0.77
Loss from discontinued operations of lists and database services segment	-	-
Net income	\$ 0.77	\$ 0.77
Shares used in computing earnings (loss) per share:		
Basic	46,082	46,082
Diluted	49,932	49,932

CMGI, Inc. And Subsidiaries
Consolidated Statements of Operations
(In thousands except per share amounts)

(Unaudited)

	Three Months Ended January 31, 1999		Six Months Ended January 31, 1999	
	-----		-----	
	As Reported	Restated	Reported	As Restated
	-----	-----	-----	-----
Net revenues	\$ 38,972	\$ 38,972	\$ 76,377	\$ 76,377
Operating expenses:				
Cost of revenues	37,043	37,123	72,588	72,748
Research and development	5,239	5,239	10,592	10,592
Selling	6,932	6,932	15,170	15,170
General and administrative	10,366	10,747	18,302	19,064
	-----	-----	-----	-----
Total operating expenses	59,580	60,041	116,652	117,574
Operating loss	(20,608)	(21,069)	(40,275)	(41,197)
Other income (deductions):				
Gain on sale of Lycos, Inc. stock	44,503	43,596	46,521	45,475
Gain on sale of Amazon.com, Inc. stock	7,002	7,002	7,002	7,002
Gain (loss) on stock issuance by Lycos, Inc.	(21)	(121)	19,161	20,253
Gain on stock issuance by GeoCities	4,382	4,382	28,514	28,514
Gain on sale of investment in Sage Enterprises, Inc.	-	-	19,057	19,057
Gain on sale of investment in Reel.com, Inc.	-	-	23,158	23,158
Minority interest	103	103	204	204
Equity in losses of affiliates	(6,071)	(6,189)	(8,660)	(9,548)
Interest income	748	748	1,307	1,307
Interest expense	(1,165)	(1,165)	(2,233)	(2,233)
	-----	-----	-----	-----
Total	49,481	48,356	134,031	133,189
Income from continuing operations before income taxes	28,873	27,287	93,756	91,992
Income tax expense	14,601	14,138	40,800	40,454
	-----	-----	-----	-----
Income from continuing operations	14,272	13,149	52,956	51,538
Loss from discontinued operations of lists and database services segment, net of income taxes	(148)	(148)	(279)	(279)
	-----	-----	-----	-----
Net income	\$ 14,124	\$ 13,001	\$ 52,677	\$ 51,259
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CMGI, Inc. And Subsidiaries
 Consolidated Statements of Operations -- Continued
 (In thousands except per share amounts)

(Unaudited)

	Three Months Ended January 31, 1999		Six Months Ended January 31, 1999	
	As Reported	Restated	Reported	As Restated
Basic Earnings (Loss) Per Share:				
Income from continuing operations	\$ 0.30	\$ 0.28	\$ 1.14	\$ 1.11
Loss from discontinued operations of lists and database services segment	-	-	(0.01)	(0.01)
Net income	\$ 0.30	\$ 0.28	\$ 1.13	\$ 1.10
	=====	=====	=====	=====
Diluted Earnings (Loss) Per Share:				
Income from continuing operations	\$ 0.28	\$ 0.25	\$ 1.05	\$ 1.02
Loss from discontinued operations of lists and database services segment	-	-	(0.01)	(0.01)
Net income	\$ 0.28	\$ 0.25	\$ 1.04	\$ 1.01
	=====	=====	=====	=====
Shares used in computing earnings (loss) per share:				
Basic	46,260	46,260	46,160	46,160
Diluted	51,257	51,257	50,650	50,650
	=====	=====	=====	=====