

INTERNATIONAL MICROCOMPUTER SOFTWARE INC /CA/
Form 8-K/A
September 14, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington D.C. 20549

FORM 8-K/A

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) July 1, 2005

Commission File Number **0-15949**

INTERNATIONAL MICROCOMPUTER SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of incorporation or organization)

94-2862863
(I.R.S. Employer identification No.)

100 Rowland Way, Suite 300, Novato, CA
(Address of principal executive offices)

94945
(Zip code)

(415) 878-4000
(Registrant's telephone number including area code)

This Form 8-K/A amends the current report on Form 8-K dated July 8, 2005 (filed July 7, 2005) to include Item 9.01-Financial Statements and Exhibits.

Item 9.01 Financial Statements and Exhibits

(b) *Pro Forma Financial Information.*

The unaudited pro forma condensed consolidated financial statements presented below are based on the historical financial statements of International Microcomputer Software, Inc. (the "Company") and give effect to the disposition of Allume Systems, Inc. The pro forma condensed consolidated balance sheet gives effect to the sale to Smith Micro Software, Inc. as if it occurred as of June 30, 2004. The unaudited pro forma condensed consolidated statements of operations eliminate the Allume operations of the business sold in order to reflect the operations of the Company, as if the business had been sold as of the date of original purchase of Allume by IMSI (April 19, 2004) for the year ended June 30, 2004 and the nine months ended March 31, 2005.

The unaudited pro forma condensed consolidated statements of operations for the year ended June 30, 2004 reflect the pro forma adjustments necessary to eliminate the results of the Allume operations, including revenue, cost of services and other costs and expenses related to Allume Systems, Inc. The pro-forma financial information purports to represent what the Company's results of operations would have been had the sale of Allume to Smith Micro Software, Inc. occurred on April 19, 2004.

The unaudited pro forma condensed consolidated balance sheet is presented for illustrative purposes only and is not necessarily indicative of the financial position that would have been achieved had the pro forma events described in the notes to the pro forma condensed consolidated balance sheet described below been completed as of April 19, 2004.

The following pro forma condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements and the accompanying notes thereto included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2004, and Quarterly Reports on Form 10-QSB for the nine months ended March 31, 2005.

INTERNATIONAL MICROCOMPUTER SOFTWARE, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(In thousands, except per share data)

Year Ended June 30, 2004

| | IMSI | Allume Systems, Inc. | Pro-forma Adjustments | Notes | Pro- forma IMSI |
|---|----------|----------------------------|--------------------------|-------|-----------------------|
| Revenue | \$11,985 | (\$1,968) | | | \$10,017 |
| Cost of revenue | 4,137 | (488) | | | 3,649 |
| Gross profit | 7,848 | (1,480) | | | 6,368 |
| Operating expenses: | | | | | |
| Sales and marketing | 5,190 | (763) | | | 4,427 |
| General and administrative | 3,910 | (233) | | | 3,677 |
| Research and development | 2,519 | (480) | | | 2,039 |
| Total operating expenses | 11,619 | (1,476) | | | 10,143 |
| Income (loss) from operations | (3,771) | (4) | | | (3,775) |
| Other income and expense | | | | | |
| Interest and other, net | 78 | (14) | 41 | (A) | 105 |
| Realized gain on marketable securities | 585 | | | | 585 |
| Unrealized gain on marketable securities | 1,982 | | | | 1,982 |
| Loss on disposal of fixed assets | (13) | | | | (13) |
| Gain (loss) on sale of product line | 59 | | | | 59 |
| Gain on extinguishment of debt | 76 | | | | 76 |
| Gain (loss) on sale of subsidiary | 0 | | (260) | (B) | (260) |
| Gain (loss) before income tax | (1,004) | (18) | (219) | | (1,241) |
| Provision for income taxes (benefit) | 38 | (45) | | | (7) |
| Loss from Continuing Operations | (1,042) | 27 | (219) | | (1,234) |
| Income (loss) from discontinued operations, net of tax | | | | | |
| Income (loss) from discontinued operations, net of tax | (312) | | | | (312) |
| Gain from the sale of discontinued operations, net of tax | 2,000 | | | | 2,000 |
| Net Income | \$646 | 27 | (219) | | \$454 |
| Other comprehensive income | | | | | |
| Foreign currency operations | (8) | | | | (8) |
| Comprehensive income | \$638 | 27 | (219) | | \$446 |
| Basic earnings (loss) per share | | | | | |
| Loss from continuing operations | (\$0.04) | | | | |