

**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): April 2, 2003

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.)

100 Brickstone Square
Andover, Massachusetts 01810
(Address of Principal Executive Offices) (Zip Code)

(978) 684-3600
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name or Former Address, If Changed Since Last Report)

Item 2. Acquisition or Disposition of Assets.

On April 2, 2003, uBid, Inc. (“uBid”), a wholly-owned operating company of CMGI, Inc. (“CMGI”), sold substantially all of its assets (the “Asset Sale”) to Takumi Interactive, Inc. (“Takumi”), pursuant to the terms of an asset purchase agreement dated as of April 2, 2003 by and among Takumi, CMGI and uBid. In consideration of the Asset Sale, Takumi paid uBid (i) \$1,612,500 in cash at closing, (ii) a promissory note in the aggregate principal amount of \$2,000,000, bearing interest at the Prime rate plus 1.50%, payable in two equal installments on the first and second anniversaries of the closing, and (iii) a warrant to purchase nonvoting common stock of Takumi constituting 5% of the outstanding common stock of Takumi on the consummation of the Asset Sale (calculated on a fully-diluted, as-converted basis). In addition, Takumi agreed to assume certain liabilities of uBid. The amount of consideration was determined as a result of arms'-length negotiations between the parties.

A copy of the press release relating to the Asset Sale is filed as an exhibit to this report.

Item 7. Exhibits.

(b) Pro Forma Financial Information.

The required pro forma financial information is filed as an exhibit to this report and is incorporated by reference herein.

(c) Exhibits.

The exhibits listed in the Exhibit Index immediately preceding such exhibits are filed with this report.

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.

Date: April 16, 2003

By: /s/ THOMAS OBERDORF

Thomas Oberdorf
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated April 3, 2003.
99.2	Unaudited pro forma condensed financial information of CMGI, Inc.

Takumi Interactive, Inc. Purchases uBid Business

ANDOVER, Mass.—April 3, 2003—Takumi Interactive, Inc., CMGI, Inc. (Nasdaq: *CMGI*) and uBid, Inc. (www.ubid.com) today announced that the business of uBid—a leading business-to-consumer auction and fixed price e-commerce marketplace and a majority-owned subsidiary of CMGI—has been purchased by Takumi Interactive, Inc. Takumi is a majority-owned company of Petters Group, LLC of Minnetonka, Minnesota, a global leader in sourcing, selling and financing of consumer goods. Under the terms of the agreement announced today, Takumi purchased substantially all of the assets and assumed certain of the liabilities of uBid. Terms were not disclosed.

Two current uBid executives—Robert H. Tomlinson, Jr. and Timothy E. Takesue—have assumed executive leadership roles within Takumi Interactive. Tomlinson, previously uBid’s chief financial officer, has assumed the role of President of Takumi Interactive. Takesue, an original member of uBid’s founding management team and most recently its senior vice president of merchandising, has assumed the role of Executive Vice President, Merchandising.

“The ability to leverage our sourcing and distribution resources provides uBid and our other preferred partners with the opportunity for continued growth,” said Tom Petters, president and chief executive officer of Petters Group. “We are excited about the strategic fit and the alignment of uBid’s people with our values of customer focus, relationships, speed and agility.”

Tomlinson said, “By teaming up with the Petters Group, uBid will have direct access to leverage their distribution and direct sales channels. What’s more, the opportunities for our OEMs and preferred partners to utilize this multi-channel retail approach are endless. uBid’s top priority is to focus on the customer experience and insure highest quality products at competitive prices.”

CMGI President and Chief Executive Officer George A. McMillan added, “The sale announced today is consistent with CMGI’s plans to achieve its financial goals and to tighten its focus on operating its global supply chain management business.”

About Petters Group, LLC

Petters Group is a new global model for buying, selling, and financing consumer goods merchandise. The group consists of several operating companies that all deal in consumer goods merchandise. Its broad network of companies provides an extensive consumer and retail base, distribution facilities and international partnerships. For additional information visit the company’s website at www.pettersgroup.com

About uBid

uBid, based in Chicago, is a leading retail e-commerce marketplace that offers consumers and businesses brand name merchandise below wholesale prices. Founded in 1997, uBid’s marketplace features a rotating selection of up to 12,000 products daily as well as

discounted merchandise in the uBid Superstore, a fixed price environment. uBid's Superstore was created to offer great products at excellent prices and low shipping rates. uBid specializes in providing customers with savings on items from leading brand-name manufacturers such as Sony, Hewlett-Packard, IBM, Compaq, AMD, Minolta and over 1,000 additional suppliers.

In addition to uBid's own product listings, uBid features Preferred Partner listings in which consumers will find items listed by uBid-approved businesses and backed by uBid or brand warranties. With more than 4 million registered users, uBid is committed to providing its valued customers with the highest quality experience on the Internet and offers manufacturer warranties on most products. uBid also meets Better Business Bureau Online standards, which gives customers the confidence and security to bid safely online. For more information visit the company's website at www.ubid.com

About CMGI

CMGI, Inc. (Nasdaq: *CMGI*) provides technology and e-commerce solutions that help businesses market, sell and distribute their products and services. CMGI offers targeted solutions including industry-leading global supply chain management and web-based distribution and fulfillment. CMGI's corporate headquarters are located at 100 Brickstone Square, Andover, Mass. 01810. For additional information, see www.cmgi.com.

This release contains forward-looking statements which address a variety of subjects including, for example, the expected effects of the sale of the uBid business on CMGI's financial condition and results of operations and the expected benefits and results of CMGI's continuing restructuring efforts. The following important factors and uncertainties, among others, could cause actual results to differ materially from those described in these forward-looking statements: CMGI's success, including its ability to decrease its cash burn rate, improve its cash position, grow its businesses and revenues and reach profitability, depends on its ability to execute on its business strategy and the continued and increased demand for and market acceptance of CMGI's and its operating companies' products and services; CMGI may experience difficulties integrating technologies, operations and personnel in accordance with its business strategy; and increased competition and technological changes in the markets in which CMGI competes. For detailed information about factors that could cause actual results to differ materially from those described in the forward-looking statements, please refer to CMGI's filings with the Securities and Exchange Commission, including CMGI's most recent Quarterly Report on Form 10-Q. Forward-looking statements represent management's current expectations and are inherently uncertain. We do not undertake any obligation to update forward-looking statements made by us.

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UNAUDITED PRO FORMA CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma condensed financial statements give effect to the sale by uBid of substantially all of its assets on April 2, 2003. The unaudited pro forma condensed statement of operations for the fiscal year ended July 31, 2002 gives effect to the sale by uBid of substantially all of its assets, as if the sale had occurred on August 1, 2001. The unaudited pro forma condensed balance sheet as of January 31, 2003 gives effect to the sale by uBid of substantially all of its assets, as if the sale had occurred on January 31, 2003. The unaudited pro forma condensed statement of operations for the fiscal year ended July 31, 2002 is based on the historical results of operations of CMGI for the fiscal year ended July 31, 2002. The following unaudited pro forma financial information, consisting of the unaudited pro forma condensed statement of operations and the unaudited pro forma condensed balance sheet and the accompanying notes, should be read in conjunction with, and are qualified by, the historical annual and quarterly financial statements and notes of CMGI. The historical unaudited pro forma financial information herein reflects discontinued operations reporting for Engage, Inc. ("Engage"), NaviSite, Inc. ("NaviSite"), Tallan, Inc. ("Tallan"), Yesmail, Inc. ("Yesmail"), AltaVista Company ("AltaVista"), and uBid. Accordingly, the assets, liabilities and operating results of these companies have been segregated from continuing operations and reported as discontinued operations.

CMGI's fiscal 2003 year to date divestiture activities are as follows: On September 9, 2002, CMGI sold all of its equity and debt ownership interests in Engage. On September 11, 2002, CMGI sold all of its equity and debt ownership interests in NaviSite, pursuant to a plan approved on June 12, 2002. On February 18, 2003, Overture Services, Inc. ("Overture") and AltaVista signed a definitive agreement under which Overture will acquire AltaVista's business for approximately \$140 million in cash and stock, and will assume certain of AltaVista's liabilities. Under the terms of the agreement, Overture will pay AltaVista in Overture common stock valued at approximately \$80 million (provided that Overture will not be required to issue more than 4,274,670 shares or less than 3,001,364 shares), plus \$60 million in cash, and will assume certain of AltaVista's liabilities. The transaction, which is subject to customary approvals and certain other conditions, is expected to close in April 2003. On February 28, 2003, CMGI sold all of its equity ownership interests in Yesmail. On March 7, 2003, CMGI sold all of its equity ownership interests in Tallan. During the quarter ended January 31, 2003, CMGI determined to divest of uBid either through the sale of its equity interests, or substantially all of uBid's assets and liabilities. On April 2, 2003, uBid sold substantially all of its assets to Takumi pursuant to the terms of an asset purchase agreement dated April 2, 2003.

The unaudited pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of the future results of operations of CMGI after the sale of assets by uBid, or of the results of operations of CMGI that would have actually occurred had the sale of uBid's assets been effected as of the dates described above.

Unaudited Pro Forma Condensed Balance Sheet
January 31, 2003
(In thousands)

	<u>CMGI</u>	<u>uBid</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma As Adjusted</u>
Assets				
Cash and cash equivalents	\$ 174,712	\$ —	\$ 1,613 (A)	\$ 176,325
Accounts receivable, trade, net of allowance for doubtful accounts	60,173			60,173
Current assets of discontinued operations	59,196	(27,476)	210 (B)	31,930
Other current assets	61,586		1,473 (C)	63,059
Total current assets	355,667	(27,476)	3,296	331,487
Property and equipment, net	26,241			26,241
Non-current assets of discontinued operations	16,042			16,042
Other non-current assets	57,038			57,038
Total assets	\$454,988	\$(27,476)	\$ 3,296	\$ 430,808
Liabilities and Stockholders' Equity				
Accrued expenses	\$ 151,508	\$ —	\$ 1,630 (D)	\$ 153,138
Current liabilities of discontinued operations	53,048	(22,331)		30,717
Other current liabilities	46,584			46,584
Total current liabilities	251,140	(22,331)	1,630	230,439
Non-current liabilities of discontinued operations	1,744	(804)		940
Other long-term liabilities	60,936			60,936
Stockholders' equity	141,168	(4,341)	1,613 (A)	138,493
			210 (B)	
			1,473 (C)	
			(1,630)(D)	
Total liabilities and stockholders' equity	\$454,988	\$(27,476)	\$ 3,296	\$ 430,808

CMGI, Inc.
Unaudited Pro Forma Condensed Statement of Operations
For the Twelve months ended July 31, 2002
(In thousands, except per share data)

Net revenues	\$ 168,477
Operating expenses:	
Cost of revenues	151,967
Research and development	10,650
Selling	30,582
General and administrative	60,787
Amortization of intangible assets and stock-based compensation	4,941
Impairment of long-lived assets	3,752
Restructuring	(4,480)
Total operating expenses	258,199
Operating loss	(89,722)
Other income (expense):	
Interest income, net	36,980
Equity in losses of affiliates	(15,408)
Minority interest	1,678
Non-operating losses, net	(65,729)
	(42,479)
Loss from continuing operations before income taxes	(132,201)
Income tax benefit	(2,420)
Loss from continuing operations	(129,781)
Basic and diluted loss per share from continuing operations	\$ (0.34)
Weighted average shares used in computing basic and diluted loss per share from continuing operations	379,800

Notes to the Unaudited Pro Forma Condensed Financial Statements

Pro Forma Adjustments and Assumptions:

The pro forma information herein gives effect to the following transaction:

On April 2, 2003, uBid sold substantially all of its assets to Takumi, pursuant to the terms of an asset purchase agreement dated as of April 2, 2003 by and among Takumi, CMGI and uBid. In consideration of the Asset Sale, Takumi paid uBid (i) \$1,612,500 in cash at closing, (ii) a promissory note in the aggregate principal amount of \$2,000,000, bearing interest at the Prime rate plus 1.50%, payable in two equal installments on the first and second anniversaries of the closing, and (iii) a warrant to purchase nonvoting common stock of Takumi constituting 5% of the outstanding common stock of Takumi on the consummation of the Asset Sale (calculated on a fully-diluted, as-converted basis). In addition, Takumi assumed certain liabilities of uBid. The amount of consideration was determined as a result of arms'-length negotiations between the parties.

The unaudited pro forma condensed financial statements exclude the \$222.8 million pro forma loss that uBid would have realized on the sale, had the sale occurred on August 1, 2001. This pro forma loss would have been reported as a component of discontinued operations during the fiscal year ended July 31, 2002. The \$222.8 million pro forma loss includes a charge of approximately \$205.8 million related to the outstanding goodwill and other intangible assets of uBid as of August 1, 2001. Additionally, during fiscal year 2002, CMGI's consolidated results of operations included a net loss of approximately \$178.5 million for uBid, which has been reclassified as discontinued operations in CMGI's historical results of operations.

- (A) The pro forma adjustment represents the \$1.6 million in cash paid by Takumi to uBid as part of the consideration for the Asset Sale.
- (B) The pro forma adjustment reflects amounts due from Takumi to CMGI subsidiaries as of January 31, 2003.
- (C) The pro forma adjustment reflects the fair value of the note receivable and warrant received from Takumi as part of the consideration for the Asset Sale.
- (D) The pro forma adjustment represents severance and other transaction costs of uBid that were not assumed by Takumi.