

NEOMEDIA TECHNOLOGIES INC  
Form 8-K  
January 13, 2012

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 11, 2012

NeoMedia Technologies, Inc.  
(Exact Name of Registrant as Specified in Charter)

Delaware (State or other jurisdiction of incorporation)	0-21743 (Commission File Number)	36-3680347 (IRS Employer Identification No.)
1360 Center Drive, Suite 210, Dunwoody, GA (Address of principal executive offices)		30338 (Zip code)
Registrant's telephone number, including area code:		(678) 638-0460

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:

- 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 5.02. DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS;  
APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGMENTS OF CERTAIN OFFICERS

Effective January 11, 2012, Dr. Christian Steinborn was removed from his position as Managing Director of NeoMedia Europe GmbH, a subsidiary of NeoMedia Technologies, Inc., a Delaware corporation.

---

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Company has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 13, 2012

NEOMEDIA TECHNOLOGIES, INC.

By: /s/ James A. Doran  
Name: James A. Doran  
Its: Chief Financial Officer

---

: block; MARGIN-LEFT: 0pt; TEXT-INDENT: 0pt; LINE-HEIGHT: 1.25; MARGIN-RIGHT: 0pt" align="center">**Pro-forma**

**Telecom**

**Telecom**

**Adjustments**

**Pro-forma**

**ASSETS**

**NeoMedia**

**Services**

**Services**

**MPR**

**MPR**

**Consolidated**

Current assets:

(unaudited)

(unaudited)

(unaudited)

(unaudited)

Edgar Filing: NEOMEDIA TECHNOLOGIES INC - Form 8-K

(unaudited)

(unaudited)

Cash and cash equivalents

\$ 226

\$ —

\$ 1,350

\$ (D) —

\$ 1,500

\$ (H) 3,076

Trade accounts receivable, net

121

—

—

—

—

121

Other receivables

0

—

—

—

243

(H)

4

	243
Inventories, net	
	267
	—
	—
	—
	—
	267
Investment in marketable securities	
	11
	—
	—
	—
	—
	11
Prepaid expenses and other current assets	
	134
	—
	—
	—
	—
	134
Assets held for sale	
	6,438
	(3,716)
)	

	—
)	(2,722)
	—
	0
Total current assets	
	7,197
)	(3,716)
	1,350
)	(2,722)
	1,743
	3,852
Leasehold improvements and property and equipment, net	
	110
	—
	—
	—
	110
Goodwill	
	3,418
	—
	—
	—
	6

	—
	3,418
Capitalized patents, net	
	2,615
	—
	—
	—
	—
	2,615
Proprietary software, net	
	3,591
	—
	—
	—
	—
	3,591
Other intangible assets, net	
	41
	—
	—
	—
	—
	41
Cash surrender value of life insurance policy	
	949

		—
		—
		—
		—
		949
Other long-term assets		3,705
		—
		—
		—
		200
	(1)	3,905
<b>Total assets</b>		
\$		<b>21,626</b>
)		<b>(\$3,716)</b>
\$		<b>1,350</b>
)		<b>(\$2,722)</b>
\$		<b>1,943</b>
\$		<b>18,481</b>

**LIABILITIES AND SHAREHOLDERS' DEFICIT**

Current liabilities:



Accounts payable

\$ 2,515

\$ —

—

\$ —

—

\$ 2,515

Liabilities held for sale

3,440

) (3,102

—

) (338

—

0

Taxes payable

12

—

—

—

—

12

Accrued expenses

3,278

9

		—
		143
	(E)	—
		120
	(J)	3,541
Deferred revenues and customer prepayments		461
		—
		—
		—
		461
Notes payable		15
		—
		—
		—
		15
Accrued purchase price guarantee		4,592
		—
		—
		10

	—
	4,592
Derivative financial instruments	
	32,346
	—
	—
	—
	—
	32,346
Deferred tax liability	
	527
	—
	—
	—
	—
	527
Debentures payable	
	7,500
	—
	—
	—
	—
	7,500
Debentures payable at fair value	
	22,797

	—
	—
	—
	—
	22,797
Series C Convertible preferred stock	
	20,877
	—
	—
	—
	20,877
Intercompany amounts	
	—
)	(2,407
	2,407
)	(10,179
	10,179
	0
<b>Total liabilities</b>	
	<b>98,360</b>
)	<b>(5,509</b>
	<b>2,550</b>
)	<b>(10,517</b>

		<b>10,299</b>
		<b>95,183</b>
Shareholders' deficit:		
Common stock (L)		9,553
		—
		68
	<b>(F)</b>	—
		—
		9,621
Additional paid-in capital		116,356
		—
		62
	<b>(F)</b>	—
		—
		116,418
Accumulated deficit		(201,160)
)		1,330
		(1,330)
)	<b>(G)</b>	8,078
		13

	(K)	(8,356
)		(201,438
Accumulated other comprehensive loss		(704
)		463
		—
)		(283
		—
)		(524
Treasury stock		(779
)		—
		—
		—
		—
)		(779
Total shareholders' deficit		(76,734
)		1,793
)		(1,200
		7,795
		(8,356

)	
)	(76,702
<b>Total liabilities and shareholders' deficit</b>	
\$	<b>21,626</b>
)	<b>(\$3,716</b>
\$	<b>1,350</b>
)	<b>(\$2,722</b>
\$	<b>1,943</b>
\$	<b>18,481</b>

7

---

**Pro-forma Adjustments**

- (A) - Represents NeoMedia historical consolidated balance sheet as of September 30, 2007.
- (B) - Represents NeoMedia Telecom Services and MPR historical balance sheet as of September 30, 2007. Since these businesses were considered discontinued operations for the purpose of reporting NeoMedia's consolidated financial results for the period ended September 30, 2007, assets and liabilities of these business units were classified as held for sale on NeoMedia's consolidated balance sheet.
- (C) - Pro forma adjustments to record estimated fair value of assets received in connection with sale of Triton shares.
- (D) - Adjustment to reflect \$1,350,000 cash received at closing of sale of Triton shares.
- (E) - Adjustment to accrue potential commission payable on sales price of Triton shares.
- (F) Adjustment to record \$130,000 of common stock issued by NeoMedia to the principal of Buyer as consideration in - the Triton sale transaction. The pro forma number of shares (6,842,105) was calculated using a NeoMedia share price of \$0.035, which was the average closing price for the three days preceding September 30, 2007, the pro forma transaction date. The actual number of shares issued was 6,190,476.
- (G) Adjustment to remove Telecom Services deficit accumulated since acquisition, which is reflected in the previous - column. NeoMedia recorded an impairment charge during the three months ended September 30, 2007 in the amount of \$2,915,000 to write the asset group down to the expected fair value of proceeds received in the sale.
- (H) Adjustment to reflect \$1,500,000 net cash proceeds, plus \$243,000 proceeds receivable upon satisfaction of - post-closing conditions, in the sale of MPR.
- (I) - Adjustment to reflect fair value of stock ownership of Purchaser.
- (J) - Adjustment to accrue commission payable on sales price of MPR.
- (K) - Adjustment to (i) remove MPR deficit accumulated since acquisition of \$8,078,000, as reflected in the previous column, and (ii) record pro forma loss on disposal of MPR of \$278,000, based on the difference between net fair value of consideration received and pro forma carrying value of the asset group. NeoMedia recorded an impairment charge during the three months ended September 30, 2007 in the amount of \$589,000 to write the asset group down to the expected fair value of proceeds received in the sale.
- (L) - Common stock, \$0.01 par value, consists of 5,000,000,000 shares authorized. On a historical basis, there were 956,968,323 shares issued and 955,326,897 shares outstanding as of September 30, 2007. On a pro forma basis, there were 963,810,428 shares issued and 962,169,002 shares outstanding as of September 30, 2007.



**NeoMedia Technologies, Inc.**  
**Unaudited Pro-forma Combined Condensed Statement of Operations**  
**For the Nine Months Ended September 30, 2007**  
(In thousands of US Dollars, except per share data)

	(A)		(B)	
	NeoMedia (unaudited)		Pro Forma Adjustments (unaudited)	Pro Forma Consolidated (unaudited)
Net sales	\$ 1,310		\$ —	\$ 1,310
Cost of sales	1,011		—	1,011
Gross profit	299		—	299
Selling, general and administrative expenses	2,006		—	2,006
Research and development costs	4,874		—	4,874
Impairment charge	1,360		—	1,360
Loss from operations	(7,941)		—	(7,941)
Gain on extinguishment of debt, net	454		—	454
Loss on derivative financial instruments	(14,601)		—	(14,601)
Interest income (expense), net	(9,841)		—	(9,841)
<b>Loss before provision for income taxes</b>	<b>(31,929)</b>		<b>—</b>	<b>(31,929)</b>
Provision for income taxes	—		—	—
<b>Loss from continuing operations</b>	<b>(\$31,929)</b>	<b>\$</b>	<b>—</b>	<b>(\$31,929)</b>
<b>Loss per shares from continuing operations</b>				
<b>-- basic and diluted</b>	<b>(\$0.04)</b>			<b>(\$0.04)</b>
Weighted average number of common shares-basic and diluted	835,772,746		(5,343,450) <sup>(C)</sup>	830,429,296

**Pro-forma Adjustments**

(A) - Derived from NeoMedia's unaudited interim financial statements for the nine months ended September 30, 2007.

(B) Since operations of the MPR, Telecom Services, and 12Snap business units were classified as discontinued operations in NeoMedia's consolidated financial statements for the nine months ended September 30, 2007, no pro forma adjustments are required to adjust NeoMedia's loss from continuing operations assuming the disposition of each entity occurred on January 1, 2007.

(C) Adjustment to record (i) 2,407,407 shares (\$130,000) of common stock issued by NeoMedia to the Buyer as consideration in the sale of Triton, calculated using a NeoMedia share price of \$0.054, which was the average closing price for the three days preceding January 1, 2007, the pro forma transaction date, and (ii) 7,750,857 shares retired in connection with the sale of 12Snap.

**NeoMedia Technologies, Inc.**  
**Unaudited Pro-forma Combined Condensed Statement of Operations**  
**For the Year Ended December 31, 2006**

(In thousands of US Dollars, except per share data)

	(A)	(B)	(C)	(C)	(D)	
	Neo-Media	12Snap and Gavitec (unaudited)	Acquisition NeoMedia Telecom Services (unaudited)	Disposition NeoMedia Telecom Services (unaudited)	Pro Forma Adjustments (unaudited)	Pro Forma Consolidated (unaudited)
Net sales	\$ 10,309	\$ 2,306	\$ 1,723	(\$1,723)	(\$1,371)	\$ 11,244
Cost of sales	3,863	1,525	—	—	105	5,493
Gross profit	6,446	781	1,723	(1,723)	(1,476)	5,751
Selling, general and administrative expenses	22,364	1,111	2,739	(2,739)	(2,244)	21,231
Research and development costs	3,522	252	—	—	—	3,774
Impairment charge	18,706	—	—	—	—	18,706
Loss from operations	(38,146)	(582)	(1,016)	1,016	768	(37,960)
Loss on extinguishment of debt, net	(1,879)	—	—	—	—	(1,879)
Other loss	(2,434)	—	—	—	—	(2,434)
Write off of deferred equity financing costs	(13,256)	—	—	—	—	(13,256)
Gain on derivative financial instruments	13,645	—	—	—	—	13,645
Interest income (expense), net	(10,182)	(43)	26	(26)	2	(10,223)
<b>Loss before provision for income taxes</b>	(52,252)	(625)	(990)	990	770	(52,107)
Provision for income taxes	—	—	—	—	—	—
<b>Loss from continuing operations</b>	(52,252)	(625)	(990)	990	770	(52,107)
<b>Loss per shares from continuing operations -- basic and diluted</b>	(\$0.09)					(\$0.08)
Weighted average number of common shares-basic and diluted	613,560,070				57,917,053(E)	671,477,123

---

**Pro-forma Adjustments**

- (A) - Derived from audited interim financial statements for the year ended December 31, 2006
- (B) Results of Gavitec and 12Snap were included in NeoMedia's historical consolidated results for the year ended December 31, 2006 as follows: Gavitec (February 24 - December 31) and 12Snap (March 1 - December 31). This column reflects the results of operations of these acquired entities for the period from January 1, 2006 through the acquisition date of each entity. It is important to note that results of operations of subsidiaries Mobot and Sponge are not shown for pro forma purposes. Since each entity was acquired and disposed of during the year ended December 31, 2006, the net effect for pro forma purposes on the results of operations is zero. The results from Mobot and Sponge have therefore been eliminated of repurposes of this pro forma statement of operations.
- (C) For pro forma purposes, acquisition of NeoMedia Telecom Services and the discontinuation of the business resulting from NeoMedia's sale of its ownership interest in Triton, are assumed to have occurred on January 1, 2006. As a result, there is no net effect on the pro forma consolidated statement of operations from these transactions. The results of the Telecom Services business are shown separately for presentation purposes only.
- (D) Pro forma adjustments are to (i) remove results of operations for Telecom Services included in NeoMedia's results of operations for the period from March 21, 2006 (date of acquisition) through December 31, 2006, (ii) reflect additional amortization of acquired intangible assets for the period from January 1, 2006 through the actual acquisition dates of Gavitec and 12Snap in the amount of \$88,000 and \$143,000, respectively. Since operations of MPR were classified as discontinued operations in NeoMedia's consolidated financial statements for the year ended December 31, 2006, no pro forma adjustments are required to adjust NeoMedia's loss from continuing operations assuming the disposition of MPR occurred on January 1, 2006.
- (E) Adjustment to increase the number of shares included in NeoMedia's actual weighted average shares outstanding for the year ended December 31, 2006 to the weighted average number of shares that would have been outstanding for pro forma purposes if the acquisitions of Telecom Services, 12Snap, Gavitec, Mobot, and Sponge, and the dispositions of Telecom Services, Mobot and Sponge, had occurred on January 1, 2006. Acquisition and sale prices are calculated based on the stock price around January 1, 2006.

**EXHIBIT INDEX**

**Exhibit No. Description**

**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.

Date: November 20, 2007

**NEOMEDIA TECHNOLOGIES, INC.**

By: /s/ William J. Hoffman  
Name: William J. Hoffman  
Its: Chief Executive Officer