

INTERNATIONAL MICROCOMPUTER SOFTWARE INC /CA/
Form 8-K
February 15, 2006

**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) February 14, 2006

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)

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

The following information is being furnished pursuant to both Item 2.02 and Item 7.01.

On February 14, 2006, International Microcomputer Software, Inc. (the "Company") announced its financial results for the three and six months ended December 31, 2005. The full text of the press release issued in connection with the announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this report is being furnished, and is not deemed as "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be deemed incorporated by reference in any filings under the Securities Act of 1933, as amended, unless specifically stated so therein.

The Company includes the use of a non-GAAP financial information in the attached exhibit. In accordance with Item 10(h)(1) of Regulation S-B, IMSI is required to provide a statement disclosing the reasons why management believes that presentation of non-GAAP financial measures and information provides useful information to investors regarding the Company's results of operations. IMSI management evaluates and makes operating decisions using various operating measures. These measures are generally based on the revenues and certain costs of its operations, such as cost of goods sold and selling, general and administrative expenses. One such group of measures is GAAP net income (loss) as adjusted for non-cash activity and taxes (including "EBITDA"), which are non-GAAP financial measures under Section 101 of Regulation G under the Securities Exchange Act of 1934, as amended. Management believes it is useful in measuring IMSI's operations to identify these factors which relate to cash flows and provide them to the market in a summarized form. Management believes that GAAP net income (loss) as adjusted for non-cash activity and taxes provides useful supplemental information to management and investors regarding the performance of the company's business operations and facilitates comparisons to our historical operating results. Management also uses this information internally for forecasting and budgeting. Non-GAAP financial measures should not be considered as a substitute for measures of financial performance prepared in accordance with GAAP. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures contained within the attached press release with their most directly comparable GAAP financial results. As used herein, "GAAP" refers to accounting principles generally accepted in the United States.

ITEM 7.01 REGULATION FD DISCLOSURE.

ITEM 9.01 FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

- (a) Not applicable.
- (b) Not applicable.
- (c) Exhibits.

| <u>Exhibit</u> <u>No.</u> | <u>Description of Exhibit</u> |
|------------------------------|--|
| 99.1 | Press release dated February 14, 2006 |

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.

INTERNATIONAL MICROCOMPUTER SOFTWARE, INC.

Dated: February 15, 2006

By:

/s/ MARTIN WADE, III

Name: Martin Wade, III

Title: Chief Executive Officer

EXHIBIT INDEX

Exhibit No. Description

99.1 Press release dated February 14, 2006