

NEOMEDIA TECHNOLOGIES INC
Form 10-Q
August 16, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10 - Q

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

For the quarterly period ended June 30, 2010

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

For the transition period from _____ to _____

Commission File Number 0-21743

NeoMedia Technologies, Inc.
(Exact Name of Issuer as Specified In Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-3680347
(I.R.S. Employer
Identification No.)

Two Concourse Parkway, Suite 500, Atlanta, GA 30328
(Address, including zip code, of principal executive offices)

678-638-0460
(Registrants' telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of outstanding shares of the registrant's Common Stock on August 9, 2010 was 22,675,678.

NeoMedia Technologies, Inc.
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PART I — FINANCIAL INFORMATION

ITEM 1. Financial Statements

NeoMedia Technologies, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	June 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 673	\$ 198
Trade accounts receivable	236	374
Inventories, net of allowance of \$113 and \$136	100	124
Prepaid expenses and other current assets	122	294
Total current assets	1,131	990
Property and equipment, net	96	129
Goodwill	3,418	3,418
Proprietary software, net	1,745	2,076
Patents and other intangible assets, net	1,870	1,996
Cash surrender value of life insurance policies	612	659
Other long-term assets	186	156
Total assets	\$ 9,058	\$ 9,424
LIABILITIES AND SHAREHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 357	\$ 558
Taxes payable	5	4
Accrued expenses	8,132	7,292
Deferred revenues and customer prepayments	459	791
Note payable	15	69
Note payable - YA Global	-	500
Accrued purchase price guarantee	4,535	4,535
Deferred tax liability	706	706
Derivative financial instruments - warrants	2,399	9,912
Derivative financial instruments - Series C and D preferred stock and debentures payable	7,422	50,985
Debentures payable - carried at amortized cost	14,411	12,523
Debentures payable - carried at fair value	19,864	37,678
Total current liabilities	58,305	125,553
Commitments and contingencies (Note 7)		
Series C convertible preferred stock, \$0.01 par value, 27,000 shares authorized, 8,642 and 8,642 shares issued and outstanding, liquidation value of \$8,642 and \$8,642	8,642	8,642

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Series D convertible preferred stock, \$0.01 par value, 25,000 shares authorized, 25,000 and 0 shares issued and outstanding, liquidation value of \$2,500 and \$0	2,500	-
Shareholders' deficit:		
Common stock, \$0.001 par value, 5,000,000,000 shares authorized, 22,707,093 and 22,707,093 shares issued and 22,675,678 and 22,675,678 shares outstanding, respectively	23	23
Additional paid-in capital	153,157	153,059
Accumulated deficit	(212,651)	(276,985)
Accumulated other comprehensive loss	(139)	(89)
Treasury stock, at cost, 2,012 shares of common stock	(779)	(779)