

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): **May 6, 2009**

LivePerson, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other Jurisdiction
of Incorporation)

0-30141
(Commission File Number)

13-3861628
(I.R.S. Employer
Identification No.)

462 Seventh Avenue, New York, New York
(Address of Principal Executive Offices)

10018
(Zip Code)

Registrant's telephone number, including area code: **(212) 609-4200**

(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))
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Item 2.02. Results of Operations and Financial Condition.

A copy of the press release issued by LivePerson, Inc. (the “Registrant”) on May 6, 2009, announcing its results of operations and financial condition for the quarter ended March 31, 2009, is included herewith as Exhibit 99.1 and is incorporated herein by reference. The information included in this Current Report on Form 8-K (including Exhibit 99.1 hereto) that is furnished pursuant to this Item 2.02 shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a) (2) of the Securities Act of 1933, as amended. The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the Registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference into such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following documents are included as exhibits to this report:

99.1 Press release issued May 6, 2009.

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.

LIVEPERSON, INC.
(Registrant)

Date: May 6, 2009

By: /s/ TIMOTHY E. BIXBY
Timothy E. Bixby
President and Chief Financial Officer

EXHIBIT INDEX

99.1 Press release issued May 6, 2009.

For Immediate Release
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LivePerson Reports First Quarter 2009 Financial Results

- **Quarterly revenue increases 17% from prior year**
- **EBITDA per share of \$0.11 for first quarter**
- **EPS of \$0.03 for first quarter**

NEW YORK, NY – May 6, 2009 – LivePerson, Inc. (Nasdaq: LPSN), a leading provider of online engagement solutions that facilitate real-time assistance and expert advice, today announced financial results for the first quarter ended March 31, 2009.

Revenue

Revenue for the first quarter was \$19.9 million, a 17% increase from the first quarter of 2008, and a 2% sequential increase as compared to the fourth quarter of 2008. Revenue from business operations for the first quarter was \$17.4 million, a 4% increase as compared to the fourth quarter of 2008 and a 21% increase from the first quarter of 2008. Revenue from consumer operations, though down 7% from the prior year quarter, increased 4% sequentially from the fourth quarter of 2008.

“Overall, we are very pleased with our financial performance for the quarter,” CEO Robert LoCascio said. “Our first quarter revenue increased 17% as compared to the prior year, while EBITDA and EPS both significantly exceeded our guidance.” LoCascio continued, “In the near term, we see the potential for balanced and profitable growth across the company, including both business and consumer operations, and are cautiously optimistic that continued investment in the online channel by our customers will translate to increased demand for our solutions in the second half of 2009.”

Client and Partner Expansion

LivePerson added several new clients during the first quarter, including:

- Patagonia
- Sky – Italia
- Thomas Cook (UK)
- One of the top 4 US banks
- A leading consumer audio equipment manufacturer
- A leading European cellular service provider

The company also expanded business with existing customers, including:

- CapitalOne
- 1 800 Flowers.com
- One of the top 3 US banks

Net Income/Loss

Net income for the first quarter of 2009 was \$1.3 million or \$0.03 per share as compared to a net loss of \$0.2 million or \$0.00 per share in the first quarter of 2008.

Adjusted Net Income and EBITDA

LivePerson considers adjusted net income and earnings before interest, taxes, depreciation and amortization (EBITDA) to be important financial indicators of the company's operational strength and the performance of its business. These results should be considered in addition to results prepared in accordance with generally accepted accounting principles (GAAP), but should not be considered as a substitute for, or superior to, GAAP results.

A reconciliation of the differences between EBITDA and adjusted net income, and the most comparable financial measure calculated and presented in accordance with GAAP, is presented under the heading "Reconciliation of Non-GAAP Financial Information to GAAP" immediately following the Condensed Consolidated Statements of Operations included below.

The difference between EBITDA per share, a non-GAAP measure, and GAAP EPS, is interest, taxes, depreciation, amortization, stock-based compensation and other non-cash charges, if any. The difference between adjusted net income per share and GAAP EPS is amortization of intangible assets and stock-based compensation.

Adjusted net income for the first quarter of 2009 was \$3.0 million or \$0.06 per share, as compared to \$1.4 million or \$0.03 per share in the comparable period in 2008, and \$1.3 million or \$0.03 per share in the fourth quarter of 2008.

EBITDA for the first quarter of 2009 was \$5.2 million or \$0.11 per share, as compared to \$1.7 million or \$0.04 per share in the first quarter of 2008, and \$3.5 million or \$0.07 per share in the fourth quarter of 2008.

Cash

The company's cash balance was \$28.0 million at March 31, 2009 as compared to \$25.5 million as of December 31, 2008. The company generated \$2.8 million from operations in the first quarter. Also during the first quarter, the company incurred planned capital expenditures related primarily to the purchase of servers and computer networking equipment, resulting in a cash outlay of approximately \$0.5 million.

Financial Expectations

Second Quarter 2009

- Revenue of \$20.5 - \$21.0 million
- EBITDA of \$0.06 - \$0.08 per share
- GAAP EPS of \$0.00 - \$0.01
- Fully diluted share count of approximately 49 million

Full Year 2009

- Revenue of \$84 - \$86 million
- EBITDA of \$0.25 - \$0.30 per share
- GAAP EPS of \$0.05 - \$0.07
- Fully diluted share count of approximately 49 million

Other Full Year 2009 Assumptions

- Amortization of intangibles of approximately \$2.0 million
 - Stock-compensation expense of approximately \$4.0 million
 - Depreciation of approximately \$4.0 million
 - Effective tax rate of approximately 55%
 - Cash tax rate of approximately 40%
 - Capital expenditures of approximately \$7.0 - \$9.0 million
-

Stock-Based Compensation

Included in the accompanying financial results are expenses related to stock-based compensation, as follows (in thousands):

	Q1 2009	
Cost of revenue	\$	159
Product development		302
Sales and marketing		308
General and administrative		392
Total	\$	1,161

Amortization of Intangible Assets

Included in the accompanying financial results are expenses related to the amortization of intangible assets, as follows (in thousands):

	Q1 2009	
Cost of revenue	\$	307
General and administrative		272
Total	\$	579

LivePerson, Inc.
Condensed Consolidated Statements of Operations
(In Thousands, Except Share and Per Share Data)
Unaudited

	Three Months Ended	
	2009	2008
Revenue	\$ 19,919	\$ 17,085
Operating expenses:		
Cost of revenue	4,285	4,886
Product development	2,701	3,074
Sales and marketing	6,504	5,798
General and administrative	3,521	3,180
Amortization of intangibles	272	391
Total operating expenses	17,283	17,329
Income (loss) from operations	2,636	(244)
Other (expense) income, net	(85)	81
Income (loss) before provision for income taxes	2,551	(163)
Provision for income taxes	1,280	49
Net income (loss)	\$ 1,271	\$ (212)
Basic net income (loss) per common share	\$ 0.03	\$ (0.00)
Diluted net income (loss) per common share	\$ 0.03	\$ (0.00)
Weighted average shares outstanding used in basic net income (loss) per common share calculation	47,468,781	47,892,703
Weighted average shares outstanding used in diluted net income (loss) per common share calculation	48,031,054	47,892,703

LivePerson, Inc.
Reconciliation of Non-GAAP Financial Information to GAAP
(In Thousands, Except Share and Per Share Data)
Unaudited

Unaudited Supplemental Data

The following information is not a financial measure under generally accepted accounting principles (GAAP). In addition, it should not be construed as an alternative to any other measures of performance determined in accordance with GAAP, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing and financing activities as there may be significant factors or trends that it fails to address. We present this financial information because we believe that it is helpful to some investors as one measure of our operations. We caution investors that non-GAAP financial information, by its nature, departs from traditional accounting conventions; accordingly, its use can make it difficult to compare our results with our results from other reporting periods and with the results of other companies.

	Three Months Ended	
	March 31,	
	2009	2008
Net income (loss) in accordance with generally accepted accounting principles	\$ 1,271	\$ (212)
Add/(less):		
(a) Amortization of intangibles	579	698
(b) Stock-based compensation	1,161	959
(c) Depreciation	801	323
(d) Provision for income taxes	1,280	49
(e) Other expense (income), net	85	(81)
EBITDA (1)	\$ 5,177	\$ 1,736
Diluted EBITDA per common share	\$ 0.11	\$ 0.04
Weighted average shares used in diluted EBITDA per common share	48,031,054	47,892,703
Net income (loss) in accordance with generally accepted accounting principles	\$ 1,271	\$ (212)
Add:		
(a) Amortization of intangibles	579	698
(b) Stock-based compensation	1,161	959
Adjusted net income	\$ 3,011	\$ 1,445
Diluted adjusted net income per common share	\$ 0.06	\$ 0.03
Weighted average shares used in diluted adjusted net income per common share	48,031,054	47,892,703
EBITDA	\$ 5,177	\$ 1,736
Add/(less):		
(a) Changes in operating assets and liabilities	(1,303)	(2,150)
(b) Provision for doubtful accounts	-	68
(c) Provision for income taxes	(1,280)	(49)
(d) Deferred income taxes	324	(13)
(e) Other (expense) income, net	(85)	81
Net cash provided by (used in) operating activities	\$ 2,833	\$ (327)

(1) Earnings before interest, taxes, depreciation, amortization and stock-based compensation.

LivePerson, Inc.
Condensed Consolidated Balance Sheets
(In Thousands)
Unaudited

March 31, 2009

December 31, 2008

ASSETS

Current assets:

Cash and cash equivalents	\$	28,009	\$	25,500
Accounts receivable, net		9,131		7,574
Prepaid expenses and other current assets		1,568		1,706
Deferred tax assets, net		1,242		1,772
Total current assets		39,950		36,552
Property and equipment, net		7,123		7,473
Intangibles, net		3,740		4,319
Goodwill		24,469		24,388
Deferred tax assets, net		7,536		7,330
Deferred implementation costs		134		147
Security deposits		330		349
Other assets		1,222		1,390
Total assets	\$	84,504	\$	81,948

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$	4,033	\$	3,555
Accrued expenses		7,778		9,088
Deferred revenue		4,857		3,985
Total current liabilities		16,668		16,628
Deferred revenue, net of current		372		347
Other liabilities		1,222		1,390
Total liabilities		18,262		18,365

Commitments and contingencies

Total stockholders' equity		66,242		63,583
Total liabilities and stockholders' equity	\$	84,504	\$	81,948

About LivePerson

LivePerson is a provider of online engagement solutions that facilitate real-time assistance and expert advice. Connecting businesses and experts with consumers seeking help on the Web, LivePerson's hosted software platform creates more relevant, compelling and personalized online experiences. Every month, LivePerson's intelligent platform helps millions of people succeed online; more than 7,000 companies, including EarthLink, Hewlett-Packard, Microsoft, Qwest, and Verizon, rely on LivePerson to maximize the impact of the online channel. LivePerson is headquartered in New York City.

Non-GAAP Financial Disclosure

Investors are cautioned that the EBITDA, or earnings before interest, taxes, depreciation, amortization and stock-based compensation, and adjusted net income, or net income excluding amortization of intangible assets and stock-based compensation, information contained in this press release are not financial measures under generally accepted accounting principles. In addition, they should not be construed as alternatives to any other measures of performance determined in accordance with generally accepted accounting principles, or as indicators of our operating performance, liquidity or cash flows generated by operating, investing and financing activities, as there may be significant factors or trends that they fail to address. We present this financial information because we believe that it is helpful to some investors as a measure of our performance. We caution investors that non-GAAP financial information, by its nature, departs from traditional accounting conventions; accordingly, its use can make it difficult to compare our current results with our results from other reporting periods and with the results of other companies.

Safe Harbor Provision

Statements in this press release regarding LivePerson that are not historical facts are forward-looking statements and are subject to risks and uncertainties that could cause actual future events or results to differ materially from such statements. Any such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. It is routine for our internal projections and expectations to change as the quarter and year progresses, and therefore it should be clearly understood that the internal projections and beliefs upon which we base our expectations may change. Although these expectations may change, we are under no obligation to inform you if they do. Actual events or results may differ materially from those contained in the projections or forward-looking statements. Some of the factors that could cause actual results to differ materially from the forward-looking statements contained herein include, without limitation: risks related to the operational integration of acquisitions; risks related to our increased operations in the direct-to-consumer market; risks related to our international operations, particularly our operations in Israel, and the civil and political unrest in that region; volatility of the value of certain currencies in relation to the US dollar, particularly the New Israeli Shekel, U.K. pound and Euro; our history of losses; potential fluctuations in our quarterly and annual results; impairments to goodwill that result in significant charges to earnings; responding to rapid technological change and changing client preferences; competition in the real-time sales, marketing, customer service and online engagement solutions market; continued use by our clients of the LivePerson services and their purchase of additional services; technology systems beyond our control and technology-related defects that could disrupt the LivePerson services; risks related to adverse business conditions experienced by our clients; our dependence on key employees; competition for qualified personnel; the impact of new accounting rules, including the requirement to expense stock options; the possible unavailability of financing as and if needed; risks related to protecting our intellectual property rights or potential infringement of the intellectual property rights of third parties; our dependence on the continued use of the Internet as a medium for commerce and the viability of the infrastructure of the Internet; and risks related to the regulation or possible misappropriation of personal information. This list is intended to identify only certain of the principal factors that could cause actual results to differ from those discussed in the forward-looking statements. Readers are referred to the reports and documents filed from time to time by us with the Securities and Exchange Commission for a discussion of these and other important risk factors that could cause actual results to differ from those discussed in forward-looking statements.
