

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 5, 2010**

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 5, 2010, announcing its results of operations and financial condition for the quarter ended March 31, 2010, 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 5, 2010.

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 5, 2010

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

EXHIBIT INDEX

99.1 Press release issued May 5, 2010.

For Immediate Release
Media Contacts:
Tim Bixby
LivePerson, Inc.
(212) 609-4200
bixby@liveperson.com

Budd Zuckerman
Genesis Select Corp.
(303) 415-0200
budd@genesisselect.com

LivePerson Reports First Quarter Financial Results

- **Revenue increased 27% from prior year and 2% sequentially**
- **EBITDA per share of \$0.12**
- **Adjusted EPS of \$0.07**
- **EPS of \$0.04**

NEW YORK, NY – May 5, 2010 – 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, 2010.

Revenue

Revenue for the first quarter was \$25.3 million, a 27% increase from the first quarter of 2009, and a 2% sequential increase as compared to the fourth quarter of 2009. Revenue from business operations for the first quarter was \$21.8 million, a 26% increase as compared to the first quarter of 2009 and a 2% increase as compared to the fourth quarter of 2009. Revenue from consumer operations for the first quarter was \$3.5 million, a 37% increase as compared to the first quarter of 2009, and a 1% increase as compared to the fourth quarter of 2009.

“Demand continues to grow for our products and services as evidenced by our first quarter results,” said LivePerson CEO, Robert LoCascio. “The year is off to a great start with revenue in line with expectations. As we look ahead to the future, we are excited to begin introducing several new applications that will extend the capabilities of our core chat offering. Customers are in the process of being introduced to these new applications, and have expressed great enthusiasm for the opportunities these applications present to deliver a more unique, one-to-one customer experience.”

Customer Expansion

LivePerson added 10 new large enterprise clients in the quarter, including:

- One of the world’s leading language instruction, translation and localization service providers
- A leading global money management firm with over 70 years of investment experience
- One of the UK’s leading insurance and financial service providers
- A large, independent mobile phone retailer in the UK
- The UK’s largest building society, a provider of personal financial services

The company also expanded business with

- The leading Internet provider of spoken audio entertainment, information, and educational programming
 - T-Mobile UK
 - A leading worldwide provider of IT services and solutions
 - A leading U.S. bank holding company and financial services firm
 - The UK’s leading provider of mobile phones and broadband services
-

Net Income

Net income for the first quarter of 2010 was \$2.1 million or \$0.04 per share as compared to \$1.3 million or \$0.03 per share in the first quarter of 2009, and net income of \$3.1 million or \$0.06 per share in the fourth quarter of 2009.

Adjusted Net Income and EBITDA

LivePerson considers adjusted net income and earnings before other income/(expense), taxes, depreciation, amortization and stock-based compensation (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 Income 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 2010 was \$3.6 million or \$0.07 per share, as compared to \$3.0 million or \$0.06 per share in the first quarter of 2009, and \$4.7 million or \$0.09 per share in the fourth quarter of 2009.

EBITDA for the first quarter of 2010 was \$6.0 million or \$0.12 per share, as compared to \$5.2 million or \$0.11 per share in the first quarter of 2009, and \$7.1 million or \$0.14 per share in the fourth quarter of 2009.

Fully diluted share count increased to 52.2 million at March 31 as compared to 51.1 million at December 31, 2009.

Cash

The company's cash balance increased by \$5.2 million to \$50.8 million at March 31, 2010 as compared to \$45.6 million as of December 31, 2009.

Financial Expectations

Following is the company's current expectation for financial and operating performance:

Second Quarter 2010

- Revenue of \$26.1 - \$26.5 million
- EBITDA of \$0.10 - \$0.11 per share
- Adjusted net income per share of \$0.06 - \$0.07
- GAAP EPS of \$0.02 - \$0.03
- Fully diluted share count of approximately 52.5 million

Full Year 2010

- Revenue of \$107 - \$109 million
 - EBITDA of \$0.50 - \$0.52 per share
 - Adjusted net income per share of \$0.30 - \$0.32
 - GAAP EPS of \$0.16 - \$0.18
 - Fully diluted share count of approximately 53 million
-

Other Full Year 2010 Assumptions

- Amortization of intangibles of approximately \$1.5 million
- Stock-compensation expense of approximately \$6 million
- Depreciation of approximately \$6 million
- Effective tax rate of 40%
- Cash tax rate of 35%, or approximately \$5 million for 2010
- Capital expenditures of approximately \$6 - \$7 million

Stock-Based Compensation

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

	Q1 2010
Cost of revenue	\$ 214
Product development	335
Sales and marketing	280
General and administrative	258
Total	\$ 1,087

Amortization of Intangible Assets

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

	Q1 2010
Cost of revenue	\$ 306
General and administrative	83
Total	\$ 389

Earnings Teleconference and Video Discussion Information

The company will discuss its first quarter 2010 financial results during a teleconference today, May 5, 2010, at 5:00 p.m. ET. To participate, please call 877-507-3684 before 5:00 p.m. ET. International callers, please dial 706-634-9559. Please reference the conference ID "70284200."

If you are unable to participate, the teleconference will be available for replay at 6:00 p.m. ET on May 5, 2010 until August 5, 2010. To access the replay, please call 800-642-1687 (U.S. and Canada) or 706-645-9291 (international). Please reference the conference ID "70284200."

The company will post a video discussion of its first quarter 2010 results shortly on YouTube. To view, click on the following link:
<http://www.youtube.com/user/myliveperson>.

Follow @LivePersonInc on Twitter for Q1 highlights during the earnings call.

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

	Three Months Ended March 31,	
	2010	2009
Revenue	\$ 25,308	\$ 19,919
Operating expenses:		
Cost of revenue	6,632	4,285
Product development	3,606	2,701
Sales and marketing	7,690	6,504
General and administrative	3,792	3,521
Amortization of intangibles	83	272
Total operating expenses	<u>21,803</u>	<u>17,283</u>
Income from operations	3,505	2,636
Other expense, net	<u>(26)</u>	<u>(85)</u>
Income before provision for income taxes	3,479	2,551
Provision for income taxes	<u>1,343</u>	<u>1,280</u>
Net income	<u>\$ 2,136</u>	<u>\$ 1,271</u>
Basic net income per common share	<u>\$ 0.04</u>	<u>\$ 0.03</u>
Diluted net income per common share	<u>\$ 0.04</u>	<u>\$ 0.03</u>
Weighted average shares outstanding used in basic net income per common share calculation	<u>49,838,491</u>	<u>47,468,781</u>
Weighted average shares outstanding used in diluted net income per common share calculation	<u>52,193,862</u>	<u>48,031,054</u>

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,	
	2010	2009
Net income in accordance with generally accepted accounting principles	\$ 2,136	\$ 1,271
Add/(less):		
(a) Amortization of intangibles	389	579
(b) Stock-based compensation	1,087	1,161
(c) Depreciation	1,053	801
(d) Provision for income taxes	1,343	1,280
(e) Other expense, net	26	85
EBITDA (1)	<u>\$ 6,034</u>	<u>\$ 5,177</u>
Diluted EBITDA per common share	<u>\$ 0.12</u>	<u>\$ 0.11</u>
Weighted average shares used in diluted EBITDA per common share	<u>52,193,862</u>	<u>48,031,054</u>
Net income in accordance with generally accepted accounting principles	\$ 2,136	\$ 1,271
Add:		
(a) Amortization of intangibles	389	579
(b) Stock-based compensation	1,087	1,161
Adjusted net income	<u>\$ 3,612</u>	<u>\$ 3,011</u>
Diluted adjusted net income per common share	<u>\$ 0.07</u>	<u>\$ 0.06</u>
Weighted average shares used in diluted adjusted net income per common share	<u>52,193,862</u>	<u>48,031,054</u>
EBITDA	\$ 6,034	\$ 5,177
Add/(less):		
(a) Changes in operating assets and liabilities	(5,064)	(1,303)
(b) Provision for income taxes	(1,343)	(1,280)
(c) Deferred income taxes	(6)	324
(d) Other expense, net	(26)	(85)
Net cash (used in) provided by operating activities	<u>\$ (405)</u>	<u>\$ 2,833</u>

(1) Earnings/(loss) before other income/(expense), taxes, depreciation, amortization, stock-based compensation and other non-cash charges.

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

	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Current assets:		
Cash and cash equivalents	\$ 50,835	\$ 45,572
Accounts receivable, net	12,615	10,265
Prepaid expenses and other current assets	3,189	3,661
Deferred tax assets, net	1,252	1,460
Total current assets	<u>67,891</u>	<u>60,958</u>
Property and equipment, net	10,132	9,551
Intangibles, net	2,432	2,821
Goodwill	23,920	23,920
Deferred tax assets, net	4,992	4,777
Deferred implementation costs	135	136
Security deposits	491	326
Other assets	1,948	1,792
Total assets	<u>\$ 111,941</u>	<u>\$ 104,281</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,688	\$ 5,375
Accrued expenses	7,914	10,895
Deferred revenue	5,360	4,692
Total current liabilities	<u>18,962</u>	<u>20,962</u>
Deferred revenue, net of current	533	506
Other liabilities	1,833	1,676
Total liabilities	<u>21,328</u>	<u>23,144</u>
Commitments and contingencies		
Total stockholders' equity	90,613	81,137
Total liabilities and stockholders' equity	<u>\$ 111,941</u>	<u>\$ 104,281</u>

About LivePerson

LivePerson is a leading 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 8,000 companies, including EarthLink, Hewlett-Packard, Microsoft 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/(loss) before other income/(expense), 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: potential fluctuations in our quarterly and annual results; the adverse effect that the global recession may have on our business; competition in the real-time sales, marketing, customer service and online engagement solutions market; risks related to the operational integration of acquisitions; risks related to new regulatory or other legal requirements that could materially impact our business; risks related to our international operations, particularly our operations in Israel, and the civil and political unrest in that region; impairments to goodwill that result in significant charges to earnings; volatility of the value of certain currencies in relation to the US dollar, particularly the New Israeli Shekel, U.K. pound and Euro; continued use by our clients of the LivePerson services and their purchase of additional services; responding to rapid technological change and changing client preferences; technology systems beyond our control and technology-related defects that could disrupt the LivePerson services; privacy concerns relating to the Internet that could result in new legislation or negative public perception; risks related to the regulation or possible misappropriation of personal information; legal liability and/or negative publicity for the services provided to consumers via our technology platforms; and risks related to protecting our intellectual property rights or potential infringement of the intellectual property rights of third parties. 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.
