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purchase 3,927,925 shares of common stock at an initial exercise price of \$9.2517 per share (the "Warrants").

As a result of this one-time adjustment of the conversion price, the currently outstanding shares of Series A Preferred Stock are convertible into an aggregate of 16,636,067 shares of Common Stock as of August 8, 2001. This number of shares includes 1,075,627 shares of Common Stock representing the amount accreted on the Series A Preferred Stock liquidation preference from August 8, 2000 through August 8, 2001 pursuant to the terms and conditions of the registrant's Certificate of Designation of 6.75% Series A Cumulative Convertible Preferred Stock (the "Certificate of Designation").

The exercise price of the Warrants is subject to a one-time adjustment on August 22, 2001 pursuant to section 5.1 of the Warrants. The exercise price adjustment of the Warrants will be equal to the greater of (i) 122% of the average closing bid price per share of Common Stock on the twenty (20) consecutive trading days immediately preceding and including August 22, 2001 or (ii) \$5.6875. This adjustment will not result in the issuance of additional Warrants or shares of Common Stock upon exercise of the Warrants.

For a description of the terms and conditions of the Series A Preferred Stock and the Warrants, reference is made to the Certificate of Designation and the form of Common Stock Purchase Warrant attached as Exhibit 3(i)(a) and Exhibit 4.1, respectively, to registrant's Report on Form 8-K filed with the Securities and Exchange Commission on August 15, 2000.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

- (a) Financial Statements.  
Not applicable.
- (b) Pro Forma Financial Information.  
Not applicable.
- (c) Exhibits:  
Not applicable.

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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.

EGAIN COMMUNICATIONS CORPORATION

By: /s/ Harpreet Grewal  
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Harpreet Grewal  
Chief Financial Officer

Date: August 10, 2001

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