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\$2.6 Billion Buyout of OpenTable Demonstrates Industry Has Appetite for Companies Like LiveDeal

NEW YORK, NY -- (Marketwired) -- 06/19/14 -- When Priceline announced it would purchase OpenTable, Inc. last week for \$2.6 billion, the shareholders at LiveDeal (NASDAQ: LIVE) had to find the announcement intriguing and quite possibly a prelude to their own future with the mobile/online deals platform. While LiveDeal won't see a multi-billion dollar buyout in 2014, Priceline's interest in OpenTable does offer some very encouraging food for thought.

OpenTable started back in 1998, and over the last 16 years, it has become the world's leading provider of online restaurant reservations. Its reservation system helps diners find restaurants with available tables, and then assists them in booking a reservation at one of the thousands of restaurants in OpenTable's network.

While it costs nothing for consumers to use the service, OpenTable charges restaurants monthly fees to seat diners who book their reservations through their network. The company also generates revenue from the fees restaurants pay for the software and hardware needed to join OpenTable's reservation network.

In 16 years, OpenTable has built a network of about 31,000 restaurants, it has defined its revenue model that in 2013 earned \$33.4 million on \$190.1 million in revenue, and today it's considered a success by Priceline who's willing to pay \$2.6 billion to add OpenTable to its own reservations system.

So, how does this apply to LiveDeal? Well, LiveDeal launched its real-time, instant deals platform, www.livedeal.com, in September 2013, so the company is still clearly an infant in the deals space. However, in 9 short months, LiveDeal is off to a strong start, and the company is building its own impressive infrastructure ahead of defining its revenue model.

LiveDeal has already amassed close to 10,000 restaurant promotions on its platform in 35 major US cities. The company continues to report higher monthly consumer traffic visiting its online/mobile platform, as well as higher voucher redemption. LiveDeal has announced a couple of acquisitions and strategic partnerships as well that have enhanced its growth and its offerings.

This growth is necessary, and so too is the building of an infrastructure that 16 years ago OpenTable was experiencing. LiveDeal continues to improve its business by increasing the number of restaurants on www.livedeal.com, and driving more consumers to its platform. Like OpenTable, eventually a network will be built that can drive the revenues that will give LiveDeal its value.

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