

May 15, 2013

# LiveDeal Announces Financial Results for Three and Six Months Ended March 31, 2013

LAS VEGAS, NV -- (Marketwired) -- 05/15/13 -- LiveDeal, Inc. (NASDAQ: LIVE)

- *Gross margins improved by approximately 8.1% in first six months of fiscal 2013*
- *Company makes several strategic investments to provide foundation for future growth*
- *Working capital improves by \$373,000 as current liabilities decrease by \$420,000*
- *Stockholders' equity increases by \$408,000*

LiveDeal, Inc. (NASDAQ: LIVE), a provider of marketing solutions that boost customer awareness and merchant visibility on the Internet, announced today its financial results for the three- and six-month periods that ended on March 31, 2013. The Company's results included the following:

- Net revenues were \$555,084 and \$1,127,619 for the three and six months ended March 31, 2013, respectively, as compared to net revenues of \$821,701 and \$1,673,114, respectively, for the three and six months ended March 31, 2012. Net revenues decreased primarily due to the decrease in revenues generated by legacy products and services that the Company has discontinued in connection with pursuing its new business strategy.
- Costs of services were 21.1% and 19.5% of net revenues for the three and six months ended March 31, 2013, respectively, as compared to costs of services of 27.6% of net revenues for the three and six months ended March 31, 2012. The decline in costs of services was primarily due to decreased costs associated with the decline in the number of our legacy customers and the provisioning of fulfillment services, which are now performed by the Company rather than outside vendors. Gross margins improved by approximately 6.5% and 8.1%, respectively, during the three and six month periods ended March 31, 2013, as compared to the Company's results in the prior year periods.
- General and administrative expenses were \$1,231,531 and \$1,993,907 for the three and six months ended March 31, 2013, respectively, as compared to general and administrative expenses of \$821,434 and \$1,588,242 for the three and six months ended March 31, 2012. General and administrative expenses increased in fiscal 2013 as a result of the Company investing in personnel for its new call center and making other strategic investments to provide a foundation for future growth as LiveDeal pursues its new business strategy and launches its new products and services.
- Interest expense was \$2,541,141 and \$3,291,695 for the three and six months ended March 31, 2013, respectively, as compared to interest expense of \$40,612 and \$84,556 for the three and six months ended March 31, 2012. Substantially all of the

interest expense incurred by the Company during fiscal 2013 was related to the issuance of convertible promissory notes by LiveDeal and subsequent conversion of those notes into shares of the Company's common stock. Such transactions resulted in interest expense under generally accepted accounting principles (GAAP), but that was entirely a non-cash expense and did not require LiveDeal to make any actual interest payments under the notes.

- Net loss was \$3,215,017 and \$4,275,526 for the three and six months ended March 31, 2013, respectively, as compared to net loss of \$258,993 and \$450,631 for the three and six months ended March 31, 2012. Most of the Company's net loss in the fiscal 2013 periods was attributable to the non-cash interest expenses described above.
- As a result of the Company's operating results and financing transactions during the six months ended March 31, 2013:
  - Cash and cash equivalents remained relatively stable at \$1,297,275 as of March 31, 2013, as compared to \$1,305,785 as of September 30, 2012.
  - Net working capital improved to \$743,694 as of March 31, 2013, as compared to \$370,780 as of September 30, 2012, primarily because the Company's accounts payable decreased from \$1,017,363 to \$597,336.
  - Stockholders' equity increased to \$3,237,245 as of March 31, 2013, as compared to \$2,829,254 as of September 30, 2012.

"At LiveDeal, we are continuing to work hard to implement the Company's promising new business strategy. In light of that transition process and the significant investments we made to position the Company for future growth and success, we were pleased with our results for the period that ended on March 31, 2013," said Jon Isaac, LiveDeal's President and Chief Executive Officer.

For more information, refer to the Company's Quarterly Report on Form 10-Q that was filed earlier today with the Securities and Exchange Commission and is available at [www.sec.gov](http://www.sec.gov).

### ***About LiveDeal, Inc.***

LiveDeal, Inc. provides marketing solutions that boost customer awareness and merchant visibility on the Internet. LiveDeal recently launched two new business lines under new management after a period of re-evaluating the company's sales program, products, distribution methods, and vendor programs. In November 2012, LiveDeal commenced the sale of marketing tools that help local businesses manage their online presence under the company's Velocity Local™ brand, which LiveDeal refers to as online presence marketing. Previously, in August 2012, LiveDeal commenced sourcing local deal and activities to strategic publishing partners under its LiveDeal® brand, which the company refers to as promotional marketing. LiveDeal continues to actively develop, revise, and evaluate these products and services and its marketing strategies and procedures. For more information, visit [www.livedeal.com](http://www.livedeal.com).

### ***Forward-Looking and Cautionary Statements***

This press release contains "forward-looking" statements that are based on present circumstances and on LiveDeal's predictions with respect to events that have not occurred, that may not occur, or that may occur with different consequences and timing than those now assumed or anticipated. Such forward-looking statements, including any statements regarding the plans and objectives of management for future operations or products, the market acceptance or future success of our products, and our future financial performance, are not guarantees of future performance or results and involve risks and uncertainties that could cause actual events or results to differ materially from the events or results described in the forward-looking statements.

Forward-looking statements are made only as of the date of this release and LiveDeal does not undertake and specifically declines any obligation to update any forward-looking statements. Readers should not place undue reliance on these forward-looking statements.

Tim Matula  
Investor Relations  
800.977.6038  
[Email Contact](#)

Source: LiveDeal, Inc.