

February 15, 2012

LiveDeal, Inc. Reports 2012 First Quarter Financial Results

LAS VEGAS--(BUSINESSWIRE)--LiveDeal, Inc. (NASDAQ: LIVE), a provider of web-based local customer acquisition and related products for small businesses, today reported financial results for its first fiscal quarter ended December 31, 2011.

Net loss for the fiscal 2012 first quarter decreased 89%, or \$1,538,756, to \$191,638 from \$1,730,394 reported for the fiscal 2011 first quarter. The decrease was primarily attributable to the decrease in the company's cost of services and general and administrative expenses described below. Gross profit for the fiscal 2012 first quarter increased 515%, or \$515,549, to \$615,594 from \$100,045 reported for the fiscal 2011 first quarter, which is primarily ascribable to the decrease in the company's cost of services described below.

Net revenues for the fiscal 2012 first quarter were \$851,413, a decrease of \$143,209 (14%) from \$994,622 reported for the fiscal 2011 first quarter. The decrease was primarily attributable to a pause in the company's sales efforts since July 2011 during which time the company evaluated new sales programs, improved its marketing and fulfillment services, and implemented various cost reductions. The company's cost of services for the fiscal 2012 first quarter was \$235,819, a \$658,758 (74%) decrease from \$894,577 reported for the fiscal 2011 first quarter. The decrease was primarily ascribable to decreased fulfillment costs as the company took over fulfillment activities from third party vendors. General and administrative expenses for the fiscal 2012 first quarter were \$766,808, a decrease of \$1,205,761 (61%) from \$1,972,569 reported for the fiscal 2011 first quarter. The decrease was primarily attributable to decreased employee compensation and professional fee expenses.

Commenting on the results, Jon Isaac, LiveDeal's newly appointed President and CEO, stated, "We are very encouraged with our recent financial results, especially since total operating losses have declined substantially due to the closing of unprofitable product lines, reductions in cost of services, and reductions in general and administrative expenses. We expect that continued operational improvements, along with top-line growth, can lead LiveDeal, Inc. toward profitability this fiscal year."

LiveDeal, Inc. and Subsidiaries

Condensed Consolidated Balance Sheet

(Unaudited)

	December 31, 2011	September 30, 2011
Assets		
Cash and cash equivalents	\$ 2,177,605	\$ 244,470
Accounts receivable, net	556,350	654,856

Prepaid expenses and other current assets	73,023	113,323
Total current assets	2,806,978	1,012,649
Accounts receivable, long term portion, net	382,365	371,438
Property and equipment, net	131,111	171,201
Deposits and other assets	29,007	31,007
Intangible assets, net	1,193,145	1,222,334
Total assets	\$ 4,542,606	\$ 2,808,629

Liabilities and Stockholders' Equity

Liabilities:

Accounts payable	\$ 620,938	\$ 600,908
Accrued liabilities	398,533	424,595
Notes payable	900,000	1,000,000
Current portion of capital lease obligation	21,224	36,992
Total current liabilities	1,940,695	2,062,495
Long term portion of capital lease obligation	—	—
Total liabilities	1,940,695	2,062,495

Commitments and contingencies

Stockholders' Equity

Series E convertible preferred stock, \$0.001 par value	10,866	10,866
Common stock, \$0.001 par value	2,338	698
Treasury stock (4,252 shares carried at cost)	—	(70,923)
Paid in capital	22,788,413	20,813,082
Accumulated deficit	(20,199,706)	(20,007,589)
Total stockholders' equity	2,601,911	746,134

Total liabilities and stockholders' equity	\$ 4,542,606	\$ 2,808,629
--	--------------	--------------

LiveDeal, Inc. and Subsidiaries

Condensed Statements of Operations

(Unaudited)

Three Months Ended December 31,

	2011	2010
Net revenues	\$ 851,413	\$ 994,622
Cost of services	235,819	894,577
Gross profit	615,594	100,045
Operating Expenses		
General and administrative expenses	766,808	1,972,569
Sales and marketing expenses	60	13,592
Total operating expenses	766,868	1,986,161
Operating loss	(151,274)	(1,886,116)
Other Income (expense)		
Interest income (expense), net	(43,944)	1,562
Other income (expense)	—	—
Total other income (expense)	(43,944)	1,562
Loss before income taxes	(195,218)	(1,884,554)
Income tax provision (benefit)	—	—
Loss from continuing operations	(195,218)	(1,884,554)

Discontinued Operations

Income from discontinued component, including disposal costs	3,580	154,160
Income tax provision (benefit)	—	—
Income from discontinued operations	3,580	154,160
Net loss	\$ (191,638)	\$ (1,730,394)
Earnings per share - basic and diluted ¹ :		
Loss from continuing operations	\$ (0.18)	\$ (2.96)
Discontinued operations	0.00	0.24
Net loss	\$ (0.18)	\$ (2.72)
Weighted average common shares outstanding		
Basic	1,043,960	636,828
Diluted	1,043,960	636,828

¹ Certain amounts may not total due to rounding of individual components.

LiveDeal, Inc. and Subsidiaries**Condensed Statements of Cash Flows****(Unaudited)**

	Three Months Ended December 31,	
	2011	2010
Cash Flows From Operating Activities		
Net loss	\$ (191,638)	\$ (1,730,394)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	69,279	205,477
Stock based compensation expense	47,894	23,499
Amortization of deferred stock compensation	—	17,885
Provision for uncollectible accounts	14,181	206,990
Changes in Assets and Liabilities		
Accounts receivable	73,398	(108,988)
Prepaid expenses and other current assets	40,300	126,441
Deposits and other assets	2,000	—
Accounts payable	20,030	66,263
Accrued liabilities	(26,541)	(267,643)
Net cash provided by/(used in) operating activities	48,903	(1,460,470)
Cash Flows From Investing Activities		
Expenditures for intangible assets	—	—
Purchases of property and equipment	—	—
Net cash provided by/(used in) investing activities	—	—
Cash Flows From Financing Activities		
Principal repayments on capital lease obligations	(15,768)	(15,203)
Issuance of common stock for cash	2,000,000	100,000
Payments on notes payable	(100,000)	—
Net cash provided by financing activities	1,884,232	84,797

Increase/(Decrease) In Cash And Cash Equivalents	1,933,135	(1,375,673)
Cash And Cash Equivalents, beginning of period	244,470	3,227,374
Cash And Cash Equivalents, end of period	\$ 2,177,605	\$ 1,851,701
Supplemental cash flow disclosures		
Noncash financing and investing activities		
Accrued and unpaid dividends	\$ 479	\$ 479
Interest paid	\$ 43,987	\$ 832
Income tax paid (received)	\$ —	\$ —

For more information about LiveDeal's fiscal first quarter results, including the notes accompanying the foregoing condensed consolidated financial statements, please review the company's quarterly report on Form 10-Q filed today, together with its annual report on Form 10-K for the fiscal year ended September 30, 2011. Both reports can be accessed by visiting the company's website at www.livedeal.com or the SEC's website at www.sec.gov.

About LiveDeal, Inc.

LiveDeal, Inc. provides local customer acquisition services and related products for small businesses to deliver an affordable way for businesses to extend their marketing reach to target customers via the Internet. For more information, visit www.livedeal.com.

Forward-Looking and Cautionary Statements

This news release contains forward-looking statements as that term is defined in the federal securities laws. The events described in forward-looking statements contained in this news release may not occur. Generally, these statements relate to LiveDeal's business plans or strategies, projected or anticipated benefits or other consequences of LiveDeal's plans or strategies, financing plans, projected or anticipated costs of and benefits from acquisitions that LiveDeal may make, or projections involving anticipated revenues, earnings, costs, expenses, or other aspects of LiveDeal's operating results or financial position, and the outcome of any contingencies. Any such forward-looking statements are based on current expectations, estimates and projections of management. LiveDeal intends for these forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements. Words such as "may," "will," "expect," "believe," "anticipate," "project," "plan," "intend," "estimate," and "continue," and their opposites and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained in this press release include, but are not limited to, statements regarding the Company's future profitability. LiveDeal cautions you that these statements are not guarantees of future performance or events and are subject to a number of uncertainties, risks and other influences, many of which are beyond LiveDeal's control, which may influence the accuracy of the statements and the projections upon which the statements are based. Factors that could cause actual results to differ materially from those set forth or implied by any forward-looking statement include, but are not limited to, risks and uncertainties discussed in LiveDeal's reports filed with the Securities and Exchange Commission, including, but not limited to, LiveDeal's Annual Report or Form 10-K for the fiscal year ended September 30, 2011 and other filings. Copies of these filings are available at the SEC's website

at www.sec.gov.

Contacts

Investor Relations Contact:

LiveDeal, Inc.

Larry Tomsic, Chief Financial Officer

702-939-0230

ltomsic@livedeal.com