

August 23, 2012

# LiveDeal Reports Third Quarter Fiscal 2012 Financial Results

LAS VEGAS, NV--(Marketwire -08/23/12)- **LiveDeal, Inc.** (LIVE), a provider of local Internet marketing services and mobile technology solutions for small- and medium-sized businesses (SMBs), today provided commentary on its strategic growth initiatives and unaudited financial results for its third quarter of fiscal year 2012, ended June 30, 2012.

## Fiscal Third Quarter Financial and Recent Business Highlights

- Net revenues were \$0.8 million, compared with \$1.1 million in the third quarter of fiscal 2011.
- Net loss improved to \$0.3 million, which included a one-time charge of \$150,000 related to a tentative legal settlement, compared with a net loss of \$1.1 million in the third quarter of 2011.
- Operating cash flow for the nine months ended June 30, 2012 was \$0.1 million, compared with an operating cash flow deficit of \$4.0 million for the nine months ended June 30, 2011.
- Completed development and began soft launch of LiveDeal's first mobile solution for local commerce, InstantProfile®, a turnkey product for optimizing business' profiles on mobile devices.
- On August 16, 2012, acquired substantially all assets of LiveOpenly, Inc., a California company engaged in sourcing, publishing and selling promotions through local retail merchants, in an all-share transaction.

"During our third quarter, we continued our strategic transition to web-based mobile marketing tools for SMBs. At the same time, we maintained tight expense controls to reduce our operating loss, generated positive cash flow and significantly narrowed our net loss to near break-even," said Jon Isaac, Chief Executive Officer of LiveDeal. "We expect our focus on mobile solutions to provide our company with predictable, recurring revenue streams, with minimal capital expenditures and the necessary structure to support expansion as we grow our business. We are already rolling out our first new mobile tool, InstantProfile, a high-margin, subscription-based product that enables businesses to easily establish a customized, mobile Internet presence, and better feature their profiles on Internet search engines and mobile directory listings. Our initial marketing efforts will be focused on local restaurants. We have a strong foothold in the local commerce market, and plan to exploit our substantial cross-selling opportunities with our thousands of customers. Initial market reception for InstantProfile has been encouraging and we expect to see an immediate financial impact beginning in our fourth quarter, with more meaningful top- and bottom-line gains in our fiscal 2013."

## Fiscal Third Quarter Financial Results

Net revenues were \$0.8 million, compared with \$1.1 million in the third quarter of fiscal

2011. The decrease was primarily attributable to the ongoing suspension of new sales efforts as part of LiveDeal's strategic decision to explore new sales programs and improve its marketing and fulfillment services.

Gross profit increased to \$0.7 million, compared with \$0.1 million in the third quarter of fiscal 2011, primarily due to the decreased cost of fulfillment services, which the company has been transitioning from outside vendors to in-house execution.

Total operating expenses decreased by approximately 38% to \$0.7 million, compared with \$1.2 million in the third quarter of fiscal 2011. The decrease in operating expenses was due to a 37% decline in general and administrative expenses, primarily as a result of decreases in compensation costs, professional fees, depreciation and amortization, and other expenses, and a 91% decline in sales and marketing expenses, primarily due to reduced spending for marketing materials, as new sales activities remained on hold in accordance with the company's strategic transition to suspend new product sales beginning in the fourth quarter of fiscal 2012.

Net loss was \$0.3 million, or \$0.12 per share based on 2.4 million weighted average shares outstanding, compared with a net loss of \$1.1 million, or \$1.68 per share based on 0.7 million weighted average shares outstanding, in the third quarter of fiscal 2011. Net loss for the 2012 period included a \$150,000 expense related to the tentative settlement of a class action proceeding, recorded in other income (expense).

As of June 30, 2012, the company had \$1.7 million in cash and cash equivalents.

Additional information on LiveDeal's third quarter fiscal 2012 results can be viewed on the company's quarterly report on Form 10-Q filed August 14, 2012 by visiting the SEC's website at [www.sec.gov](http://www.sec.gov).

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

LiveDeal, Inc. provides local customer acquisition services and related products for small- and medium-sized local businesses, to deliver an affordable way for businesses to extend their marketing reach to target customers via the Internet, now including those using mobile devices. For more information, visit [www.livedeal.com](http://www.livedeal.com).

To be added to LiveDeal's email list, please contact [livedeal@tpg-ir.com](mailto:livedeal@tpg-ir.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.