

LIVEDEAL, INC.

LiveDeal Uses Google Model to Drive Traffic and Revenue

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LIVEDEAL, INC. (NASDAQ - LIVE - \$7.14)

Price Target: \$12

Rating: Speculative Buy

COMPANY SNAPSHOT

LiveDeal Inc. provides marketing solutions that boost customer awareness and merchant visibility on the Internet. LiveDeal operates a deal engine, which is a service that connects merchants and consumers via an innovative platform that uses geo-location, enabling businesses to communicate real-time and provide instant offers to nearby consumers. 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. LiveDeal continues to actively develop, revise, and evaluate these products and services and its marketing strategies and procedures.

KEY STATISTICS

Price as of 2/27/14	\$7.14
52 Week High – Low	\$11.94 – \$0.66
Est. Shares Outstanding	13.8M
Market Capitalization	\$98.5M
Avg Vol	1,917,000
Exchange	NASDAQ

COMPANY INFORMATION

LiveDeal, Inc.
325 E. Warm Springs Rd, Suite 102
Las Vegas NV 89119
www.LiveDeal.com

IR : Scott Arnold
CorProminence LLC
310.497.8817

KEY TAKEAWAYS

Conclusion: Since our initiation of coverage two weeks ago, LiveDeal has executed a series of steps that affirms our thesis and gives us even greater confidence in our short term and long term price objectives. Moreover, we believe that near term catalysts will quickly drive the stock to a return to \$12 or higher. Therefore, we reiterate our Speculative Buy rating and our near term \$12 target price.

Funding in Place: Stock flush with cash

LiveDeal recently closed a \$10M funding on very favorable terms with access to additional capital in the offering, albeit likely at significantly higher prices. Although we expect modest operating losses for the interim, the Company has around \$1 per share in cash, which represents 14% of the current stock price.

Innovative Revenue Model: Best of both worlds

It is no secret that the Company's business and revenue models are preferred by restaurateurs to Groupon (NASDAQ – GRPN) and other deal sites. Plus, its Google-type (NASDAQ – GOOG) search model drives web traffic and revenue, and carries higher profit margins than typical deal sites.

Deep Mobile Penetration Begins: New Platforms

LiveDeal will be introducing new iOS and Android at the end of Q1, whereby users will have immediate access to LiveDeal's "instant" real-time deal platform www.LiveDeal.com, which should drive traffic higher.

New Ad Campaign: King of All Media

The King of All Media will help make LiveDeal a household name and a valuable brand through his 12 million rabid listeners and their circle of friends. Stern took Snapple from nothing into a nearly \$1 billion company in a subsequent sale, and there are many other examples as well. This bodes well for Q2 sales, especially in NYC.

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Trading History For LIVE

(Source: Stockta.com)



Senior Analyst: Robert Goldman

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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