



SearchCore Reports Third Quarter 2013 Operating Results Including Increased Revenue of 87% over 2nd Quarter

Lake Forest, California – November 27, 2013 – SearchCore, Inc. (OTCQX: SRER), a technology- based Internet marketing services company that connects consumers with brands, products, and services through content rich, hyper-local websites, today announced its financial results for the third quarter ended September 30, 2013.

Third Quarter 2013 Highlights

- Revenue increased 87% over the 2nd quarter from \$102,000 to \$190,000
- The launch of ManufacturedHomes.com
- Tattoo.com reaches 622 paying subscribers

Management Commentary

“We are continuing to build the foundation of our vertical finder sites with in depth hyper local content, which is helping to translate to increased revenues,” said Jim Pakulis, CEO of SearchCore. “Our goal now is to continue our growth through our most recently launched site, ManufacturedHomes.com.”

Brad Nelms, Chief Strategy Officer of SearchCore, stated, “The launch of ManufacturedHomes.com was a milestone for us since this represents the first site to offer geo targeted results for retailers and manufacturers. In addition, we offer both manufacturers and retailers the ability to utilize our proprietary Customer Relations Management software solutions. In short, we’re providing exceptional, detailed content to consumers to heighten the industries brand image and the technology business tools to manage these consumers more efficiently.

Third Quarter 2013 Financial Results

SearchCore’s revenues for the third quarter ended September 30, 2013 totaled \$191,000, as compared with \$4.33 million for the third quarter ended September 30, 2012. Third quarter 2013 revenues reflect the first nine months of SearchCore operations since the company sold its most successful finder site, www.weedmaps.com, in December 2012. The sale was in line with the company’s stated strategy to leverage its proven technology platform and expertise to expand into new internet-supported verticals.

Total operating expenses were \$964,000 for the third quarter of 2013, as compared with \$3.13 million for the third quarter of 2012. The decrease in operating expenses reflects the company’s previously announced move to a smaller headquarters facility and reduction in workforce in order to more closely align its expense structure with its near term revenue model.

EBITDA loss was \$734,000 for the third quarter of 2013, as compared to EBITDA of \$1.28 million for the third quarter of 2012. Operating loss for the third quarter of 2013 was \$773,000, as compared to operating income of \$1.21 million for the third quarter of 2012.

Loss from continuing operations was \$770,000 for the third quarter of 2013, as compared to income from continuing operations of \$1.04 million for the third quarter of 2012. Income from continuing operations for the third quarter of 2012 included a pre-tax, non-cash gain of \$201,000 on the change in fair value of earn-out liability.

Net loss for the third quarter ended September 30, 2013 was \$776,000, or \$0.02 per share, as compared to net income of \$1.04 million, or \$0.02 per share, for the third quarter ended September 30, 2012, which included the above-referenced non-cash gain of \$201,000.

Balance Sheet Overview

At September 30, 2013, SearchCore had cash and cash equivalents of \$42,000 and had total debt of \$906,000, as compared with cash

and cash equivalents of \$514,000 and total debt of \$615,000 as of December 31, 2012. At September 30, 2013, the Company had approximately 39.0 million shares of common stock issued and outstanding.

About SearchCore, Inc.

SearchCore, Inc. is a technology-based Internet marketing services company that offers customers an integrated suite of services including media, technology, marketing and information. Founded in 2010, SearchCore is headquartered in Lake Forest, California. The Company's common stock trades on the OTC Market's highest tier, OTCQX, under the ticker symbol "SRER." www.SearchCore.com

Safe Harbor Notice

Certain statements contained herein are "forward-looking statements" (as defined in the Private Securities Litigation Reform Act of 1995). SearchCore, Inc. cautions that statements made in this news release constitute forward-looking statements and makes no guarantee of future performance. Forward-looking statements are based on estimates and opinions of management at the time statements are made. These statements may address issues that involve significant risks, uncertainties, estimates and assumptions made by management. Actual results could differ materially from current projections or implied results. SearchCore, Inc. undertakes no obligation to revise these statements following the date of this news release.

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SEARCHCORE, INC.

Condensed Consolidated Balance Sheets

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 41,617	\$ 514,382
Accounts receivable	22,843	-
Other current assets	1,263,395	1,542,800
Current assets - discontinued operations	185,647	180,099
TOTAL CURRENT ASSETS	\$ 1,513,502	\$ 2,237,281
Property and equipment, net	29,314	5,118
Intangible assets:		
Domain names	1,030,903	805,643
Trademarks	1,000	1,000
Web software, net	322,127	429,503
Goodwill	59,060	59,060
Other assets	778,845	1,658,072
TOTAL ASSETS	\$ 3,734,751	\$ 5,195,677
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 130,119	\$ 120,852
Accrued liabilities	2,220,994	2,218,746
Notes payable	395,478	453,750
Notes payable - related party	101,766	161,250
Current liabilities - discontinued operations	155,832	139,826
TOTAL CURRENT LIABILITIES	\$ 3,004,189	\$ 3,094,424
LONG TERM LIABILITIES		
Other accrued liabilities	682,857	682,857
Notes payable	349,292	-
Notes payable - related party	59,484	-
TOTAL LONG TERM LIABILITIES	1,091,633	682,857
TOTAL LIABILITIES	\$ 4,095,822	\$ 3,777,281
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.001 par value: 20,000,000 shares authorized; zero shares issued and outstanding at September 30, 2013; zero shares issued and outstanding at December 31, 2012;	-	-
Common stock, \$0.001 par value: 200,000,000 shares authorized; 38,972,967 shares issued and outstanding at September 30, 2013, 80,549,563 shares issued and outstanding at December 31, 2012;	38,973	37,968
Treasury stock; Zero shares issued and outstanding at September 30, 2013, 42,581,596 shares issued and outstanding at December 31, 2012;	-	-
Paid-in capital	(10,782,248)	(11,011,418)
Retained earnings	10,382,204	12,391,846
TOTAL STOCKHOLDERS' EQUITY	(361,071)	1,418,396
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,734,751	\$ 5,195,677

SEARCHCORE, INC.

Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
REVENUE				
Sales	\$ 190,906	\$ 4,334,682	\$ 320,239	\$ 12,172,350
Total revenue	190,906	4,334,682	320,239	12,172,350
OPERATING EXPENSES				
Cost of sales	28,640	290,049	45,226	722,462
Selling, general and administrative expenses	935,389	2,839,430	2,282,084	8,589,514
Total operating expenses	964,029	3,129,479	2,327,310	9,311,976
Operating Income (loss)	(773,123)	1,205,203	(2,007,071)	2,860,374
Other Income (Expense)				
Gain on change in fair value of earn-out liabilities	-	200,859	-	5,954,030
Interest income	5,508	587	18,273	587
Interest expense	(2,515)	(11,017)	(3,279)	(36,786)
Total other income	2,993	190,429	14,994	5,917,831
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(770,130)	1,395,632	(1,992,077)	8,778,205
Provision for Income Taxes	-	353,000	-	721,000
INCOME (LOSS) FROM CONTINUING OPERATIONS	(770,130)	1,042,632	(1,992,077)	8,057,205
Loss from discontinued operations, net of zero and \$73,000 tax benefit for the six months ended September 30, 2013 and 2012, respectively, and net of zero and \$3,000 tax benefit for the three months ended September 30, 2013 and 2012, respectively.	(5,394)	(3,505)	(17,565)	(108,255)
NET INCOME (LOSS)	\$ (775,524)	\$ 1,039,127	\$ (2,009,642)	\$ 7,948,950
Income (loss) per share, Basic and Diluted				
Income (loss) from continuing operations	\$ (0.02)	\$ 0.02	\$ (0.05)	\$ 0.11
Income (loss) from discontinued operations	0.00	0.00	0.00	(0.00)
Total income (loss) per share	\$ (0.02)	\$ 0.02	\$ (0.05)	\$ 0.11
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	38,808,619	53,572,158	43,731,102	72,236,822

SEARCHCORE, INC.

Condensed Consolidated Statements of Cash Flows

	Nine Months Ended	
	September 30, 2013	September 30, 2012
Cash flows from operating activities:		
Net (loss) income	\$ (2,009,642)	\$ 7,948,950
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	6,714	87,834
Amortization	107,376	138,306
Stock-based compensation	230,175	—
Gain on sale of WeedMaps	—	125,000
Gain on change in fair value of earn-out liabilities	—	(5,954,030)
Loss on abandonment	—	—
Changes in operating assets and liabilities:		
Accounts receivable	(22,843)	78,420
Inventories	—	9,830
Prepaid expenses and deposits	273,857	(811,019)
Other assets	879,227	51,976
Accounts payable and accrued liabilities	27,521	414,882
Net cash (used in) provided by operating activities	(507,615)	2,090,149
Cash flows used in investing activities:		
Purchases of property and equipment	(30,910)	(72,472)
Purchases of intangible assets	(85,260)	(616,617)
Net cash used in investing activities	(116,170)	(689,089)
Cash flows from financing activities:		
Payments on note payable	(137,480)	(506,343)
Proceeds from note payable	288,500	—
Payments on note payable - related party	—	(1,595,075)
Net cash from (used) in financing activities	151,020	(2,101,418)
Net decrease in cash and cash equivalents	(472,765)	(700,358)
Cash and cash equivalents at beginning of period	514,382	1,512,590
Cash and cash equivalents at end of period	<u>\$ 41,617</u>	<u>\$ 812,232</u>
Non-cash investing and financing activity:		
Shares issued pursuant to MMJMenu acquisition	<u>\$ —</u>	<u>\$ 262,000</u>
Shares issued pursuant to WeedMaps Earn-outs	<u>\$ —</u>	<u>\$ 9,120,000</u>