

# LOOKSMART LTD

## FORM 8-K

(Current report filing)

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Address	55 SECOND STREET SAN FRANCISCO, CA 94105
Telephone	4153487000
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Symbol	LOOK
SIC Code	7374 - Computer Processing and Data Preparation and Processing Services
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): 07/08/2010**

**LookSmart, Ltd.**

(Exact name of registrant as specified in its charter)

**Commission File Number: 000-26357**

**Delaware**

(State or other jurisdiction of  
incorporation)

**13-3904355**

(IRS Employer  
Identification No.)

**55 Second Street**

**San Francisco, CA 94105**

(Address of principal executive offices, including zip code)

**415-348-7000**

(Registrant's telephone number, including area code)

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition**

On July 8, 2010, LookSmart, Ltd. ("LookSmart" or "the Company") announced preliminary financial results for the fiscal quarter ending June 30, 2010. A copy of LookSmart's press release announcing the preliminary results is attached as Exhibit 99.1 hereto and is incorporated by reference.

The press release attached contains forward-looking statements, such as references to LookSmart's preliminarily expected second quarter 2010 financial results and business prospects. These statements, including their underlying assumptions, are subject to risks and uncertainties and are not guarantees of future performance. Results may differ due to various factors such as changes in the Company's financial results for the second quarter 2010 based on the its continued efforts to finish the review of such operating results and the review of such results by the Company's auditors, the possibility that the Company's efforts to control expenses may not be successful, that the Company's efforts to increase revenue and improve gross margin may not succeed, that the Company may be unable to gain or maintain customer acceptance of its publisher solutions or ad backfill products, that existing and potential customers for the Company's products may opt to work with, or favor the products of, others due to more favorable products or pricing terms, that the Company may be limited in its ability or unable to retain and grow its ad and customer base, and that the Company may be limited in its ability or unable to enhance its products or its network of distribution partners. Additional risks that could cause actual results to differ materially from those projected are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission and the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof.

**Item 9.01. Financial Statements and Exhibits**

Exhibit 99.1 Text of press release dated July 8, 2010 entitled "LookSmart Reports Preliminary Second Quarter 2010 Results"

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LookSmart, Ltd.

Date: July 09, 2010

By: /s/ Steve Markowski

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Steve Markowski  
Chief Financial Officer

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## EXHIBIT INDEX

<b>Exhibit No.</b>	<b>Description</b>
EX-99.1	Text of press release dated July 8, 2010 entitled "LookSmart Reports Preliminary Second Quarter 2010 Results."

## LookSmart Reports Preliminary Second Quarter 2010 Results

*Gross Margin Anticipated to Increase to over 40%*

*Anticipates Positive Net Income for the Second Quarter of 2010*

SAN FRANCISCO, July 8, 2010--LookSmart, Ltd. (NASDAQ: LOOK), an online search advertising network solutions company, today announced preliminary financial results for the second quarter ended June 30, 2010.

On a preliminary basis, the Company expects revenues for the second quarter of 2010 to be in the range of \$12.8 million to \$13.0 million, compared to revenues of \$13.2 million for second quarter of 2009 and revenues of \$13.3 million for the first quarter of 2010. Net income for the second quarter of 2010 is expected to be in the range of \$0.4 million to \$0.6 million, or \$0.02 to \$0.04 per diluted share. This compares to a net loss of \$1.3 million in the second quarter of 2009 or (\$0.08) per diluted share. Net loss for the first quarter of 2010 was \$0.5 million or (\$0.03) per diluted share.

Commenting on the preliminary results, Dr. Jean-Yves Dexmier, Executive Chairman and Chief Executive Officer said, "We are pleased with our preliminary results, which indicate that the Company has returned to profitability in the second quarter. We attribute this result to several of our recently implemented key strategic initiatives. As planned, our increased focus on higher traffic quality and lower TAC is expected to result in flat revenues but generate much higher gross margins for the second quarter of 2010."

Gross margins from continuing operations are expected to rise above 40% in the second quarter of 2010, compared to 40% in the second quarter of 2009 and 32% in the first quarter of 2010. The expected improvement in gross margins reflects lower traffic acquisition costs (TAC) as compared to the first quarter of 2010. The lower TAC is primarily due to improving data analytic techniques to optimize the bid price source by source, keyword by keyword, which the Company began implementing in March of this year.

### **Conference Call**

LookSmart expects to report its earnings results for the fiscal 2010 second quarter and conduct a conference call to discuss those results during the first week of August.

### **About LookSmart, Ltd.**

LookSmart is an online search advertising network solutions company that provides performance solutions for online search advertisers and online publishers. LookSmart offers advertisers targeted, pay-per-click (PPC) search advertising and contextual search advertising via its Advertiser Networks; and an Ad Center platform for customizable private-label advertiser solutions for online publishers. LookSmart is based in San Francisco, California. For more information, visit [www.looksmart.com](http://www.looksmart.com) or call 415-348-7500.

### **Forward-Looking Statements**

This press release contains forward-looking statements, such as references to our preliminarily expected second quarter 2010 financial results and business prospects. These statements, including their underlying assumptions, are subject to risks and uncertainties and are not guarantees of future performance. Results may differ due to various factors such as changes in the Company's financial results for the second quarter 2010 based on the Company's continued efforts to finish the review of such operating results and the review of such results by the Company's auditors, the possibility that our efforts to control expenses may not be successful, that our efforts to increase revenue and improve gross margin may not succeed, that we may be unable to gain or maintain customer acceptance of our publisher solutions or ad backfill products, that existing and potential customers for our products may opt to work with, or favor the products of, others due to more favorable products or pricing terms, that we may be limited in our ability or unable to retain and grow our ad and customer base, and that we may be limited in our ability to, or be unable to, enhance our products or our network of distribution partners. Additional risks that could cause actual results to differ materially from those projected are discussed in our Annual Report on Form 10-K for the year ended December 31, 2009, as filed with the Securities and Exchange Commission and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof.

The statements presented in this press release speak only as of the date of the release. Please note that except as required by applicable law we undertake no obligation to revise or update publicly any forward-looking statements for any reason.

NOTE: "LookSmart" is a trademark of LookSmart, Ltd., and/or its subsidiaries in the U.S. and other countries. All other trademarks mentioned are the property of their respective owners.

SOURCE: LookSmart, Ltd.

Steve Markowski, Chief Financial Officer

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