

Luvmatch.com

For Busy Singles

Business Plan

2007-08

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Executive Summary

BUSINESS MODEL

Luvmatch.com (“Luvmatch” or the “Company”) is a premium relationship site for discerning singles. The Company’s objective is to offer a value-added dating services and communities of interest for building relationships.

The Company will generate revenue from the following sources:

- 1) membership fees;
- 2) advertising; and
- 3) sponsorships.

INDUSTRY

The online dating industry has developed in step with the internet’s social and economic expansion. The industry has maintained robust growth and generated an annual average growth rate of 30% since 2003.

American singles are spending more for online dating services. In 2006, they spent \$600 million, up from \$473 million in 2004 and \$530 million in 2005.

TARGET MARKETS

The Company will initially target the market of discerning singles in Orange County, California. After establishing itself Orange County, Luvmatch will expand into Los Angeles and San Diego counties (within the first 12-18 months of operation). Luvmatch will then expand across the rest of California and the U.S.

Orange, L.A. and San Diego counties provide a solid demographic foundation for Luvmatch’s sales and marketing strategy. Their education, median household income and per capita income levels are above comparable U.S. national figures. The total number of singles for these three counties equals 6,585,651.

COMPETITION

As industry growth stabilizes and users become more sophisticated and demand more value-added services, value dating is emerging as a key success factor. *Industry heavyweights Match.com, Yahoo Personals and eHarmony do not offer value dating, thus providing an opportunity for value companies like Luvmatch.* In recent years, value websites have gained in popularity. The broad and diverse range of value dating sites target interests ranging from conservative politics to wine, and include the following:

COMPETITIVE ADVANTAGES

Luvmatch will meet emerging market demand for value dating and value-added services by providing these services *in one site*. The Company will target deficiencies of current competitors and differentiate itself by offering such value-added services as:

- 1) pre-screening for security (e.g., criminal record checks);
- 2) pre-screening for honesty (e.g., verification of relationship status and education);
- 3) interest-matching;
- 4) detailed searching; and
- 5) relationship coaching (e.g., where to go, what to say, etc.).

MANAGEMENT

The Company will be led by a seasoned and professional management team.

Jane Dall (Founder)

Jane has an extensive and accomplished background in sales development and will be responsible for overall management, sales, and marketing at Luvmatch.

Jack Smith

Ken is a successful entrepreneur who founded a fine jewelry manufacturing and diamond importing business that eventually went public. He will advise on financial matters at Luvmatch.

Ron Craig, Legal Advisor

An attorney by training, Ron is an accomplished entrepreneur who launched a multi-million dollar U.S. active wear company. He will advise on marketing and legal matters at Luvmatch

FINANCIAL SUMMARY

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Business Model

PREMIUM VALUE-ADDED ONLINE RELATIONSHIP SITE

Luvmatch.com (“Luvmatch” or the “Company”) is a premiere relationship site for discerning singles. The Company’s objective is to offer a value-added dating services and communities of interest for building relationships.

Luvmatch will help singles to find quality long-term romance with such value-added services as background checks (conducted by an outside company for a nominal fee to members), communities of interest and relationship advice that promote success amongst singles seeking relationships. Luvmatch’s communities of interest (e.g., travel, cooking, wine), will encourage and facilitate networking and communication between members in a safe and easy manner.

*Luvmatch’s will differentiate itself from the competition
via its value pricing*

COMPETITIVE ADVANTAGES

Luvmatch will target deficiencies of current competitors and differentiate itself by offering such services as:

- 1) value
- 2) detailed searching; and
- 3) relationship coaching (e.g., where to go, what to say, etc.).

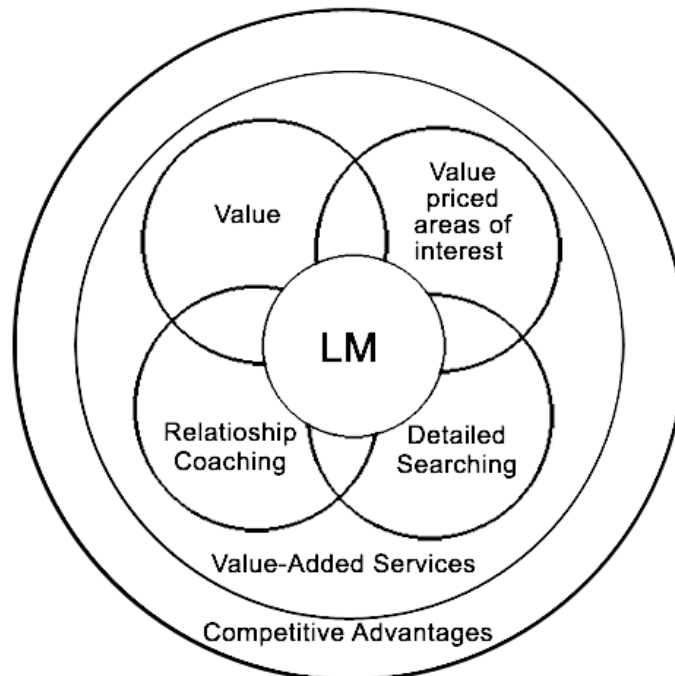


Figure 1: Luvmatch’s value-added services will address competitor deficiencies and thus differentiate it in the marketplace.

REVENUE STREAMS

The Company will generate revenue from the following sources:

- 1) membership fees;
- 2) advertising; and
- 3) sponsorships; and

CONTINUED MEMBERSHIP SERVICES AND REVENUE STREAMS

In contrast to other dating sites that aim mainly to help find dates for members who then leave, Luvmatch will encourage members to continue using its services *after they find partners*. Some of the Company's value-added services, like its communities of interest and relationship coaching will help members build and develop relationships after they have found partners. A near-term goal for Luvmatch is to develop into a social network site for adults as well.

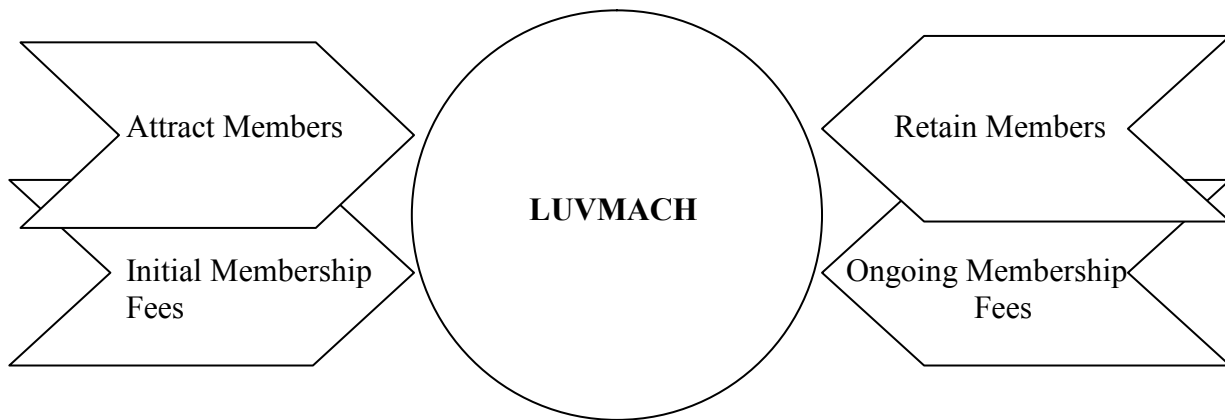


Figure 2: Luvmatch's communities of interest will help it to attract and retain members, and thus, generate sustained membership fee revenue.

Luvmatch's value pricing will attract members.

Industry Analysis

ROBUST GROWTH

The online dating industry has developed in step with the internet's social and economic expansion. The industry has maintained robust growth and generated an annual average growth rate of 30% since 2003.¹

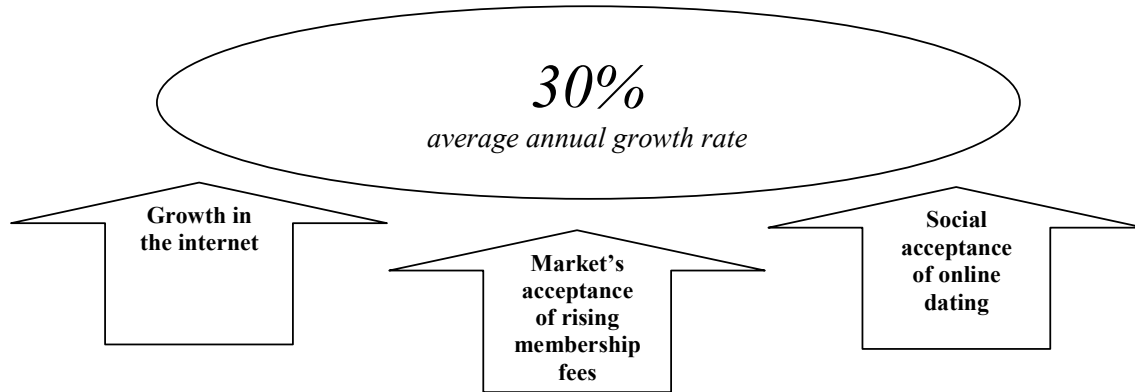


Figure 3: Economic and social trends are fuelling robust growth of the online dating industry.

Online dating has lost its initial stigma to become an accepted social norm, just as online commerce has increased as security concerns have subsided. As a result, an increasing number of people are using dating websites. The market's acceptance of increasing membership fees has also contributed to this growth.²

Online dating is now an accepted social norm and continues to grow along with the internet

¹ Jupiter Research, Online Publishers Association, Attractionsites.com.

² Jupiter Research.

INCREASING SPENDING ON ONLINE DATING SERVICES

American singles are spending more for online dating services. In 2006, they spent \$600 million, up from \$473 million in 2004 and \$530 million in 2005.³

U.S. Online Dating Service Expenditures

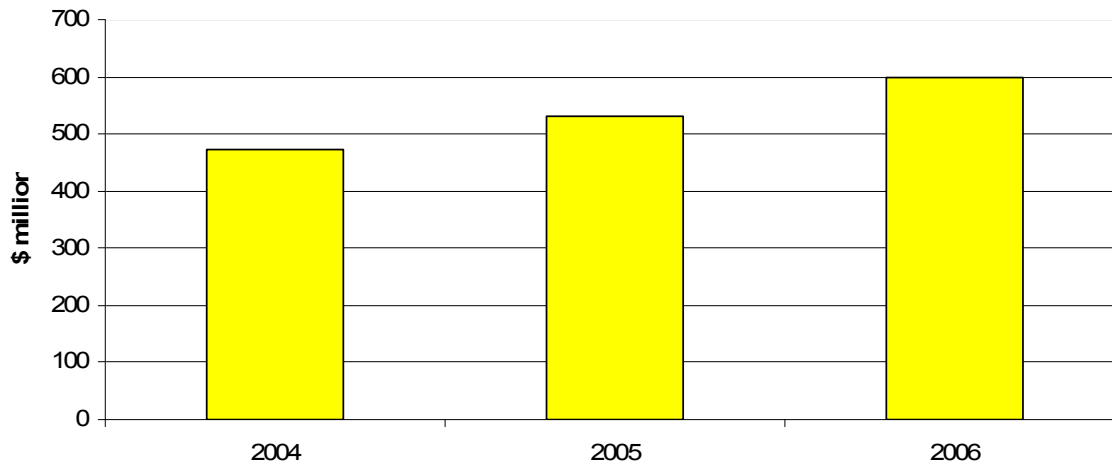


Figure 4: The market for paid online dating services is growing and reached \$600 million in 2006. (Sources: Online Publishers Association, Attractionsites.com)

Increasing U.S. consumer spending on online dating services is part of a growing online paid content market, which totaled an unprecedented \$2 billion in 2006.

U.S. singles spent \$600 million on online dating services in 2006, up from \$503 million in 2005 and \$470 million in 2004

Online dating is now the second largest category of online content spending in the U.S.

³ Online Publishers Association, Attractionsites.com.

U.S. Online Content Spending by Category of Content (\$ millions)

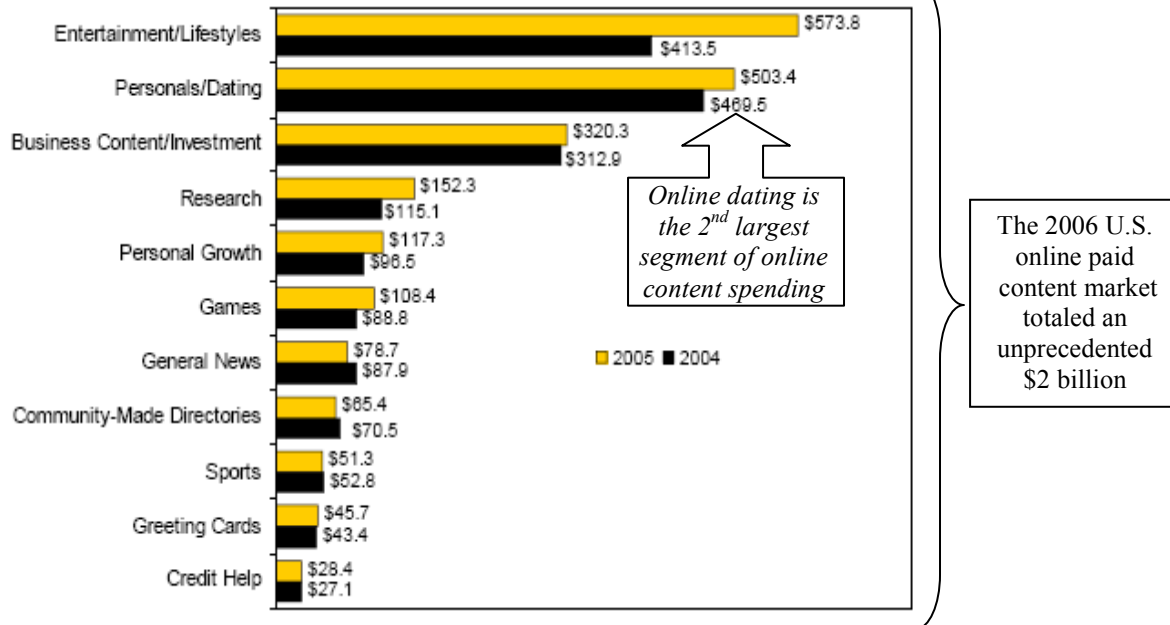


Figure 5: The overall online paid content market is growing.
(Sources: Online Publishers Association, Attractionsites.com)

PRICE INSENSITIVE MULTIPLE DATERS

Certain dedicated online customers are price insensitive and are willing to pay for value-added services that will help them to find quality long-term relationships. Approximately 25% of online daters seeking serious relationships or marriage hold paid subscriptions to more than one dating site — more than double the comparable rate among internet daters in general.⁴ Such “serious” online daters are more likely to go from browsing to paying at a site, and to keep their subscriptions longer.⁵

25% of online daters seeking serious relationships or marriage hold paid subscriptions on more than one dating site

Industry giants like Yahoo! Personals and Match.com are targeting this lucrative subset with tools and services to meet their needs. For example, “singles seeking long-term compatibility” can pay \$39.95 a month (\$15 more than the standard monthly rate) for Yahoo! Personals Premiere. For an extra \$8.99 per month (in addition to the standard monthly rate of \$29.99), Match.com users can subscribe to MindFindBind with Dr. Phil, which claims “to help [members] understand more about relationships.”

⁴ New York Times, “Looking for Love in All the Possible Places,” by Alex Mindlin, February 13, 2006.

⁵ *Ibid.*

Market Analysis

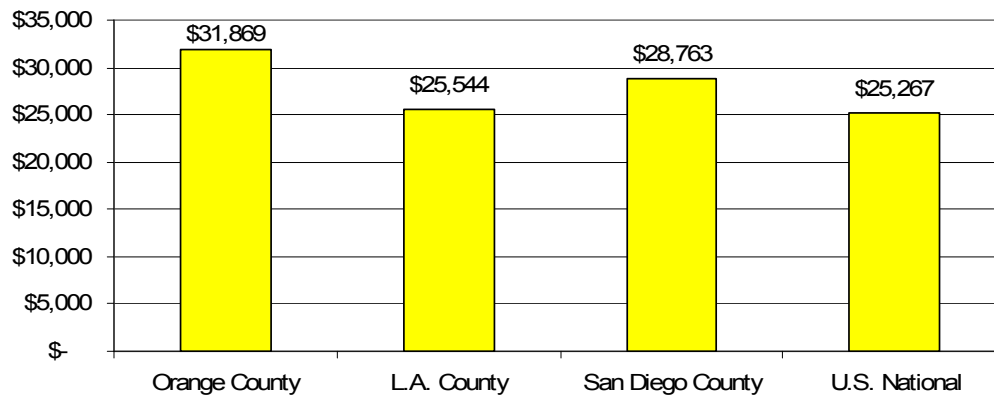
TARGET MARKETS

The Company will initially target the market of discerning singles in Orange County, California. After establishing itself in Orange County, Luvmatch will expand into Los Angeles and San Diego counties (within the first 12-18 months of operation). Luvmatch will then expand across the rest of California and the U.S.

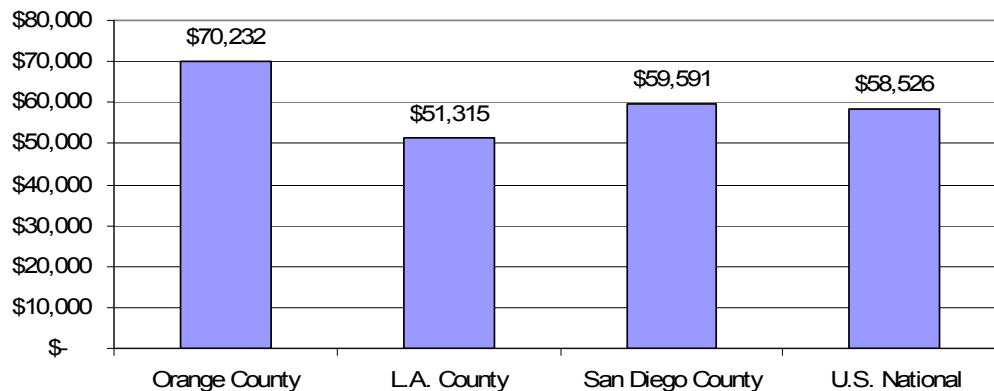
ORANGE, L.A. AND SAN DIEGO COUNTIES: EDUCATED AND PROSPEROUS

Orange, L.A. and San Diego counties provide a solid demographic foundation for Luvmatch's sales and marketing strategy. Their education, median household income and per capita income levels are above comparable U.S. national figures.⁶ The total number of singles⁷ for these three counties equals 6,585,651.

Per Capita Income



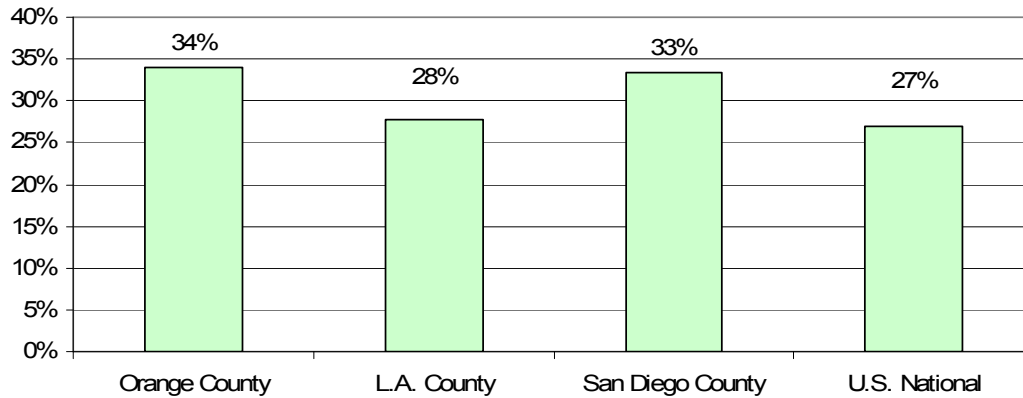
Household Median Income



⁶ All statistics from the U.S. Census Bureau, 2006.

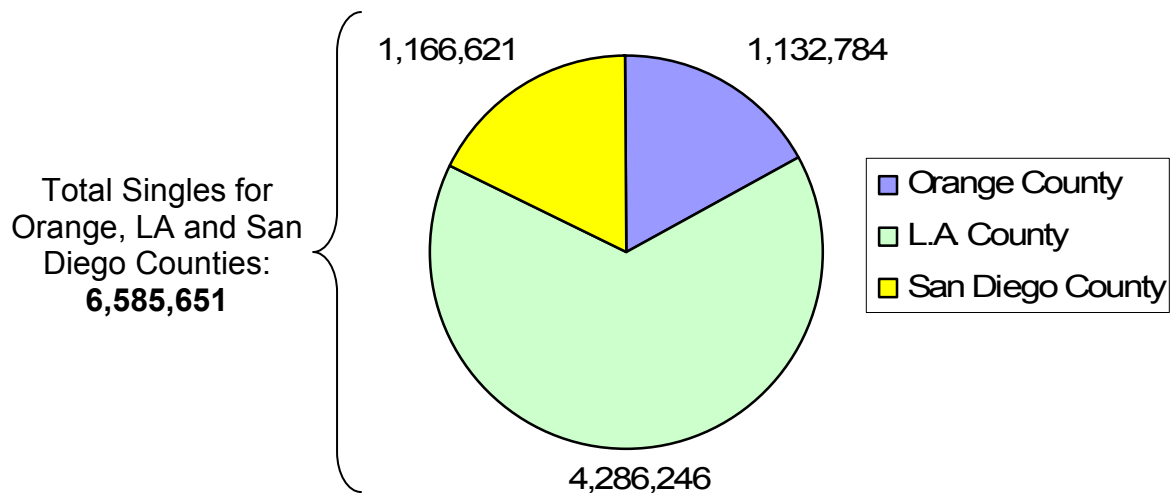
⁷ Includes never married, widowed and divorced figures from the U.S. Census Bureau, 2006.

Population % with Bachelor's Degree



Within the first 12-18 months of operation, Luvmatch will target Orange, L.A. and San Diego Counties – all of which have income and education levels above comparable national figures

Singles Population



Competitive Landscape

COMPETITORS: BIG VS. SMALL

Industry giants, Match.com, Yahoo Personal and eHarmony, represent more than 50% of online dating traffic.⁸ Many of the other competitors are value dating sites that focus on small and distinct member populations based on a single identifying characteristic such as geography, ethnicity, hobbies, politics or religion. However, they offer only one value respectively. As explained below (see *Luvmatch's Competitive Advantages*), Luvmatch will offer a more appropriate multi-dimensional service.

KEY SUCCESS FACTORS: VALUE-ADDED SERVICES AND VALUE DATING

Value Dating

As industry growth stabilizes and users become more sophisticated and demand more value-added services, value dating is emerging as a key success factor. *Industry heavyweights Match.com, Yahoo Personals and eHarmony do not offer value dating, thus providing an opportunity for value companies like Luvmatch.*⁹ In recent years, value websites have gained in popularity.¹⁰ The broad and diverse range of value dating sites target interests ranging from conservative politics to wine, and include the following:

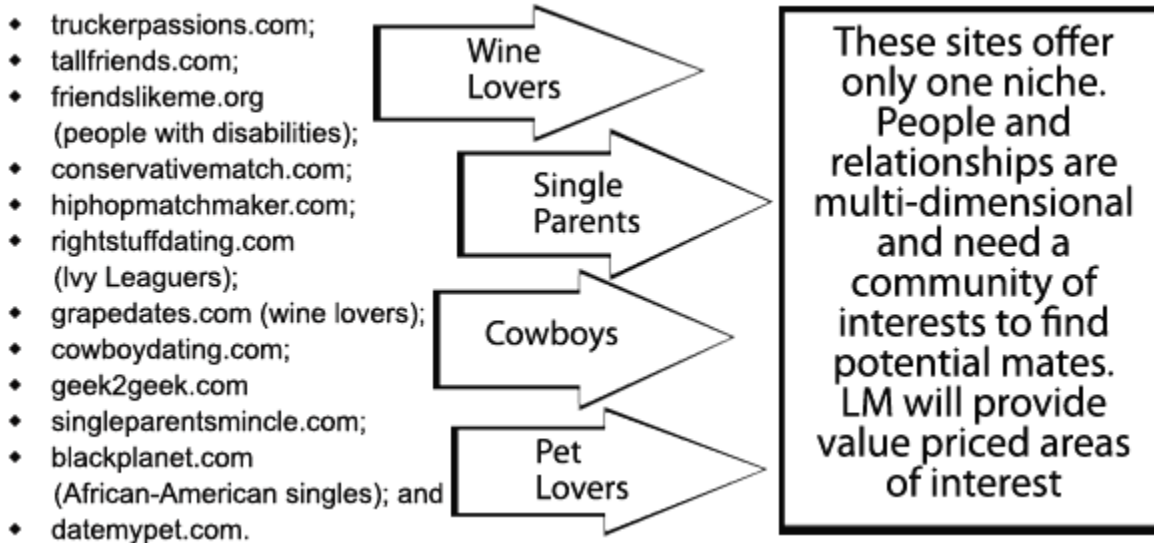


Figure 7: Luvmatch's approach to value-dating is value priced.

Value-Added Services and Innovations

Other dating websites have responded to the demand for value-added services by offering such innovations as video chat, mobile dating technology, personality profiles/matching, detailed searching and advanced blocking.

Luvmatch will take advantage of the growing popularity of value-dating websites by serving multiple values compared to its single-value competitors

⁸ Los Angeles Times, "Looking for your type?" by Susan Carpenter, March 4, 2006.

⁹ *Ibid.*

¹⁰ CNN.com, http://money.cnn.com/2005/08/18/technology/online_dating/index.htm.

**LUVMATCH'S COMPETITIVE ADVANTAGES:
MULTI-DIMENSIONAL VALUE-DATING AND VALUE-ADDED FEATURES**

People and relationships are multi-dimensional. Singles need a community of *multiple* interests to find potential mates. To satisfy this sophisticated and nuanced market need, and differentiate itself from the competition, Luvmatch will provide a unique and multi-dimensional service, consisting of the following value-added features:

- 1) a more discerning group of potential mates via background checks;
- 2) a forum to meet members who share common interests via the Luvmatch's communities of interest; and
- 3) friendships with like-minded people even after members have found a partner via Luvmatch's social networking communities.

Luvmatch will further differentiate itself by addressing deficiencies of current competitors with the following value-added services:

- 1) value priced communities;
- 2) detailed searching; and
- 3) relationship coaching (e.g., where to go, what to say, etc.).

Thus, Luvmatch will meet emerging market demand for value dating and value-added services by providing these services *in one site*. Furthermore, the services that encourage membership after members have found partners will help to ensure **long-term revenue streams**.

Luvmatch will specifically target and exploit competitor weaknesses with its value-added services

Marketing and Sales Plan

POSITIONING

Luvmatch will position itself as a mid-market, value-added online dating service for discerning singles who seek quality long-term relationships.

PRICING

The cost of joining most dating sites has been increasing (and the market has been absorbing such increases). Currently, most large sites (e.g., Yahoo!, Match.com) charged \$39.99/month, compared to \$29.99/month just a year ago. Six-month packages can bring the cost per month down to \$19.99 per month. While Luvmatch will charge \$22.99/month, it will offer relatively more value-added services and features for that price.

*Luvmatch will position itself as a mid-market dating website
for discerning singles*

MARKETING

Luvmatch market itself to potential members via the following options:

- **Print Advertisements in periodicals and newspapers**

The Company will advertise publications that target discerning and sophisticated singles in local publications (e.g., OC Register, OC Weekly, Coast Magazine, OC Business Journal, OC Tribune etc.).

- **Online Exposure: website, blast emails, pay-per-click (PPC) advertising and search engine optimization (SEO)**

The Company will promote its services on its website as well as through targeted blast emails. It will also invest in search engine optimization and pay-per-click advertising to ensure that its website is a top result/choice for singles searching for online dating services.

- **Public Relations (PR)**

Luvmatch will target appropriate online, print and broadcast media vehicles with a comprehensive brand launch package, starting in the target Orange County market. The PR effort will focus on reaching publications and online sites covering related dating and relationship issues. The main goal will be to spread the word about Luvmatch..

- **Word of mouth**

Luvmatch will leverage all of the above, as well as quality customer service to secure positive word-of-mouth publicity.

SALES STRATEGY

Luvmatch will execute a multi-pronged sales strategy to maximize reach and revenue:

- online sales; and
- telemarketing sales.

Luvmatch will target appropriate online, print and broadcast media vehicles with a comprehensive brand launch package, starting in the target Orange County market. The PR effort will focus on reaching publications and online sites covering related dating and relationship issues. The main goal will be to spread the word about Luvmatch.

The Company will promote its services on its website as well as through targeted blast emails. It will also invest in search engine optimization and pay-per-click advertising to ensure that its website is a top result/choice for singles searching for online dating services.

Operational Plan

Jane Dall, founder and CEO, will lead the Company's operations and management based on more than 20 years of business experience. The Company plans to develop its management and infrastructure as follows.

OPERATIONS PLAN AND TIMETABLE

The Company plans to set up its operations in Orange County, California. It will start operations with a team of experienced sales and marketing managers and associates, as well as website programmers.

- **During fiscal year one**
 - o launch Luvmatch's website
 - o establish the management, sales and marketing, and web/IT teams
 - o launch sales and marketing promotions targeting
 - Orange County
 - San Diego and Los Angeles Counties
- **During fiscal year two**
 - o maintain and build out the website to support increased sales goals
 - o grow the sales and management team to maximize membership sales
 - o launch sales and marketing promotions targeting
 - rest of California
 - Arizona
 - Nevada
- **During fiscal years three to five**
 - o aggressively target major cities across the U.S with sales and marketing promotions
 - o maintain and build out the website to support increased sales goals
 - o grow the sales and management teams to maximize membership sales

BUSINESS GOALS

- Establish a value priced online dating
- Develop a best-in-class website to support marketing/promotional and sales strategies and goals
- Focus initially on the market for discerning singles in Orange County, California and then branch out across California – then Arizona and Nevada – then major cities across the U.S.

The Website

Luvmatch's website will consist of various value-added services and features to help members to find quality long-term relationships and maintain their memberships after having found a partner.

PERSONALITY MATCHING

Luvmatch will apply various psychological and emotional concepts to match personalities, in a user-friendly manner – short and to-the-point questions.

DETAILED SEARCHING

The website's advanced search matrix will enable users to search using the following criteria:

- age range
- height
- build
- eyes
- hair
- exercise habits
- smoker/non-smoker
- drink/don't drink
- religion
- education
- relationship status
- job
- income
- kids (yes/no/want any)
- living situation
- pets
- ethnicity
- politics
- language(s)

SOCIAL NETWORKING

Members will be able to participate in current communities of interest as well as start and coordinate their own groups.

Management Team

The Company will be led by a seasoned and professional management team. Luvmatch believes in a flexible and flat organizational structure that ensures a focus on sales and customer focus.

Jane Dall, Founder

Jane has an extensive and accomplished background in sales development in such industries as restaurants, women's sportswear and international courier services. She will be responsible for overall management, sales, and marketing at Luvmatch.

Bob Smith

Bob is a successful entrepreneur and salesperson. He founded a fine jewelry manufacturing and diamond importing business that eventually went public. His customers included IBM, ABC jewelers and The Broadway Department Stores. He will advise on financial matters at Luvmatch.

Davis Abson, Legal Advisor

An attorney by training, Davis is an accomplished entrepreneur. He launched a multi-million dollar U.S. surf wear company, and managed its sales, marketing and operations. Davis will advise on marketing and legal matters at Luvmatch

Financial Plan

CAPITAL REQUIREMENT

Luvmatch is initially seeking \$_____ in the form of _____ to start and support initial operations.

FINANCIAL SUMMARY

[intentionally left blank – customized per client forecasts]