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Cologne, 2008-02-15

Domain "love.nu"

Dear Mr. Forsman,

Thank you for ordering a domain appraisal from Sedo! I have attached a copy of the assessment in PDF format for your review. Please make sure that you have the latest version of Adobe's Acrobat Reader installed on your computer prior to viewing the report (a free copy of this software is available at www.adobe.com).

Since you have likely ordered this assessment with the intent to acquire the portfolio, perhaps Sedo can be of additional assistance. Our experienced brokerage staff actively facilitates negotiations between buyers and sellers, and many times we are successful in concluding a purchase or sale on behalf of our clients. Sedo also facilitates the secure transfer of assets and funds in order to ensure the integrity of your transaction. I encourage you to contact us directly if you would like to learn more about our professional brokerage services. Otherwise, you can visit our website at: http://www.sedo.com/broker/index.php4?language=us

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Best Regards,

Your Sedo Team www.sedo.com



#### APPRAISAL FOR LOVE.NU

## 1. Top Level Domain

The Top Level Domain (TLD) or domain extension (e.g., .com, .net, .co.uk, etc.), has considerable influence upon the value of a domain name. However, not every TLD suits every term, nor does it suit every market.

The TLD is uncommon and would receive below-average assessments based on image and search engine friendliness.

#### Status of similar domain names

love.de is already registered love.eu is already registered love.mobi is already registered love.at is already registered love.ch is already registered love.com is already registered love.net is already registered love.org is already registered love.info is already registered love.biz is already registered

## 2. Length and Retention

The domain name love.nu is short (4 letters). At 4 letters, your name is considered to be of an ideal length, and you should see a positive impact in the domain's value due to the length factor. Our research has shown that shorter domain names (from 2-7 letters) tend to be the most valuable, while domain names over 10 letters long are worth slightly less. Long names of more than 20 letters become unwieldy and are worth only a fraction of the value of a shorter name.

The term is easy to remember. The easiest domain names to remember tend to be those that consist of a single real word or a popularly-used expression. Because "love" is a common real term, this domain has the potential to capture user mindshare with only minimal marketing support.

## 3. Linguistic and Phonological Suitability

From a linguistic point of view, the domain name love.nu is considered valuable as it is a meaningful single word in the English language. Due to the inherently limited number of meaningful words in the English language, as well as the relatively advanced state of Internet development in the English-speaking economies, these tend to be the most valuable category of domain names.



## 4. Typing Error Sensitivity

Companies often have a range of domain names that they might use to establish their online presence. This is commonly referred to as a domain portfolio. As a result, a company should try to acquire all possible variations, spellings and combinations of its name and its products' names. In many instances however this has not been the case, and holes in domain portfolios have been tolerated. Not surprisingly, these holes can cause traffic diversion. In practice, companies which only register one variation of a name (as opposed to registering every variation possible) experience substantial loss of visitors due to users being lead to incorrect domain names.

The two primary reasons for traffic diversion are typos and use of the wrong TLD. To prevent the former, a domain should be easy to spell and be as short as possible. To prevent the latter type of traffic diversion, a domain should use the appropriate TLD for its target market. For example, a UK-based business should use the .co.uk extension and a German company a .de TLD.

In terms of love.nu, one reason for traffic diversion could be the wrong choice of TLD. Through this error, other domain names are often entered into the browser instead of those which the user originally intended (example domain.com instead of domain.tv).

## 5. Legal Situation

Legal requirements and jurisdiction have a deciding influence upon the registration and sale of domain names. As long as there are no current disputes over domains comprised of trademarked or fancifully-coined terms, legal problems do not usually occur.

If the ownership status of a domain name is under dispute due to potential trademark conflicts, this will have a severe and negative impact upon the domain name's value. Likewise, if the domain could be susceptible to future trademark disputes, or has been a subject of disputes in the past, this could also negatively impact the domain's value.

The domain name love.nu can be categorized as a generic or descriptive name. Because trademarks granted on generic terms are less restrictive than those granted on unique terms, generic domain names are generally less susceptible to ownership disputes arising from a trademark conflict than are brandable, non-generic domain names. However, problems have arisen in certain cases. Because of this, you should consider consulting a qualified trademark attorney if you are unable to determine definitively whether or not the domain infringes upon pre-existing trademarks.

## 6. International Usage

A domain's ability to be used internationally is a valuable asset. Though not imperative, it does considerably increase the value of a domain. Both language and TLD influence the suitability for international usage.

The domain name love.nu is not very suitable for international usage due to its "exotic" ending. This has a very negative effect on the price of the domain.



## 7. Search Engine Popularity

The appearance of popular search terms in domain names allows them to achieve higher positioning in search engine results. Search engine algorithms give higher placements to domain names that contain popular keywords. For example, upon entering the term "one" into a search engine like Google or Yahoo, the results will contain many domains that include this term. Some search-engines depend more heavily on keywords to determine relevancy, and so domain names can have a significant impact upon positioning within a given set of the results. Again, an example of this concept in practice would see websites like "one.com" and "one.co.uk" positioned towards the top of results generated for a search query "one."

According to our analysis, love.nu contains a highly popular search term. A query of the Yahoo search engine returns 635332 results for the term "love".

The overall value of the domain is increased by the term's exceptional search-popularity. This popularity also suggests that a website utilizing this domain would have a high probability of increasing its volume of traffic by capturing a larger portion of users searching for this keyword. Expanding the domain's keyword-popularity could likely be accomplished with only limited marketing and branding efforts, which adds a second level of value to the domain's overall worth (see next point).

# 8. Branding and Advertising Potential

Ideally, a domain name is identical to the brand or company name it represents in purely Internet-based businesses. Thus, for an Internet-based business, the domain name is especially important. The use of domain names by conventional companies also creates a positive image for the company and its products and/or services, as it implies the company is on the technological forefront. A strong brand identity helps to build a successful website. This applies to both internet-based businesses and conventionally-established companies.

Although opinions vary as to what makes a good brand name, many experts suggest considering the memorability of a name; phonological characteristics, different qualities the name can evoke, uniqueness, and easy spelling. In addition, a brand name can be valued highly if it uses a .com extension in the Internet.

We have tested your domain name for its suitability for both types of businesses, and have determined that its advertising or branding potential could be negatively affected by its TLD. Noncom domain names are worth more when the domain name and the TLD are appropriately matched, for example, tech.net or cancersupport.org.

## 9. Likelihood of a Successful Acquisition

We hope that this appraisal has effectively explained the major factors that impact domain valuation within the context of the secondary market. As with any successful Internet presence, premium domain names are a critical component, and anyone interested in purchasing them must be willing to pay a price equitable to the domain's market value.

For the domain name love.nu, the chances for a successful purchase at the assessed market value are average. The domain is currently registered to an individual owner who has no visible web presence. The domain name is not active as a website at this time. The only major obstacle



to a successful acquisition appears to be the establishment of initial contact with the current registrant. Fortunately, our brokerage team is available to work in overcoming this common issue.

#### 10. Commerce Potential

An important factor in a domain name's value is the potential for online commerce in the domain's relevant subject area. First, we must consider which industries might effectively use the domain love.nu. Then, we need to answer the following questions:

- 1) How large is this industry, and how fast is it growing?
- 2) How well is this industry taking to the Internet?

For example, the construction industry is a huge global industry; however, very few construction firms are making large investments in developing an Internet presence. Similarly, a domain name geared towards a non-profit or purely informational site may attract considerable interest, but the potential buyers are not likely to be able to pay a large amount for the domain if the site has little commerce potential. On the other hand, in the travel, adult, gambling, and software industries, an online presence is considered de rigueur and is very profitable.

The domain love.nu boasts above-average online commerce potential. It is most identifiable with an industry that is well-known for its online presence, and can use this awareness to effectively generate revenue. The value of the name benefits significantly by its compatibility with this sector. As a result, love.nu would be a valuable asset for any business seeking to break into this field.

Another key component in determining the overall commerce potential of a domain name is the industry associated with the terms it contains. Some industries lend themselves easier to the online world than others, and have a reputation for using the Internet to promote their products and services. As a result, any domain name that contains similar or relevant terms known to these industries can benefit significantly from this association.

Your domain is most identifiable with the singles/matchmaking industry.

The industry is well-known for its online presence, often uses the Internet to maximize revenue, and is constantly evolving in the online world. This domain name has several possible applications and when properly marketed could generate significant revenue. Thus the value of the name benefits significantly by its compatibility with this sector.

## 11. Comparable Transactions

Here we have domain sales that fall into a similar domain-related category, and which could be placed in a similar price bracket as love.nu. These domain names were chosen because they share one or more of the following characteristics with love.nu: 1) Extension; 2) Number of words; 3) Comparable commercial potential.

\*Please remember that past domain sales are not necessarily indicative of future sales potential.\*



iloveyou.eu  $5,000 \in$  love.mobi 12,750 \$US phone.nu  $3,100 \in$  shop.nu  $6,600 \in$ 

The fact that domains similar to love.nu have been sold is generally positive for the domain appraisal, and the chances of a sale being made are greatly improved. However, it may be that at the time of sale there was a special interest in these domains, and so we may not be able to generalize from this entirely.

#### 12. Estimated Value

Based on our analysis of this domain, we conclude the following: the estimated value of love.nu is:

€ 5,500

The estimated figure is based on factor analysis, and it is the value which we consider to be a fair price for both buyers and sellers. This price is subject to market conditions, negotiations and legal issues such as trademark rights. The value of this domain name, including its ability to be marketed effectively, may be increased by following the guidelines for positive domain valuation as specified in this report.

# **Overture Results**

635332 love
288395 love poem
240582 love quote
149551 runaway love
139289 jennifer love hewitt
139173 i love new york
136058 body body clutter love love yourself
84466 i wanna love you
67355 love song
65236 the flavor of love
63940 i love you

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56598 making love

55327 love calculator

44276 love letter

44200 love spells

44179 lock of love

41878 love sex marriage

41527 love hate

39591 run away love

39029 love lyric

38545 i love new vh1 york

36950 book of love

35454 five love language

35071 love story

33783 science of love

30415 love icon

30264 layout love myspace

30072 cute love quote

29485 love poetry

27173 love toby

26443 how to make love like a porn star a cautionary tale

26284 love horoscope

25784 courtney love

25277 love quiz

24728 best love poem

23483 my love

22677 free love poem

22527 i love lucy

22254 make love

22023 love romance poem

21648 shy love

20810 boy love

20608 how to make love like a porn star

20439 love actually

20244 true love

19566 love song lyric

19504 everybody love raymond

19106 young love

19055 runaway love lyric

18835 life loss love mix one song tape time

18487 love test

18356 love hina

17883 love sex

17614 blonde courtney diary dirty love

16243 johnny my true love

16222 sexy love

15760 2 flavor love

15436 beatles love

15173 lyric love justin timberlake

14878 famous love quote

14767 sad love quote



14735 five minutes to orgasm every time you make love female orgasm made simple

14537 love match

14240 pure 80s love the 1 hit

13859 g love

13785 i love

13539 love note

13352 love doll

13197 love picture

13162 i love your way

13114 sad love poem

12819 short love poem

12786 big love

12674 love romance

12302 g love and special sauce

12277 lesbian love

12138 love card

12080 love survival

11838 i love new york show

11748 bubba the love sponge

11527 love game

11511 romantic love poem

11405 love song mp3

11389 akon i love lyric wanna

11336 jennifer love hewitt nude

11294 book guide like love people reading them those want who who write writer

11147 cute flickr isa love search

10990 confession hate look love people shirt striped

10978 i love you poem

10860 in love

10832 akon i love wanna

10754 graphic love myspace

10751 baghdad dog from lava love marine named war

10741 god love

10555 love sms

10541 love you

10533 love relationship

10376 love life

10369 i love new show vh1 york

10300 justin timberlake love