

Q3/2010



XING

Interim Report
for the third quarter 2010

Key Figures		Q3/2010	Q3/2009	9M/2010	9M/2009	Q2/2010
Total revenue ¹⁾	in € million	13.77	11.66	39.63	33.21	13.26
thereof "Subscriptions"	in € million	10.79	9.69	31.38	27.07	10.51
thereof "e-Recruiting"	in € million	1.90	1.04	4.89	3.27	1.55
thereof "Advertising"	in € million	0.89	0.61	2.54	1.71	0.88
EBITDA	in € million	4.46	2.92	11.50	8.82	3.74
EBITDA-margin	in %	32	25	29	27	28
Result for the period	in € million	2.11	0.34	4.71	2.52	1.35
Operating cash flow	in € million	4.03	4.30	18.26	10.62	3.96
Operating cash flow per share	in €	0.77	0.82	3.46	2.02	0.75
Earnings per share (undiluted)	in €	0.41	0.07	0.91	0.49	0.26
Equity	in € million	58.30	55.67	58.30	55.67	55.95
Liquid assets	in € million	56.37	38.61	56.37	38.61	53.93
Member base	in millions	10.11	8.31	10.11	8.31	9.63
thereof paying subscribers	in thousands	733	662	733	662	718
Employees		305	266	305	266	305

¹⁾ including other operating income

Mission Statement

A person with contacts will go far. A person with good contacts will go even further. What was once the province only of select societies is now available to everyone thanks to the Internet. Thanks to XING, the online network for business contacts. Over ten million professionals use the XING global business network to do business, make deals, and further their careers. XING offers custom networking features and services to help them create their networks and stay in touch. XING hosts more than 40 thousand expert groups and assists its members in organizing almost 150 thousand networking events every year around the globe. With XING Jobs, the network also features job ads to enable its members to leverage their professional contacts for creating real value.

XING. Powering Relationships.

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Dear ladies and gentlemen, shareholders, XING members, and employees,

XING has witnessed a plethora of change since the last interim report. As well as reaching a number of key milestones, in September 2010 the XING platform was relaunched in a completely new design together with a range of new features and the company's first-ever TV campaign. On top of all that, as expected, we also succeeded in significantly improving our results in Q3/2010. To quantify this, in Q3/2010 we achieved an 18 percent increase over Q3/2009, taking total revenues to €13.77 million. To this end, accelerating growth in our "e-Recruiting" segment continues to play an increasing part in overall development of our revenues by accounting for €0.86 million of the €2.11 million in revenue growth we achieved over the last twelve months. This in turn equates to an 82 percent increase over the third quarter of 2009. Our operating result (EBITDA) of €4.46 million is 52 percent higher than the previous year's corresponding figure. For the first time in five consecutive quarters, our EBITDA margin exceeded the 30 percent mark (Q3/2010: 32.4 percent) and the Group income of €2.11 million for Q3/2010 amounted to a post-tax return of 15 percent (Q3/2009: €0.34 million).

These positive key figures have only been achieved, however, because we reached a number of important milestones during the third quarter. Member and payer growth accelerated during 2010 with more than 480 thousand business professionals signing up to the XING platform during Q3. This is the highest level of member growth we have seen since Q1/2008.

The product offensive we launched on September 15 also lays the foundation for further growth in future, and consists of a three-pronged approach:

- A revised design with new features to make networking easier, more accessible, and more relevant
- Enabling networking for and with more people by providing our basic members with more features and launching our first-ever TV campaign
- XING wherever you are: Our "Mobile Handshake" is a simple way of connecting with other people when out and about. The XING plugin for the Outlook Social Connector and a number of other tools also mean that users can access their XING network whenever they like.

The changes we have made are based on extensive testing carried out among our users. We conducted a number of surveys to find out what additional features members would like to have. In addition, we used eye-tracking software to look at how we can improve our user experience and make it easier for business professionals to network with one another. All of this research was then channeled into our relaunch resulting in clear delineations, "room to maneuver", new color tones and page structures that help to simplify navigation along with various useful features such as "Find new contacts" and "Expand your network" on the homepage.

XING's members have responded very positively to our hard work, which is a real motivation for us as this product offensive is just the first of several in the pipeline to keep the ball rolling here at XING. Our aim is to be the central online focal point for business professionals. We have already made inroads in this regard, but still see a huge amount of potential for further growth going forward. As a result, we're confident that we can increase profitability even further during Q4/2010, just as we have done in every quarter since August 2009.

Thank you for the trust you have vested in us. We're looking forward to a successful end to 2010!

Hamburg, November 2010



Dr. Stefan Groß-Selbeck
CEO
XING AG



Ingo Chu
CFO
XING AG



Michael Otto
CTO
XING AG



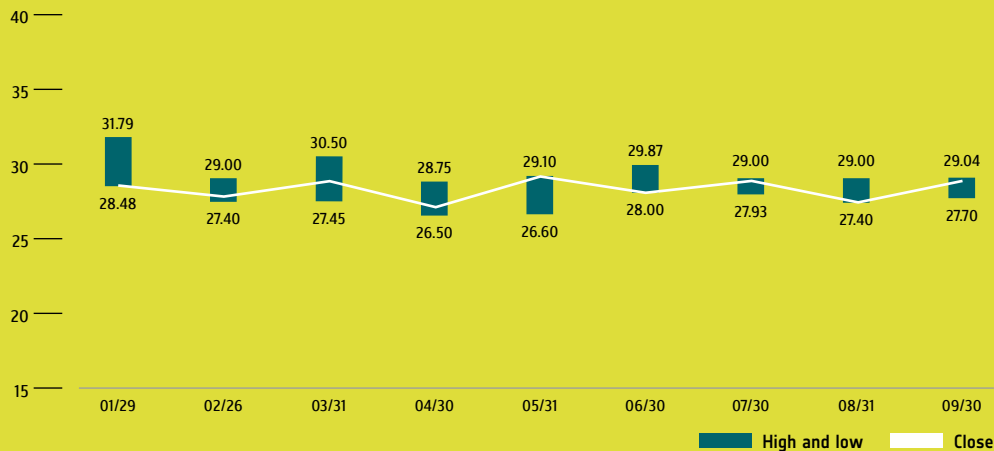
Dr. Helmut Becker
CCO
XING AG

XING share

XING share data

Number of shares	5,272,447
Type of share	Registered share
IPO	December 7, 2006
Trading symbol	O1BC
German securities identification number (WKN)	XNG888
ISIN	DE000XNG8888
Bloomberg	O1BC
Reuters	OBCGn.DE
Market segment	Prime Standard
Stock exchanges	Berlin, Dusseldorf, Frankfurt, Hamburg, Munich, Stuttgart

XING share price development (high and low) January 2010 to September 2010 in €



XING share

Figures of XING shares at a glance	Q3/2010	Q3/2009
XETRA closing price end of period	€28.80	€36.00
High	€29.87	€36.00
Low	€27.40	€26.70
Market capitalization	€152 million	€190 million
Average trading volume per trading day	5,566	18,510
Ranking in TecDAX		
Based on trading turnover	45	33
Based on market capitalization	36	33
Earnings per share (undiluted)	€0.41	€0.07
Operating cash flow per share	€0.77	€0.82
Equity per share	€11.06	€10.56

Share vs. indices in %	Q3/2010
XING AG	3
TecDAX	0
DAX	1
SDAX	10

Financial information

for the period from January 1 to September 30, 2010

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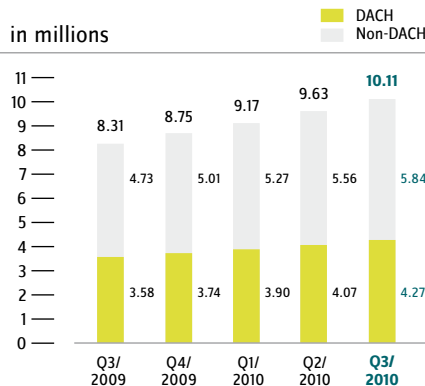
Consolidated interim management report

Business development

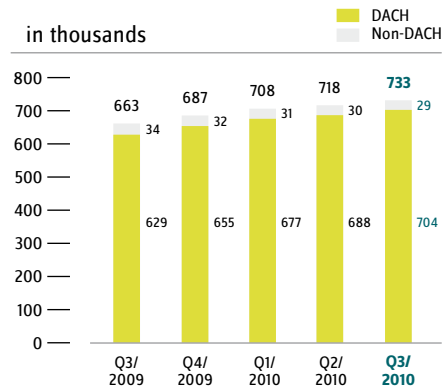
Development of member figures

In the period from July to September 2010, member growth accelerated even further compared to previous quarters. After acquiring 420 thousand new members in Q1 and 460 thousand members in Q2, 480 thousand people decided to sign up to XING between July and September 2010. As a result, XING's member base passed the ten million member mark in mid-September. In accordance with corporate strategy, member growth was mainly concentrated in the DACH region (Germany, Austria and Switzerland) as well as in Turkey and Spain. The DACH region in particular has seen a great deal of member growth compared to previous quarters thanks to the product and platform developments together with the accompanying marketing campaign. For the first time ever, XING AG also produced a TV ad that was broadcast in Germany to attract new members and increase overall awareness of the platform. In total, 194 thousand people in German-speaking countries joined the XING network in Q3/2010, which equates to the strongest quarterly growth we've seen since Q2/2009.

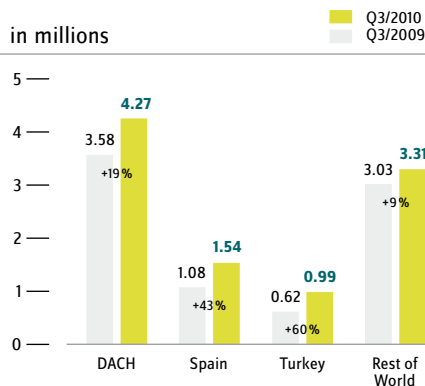
Member split



Premium members



Member distribution

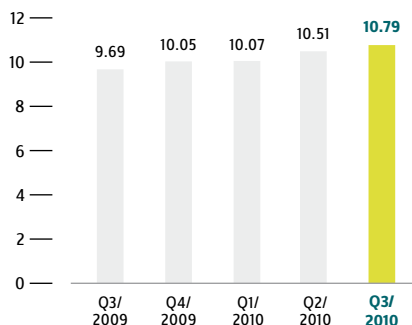


In Turkey and Spain, the Company also continued its positive member growth trend with 85 thousand business professionals signing up in Turkey, which in turn pushed member figures past the 1 million mark. In Spain, XING enjoyed an increase of 122 thousand to 1.54 million members during the same period. Overall, this means that both markets have achieved the critical mass required to push member activity during the second phase as a community's input is the basis for success when it comes to implementing a profitable monetarization strategy. In line with this, the Company will continually reduce its marketing expenditure in this area to focus on increasing activity levels in those countries. Following on from that, member growth is set to slow down after successful completion of phase one, i.e. achieving critical mass in Spain and Turkey.

Our "Subscriptions" business unit also saw strong growth in Q3/2010. Net growth among paying members dropped to 11 thousand in Q2 due to enhancements we made to basic membership functionality in April 2010. Despite this, we're pleased to report that the number of Premium Members who pay for additional functionality rose again slightly to 15 thousand during the quarter under review.

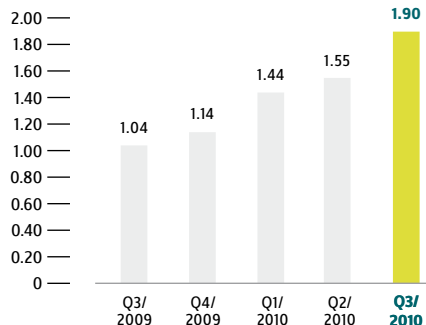
Revenues from Subscriptions

in € million



Revenues from e-Recruiting

in € million

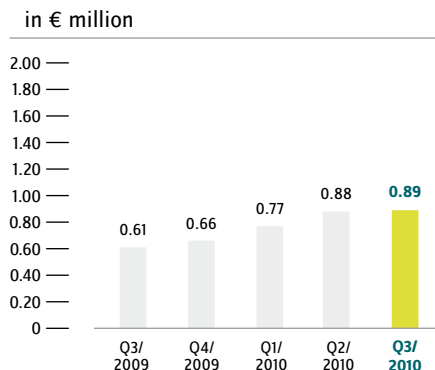


Revenue development

In Q3/2010, XING AG continued to drive its business with quarterly revenues including other operating income of €13.77 million, which equates to an 18 percent rise over total revenues in Q3/2009 (€11.66 million). This €2.11 million increase is largely attributable to our **"Subscriptions"** business unit, which saw a €1.11 million increase in revenues. Here, the Company achieved total revenues of €10.79 million in Q3/2010 compared to €9.69 million Q3/2009 with the number of Premium Members increasing by 15 thousand to 733 thousand. The **"Subscriptions"** business unit's share of total revenues for Q3 amounted to 78 percent compared to 83 percent in Q3/2009. This development highlights the fact that our new business units have succeeded in accelerating their revenue growth.

In the last twelve months, the Company's **"e-Recruiting"** segment also developed positively with revenues in **"e-Recruiting"** increasing by €0.86 million in Q3/2009 to €1.90 million in Q3/2010. This 82 percent increase also helped to accelerate revenue growth even further in this area, and equated to a 22 percent increase over Q2/2010. A number of factors have contributed to this positive development. Firstly, more and more companies and recruitment agencies are choosing XING as a recruitment channel as our platform offers various benefits over other online job portals. Secondly, companies have the opportunity to get in touch with a highly attractive target group of **"passive"** job-seekers while also being able to request candidate references. When trying to attract the best talent, you need to display your company in the best-possible light to show you're a good firm to work for. All of these reasons are precisely why companies should use XING as a recruiting and employer branding platform in the future, which is why the Company sees considerable growth potential in this area.

Revenues from Advertising



The "Advertising" segment, consisting of the business models Advertising, Partnerships (including Best Offers) Enterprise Groups and Company Profiles, achieved a 46 percent increase in revenues compared to Q3/2009, taking the total for Q3/2010 to €890 thousand. The main highlights in this segment during Q3/2010 include the introduction of two new display advertising formats allowing companies to reach out to business professionals in a highly effective way. These new formats have already proven highly popular among brand-oriented Premium customers, and the average CPM rose yet again to four times the level seen at the start of 2010.

XING attracted a number of large, well-known companies who signed up to the Enterprise Groups section as it provides them with a platform for creating and maintaining employee loyalty as well as publishing company news and information. XING's social media teams and the companies' agencies have been working hand in hand over the last few months to put the right pieces into place to create and manage these communities. More and more companies are now discovering XING Enterprise Groups as a way of getting in touch with business professionals.

XING now hosts more than 200 thousand Company Profiles. This is in part due to the launch of a new basic profile that allows companies to create a free Company Profile that includes a description of the firm along with their logo (22 thousand companies have taken out a basic profile to date). One major change we made in this regard was to also make Company Profiles available to freelancers and SMEs who can now create a profile. This in turn generates additional value for every user as it helps to turn the site into an online business directory. For XING, this move represents additional upsell opportunities and allows companies and freelancers to present their business and employees along with their products, services and news. All of this information helps to attract people's attention to profiles and generate new business by connecting businesses with potential clients, job candidates, partners, interested parties, etc.

Earnings development

As announced by the management, XING AG's income situation improved even further during Q3/2010. This increase in profitability based on our operating result (EBITDA) is due to an increase in revenues as well as a disproportionately low rise in "Personnel expenses" and "Other operating expenses". Personnel expenses for Q3/2010 amounted to €4.41 million, the same level as Q3/2009 and actually slightly lower than Q2/2010 (€4.75 million). This trend is due to expenses for employee stock options being reversed due to fluctuations as well as reversal of accruals mainly build in Q2/2010. Other operating expenses also underline the scalability of the business by dropping from €2.89 million in Q3/2009 to €2.82 million in Q3/2010. As a result, other operating expenses now only account for 21 percent of total revenues compared to 25 percent in Q3/2009.

During the quarter under report, the Company intentionally ramped up its marketing activities by investing in a TV campaign broadcast on German national TV stations. This in turn pushed "Marketing expenses" up from €1.36 million in Q3/2009 to €2.07 million during Q3/2010, and accounts for 15 rather than 12 percent of total revenues. We compensated for this by making our other expenses more scalable, meaning that XING AG achieved an operating result of €4.46 million, which equates to an EBITDA margin of 32.4 percent. When compared to the same quarter last year, this amounts to a 52 percent increase (€2.92 million), and a 19 percent increase over Q2/2010 (€3.74 million).

Scheduled depreciation totaled €1.29 million during the quarter under review, which is slightly less than in Q3/2009 (€1.45 million). This trend is largely attributable to the prolonged remaining service life of the platform as of January 1, 2010

The Company's EBIT came to €3.17 million in Q3/2010 compared to €1.47 million for the same period in the previous year. This means that the Company succeeded in more than doubling its EBIT in the last twelve months, although interest income remained negative during Q3/2010 at a rate of €-0.04 million. This was due to a one-time effect resulting from the audit for the period 2003 to 2007.

When taking into consideration the €1.03 million payable in income tax, the Company generated consolidated earnings of €2.11 million compared to €0.34 million for the same period in the previous year. Earnings per share for Q3/2010 amounted to €0.41 as opposed to €0.07 in Q3/2009.

Product offensive and TV campaign to tap new potential

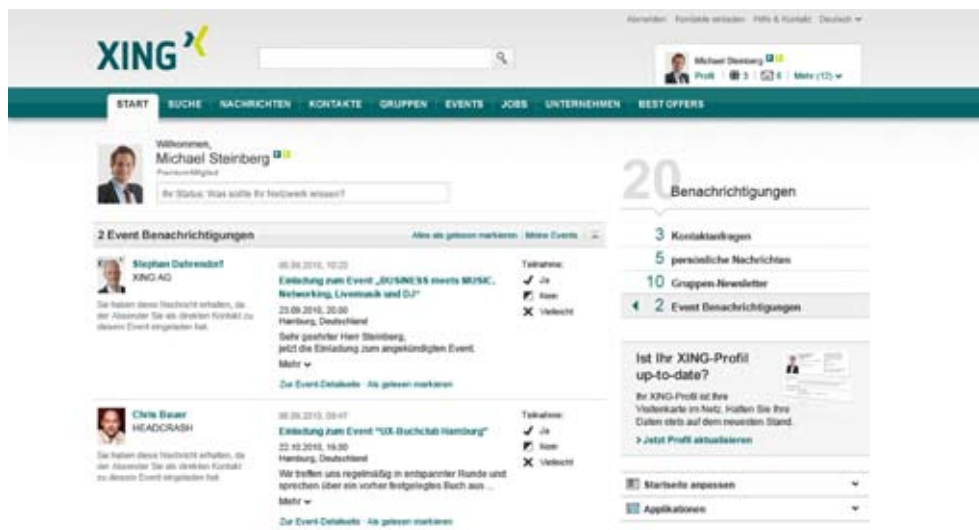
In mid-September, XING attended the dmexco 2010 conference in Cologne and used the event as a platform to launch its product offensive by announcing a whole range of changes such as a new design, features allowing users to access core content right from the homepage, new products, new mobile technology, a TV campaign, and features to broaden the range of networking options.

After establishing new sources of revenue such as recruiting and advertising, the Company used the third quarter to focus on growth potential within its core product and target group. In countries like the Netherlands and the U.S., more than 10 percent of the population is a member of a professional social network, whereas in Germany the figure stands at just 5 percent. In order to tap into this growth potential, XING improved its core product by making it easier for members to expand and manage their network, both at home and when out and about.

What's new on XING:

New design

XING's new design rings true to the principle "form follows function" as the platform now looks more modern and has an improved layout, which in turn makes it more intuitive and helps users to find what they're looking for. The platform is tailored to business users who need the right information at their fingertips with clear delineations, "room to maneuver", new color tones, and page structures that help to simplify navigation together with various useful features such as "Find new contacts" and "Expand your network" now just a click away from the homepage. All of these improvements make it much easier for XING users to find the information they need.



Improved usability with new features

The new features also help to make networking easier, more accessible, and more relevant. One such feature is the “new items” area that now appears on the homepage and offers an instant overview of a member’s contact requests, messages, event invitations and group newsletters. The upshot of this is that XING users can monitor and control all of their main activities from the homepage. In the top right-hand corner there’s a little box with a white background that gives you instant access to your contacts, messages, groups etc.

The search box at the top of the page is now universal, meaning that users can enter any search term relevant to the platform and will then receive results from every category on the platform – members, groups, events, Company Profiles, and Jobs. The homepage now also offers the “Invite people to join XING” and “Expand your network” features.

XING wherever you are with the Mobile Handshake, Microsoft Outlook plugin, and more

Mobile is also the main trend when it comes to professional networking. As part of its product offensive, XING has improved its mobile platform (mobile.xing.com) and added a neat innovation, the Mobile Handshake. With this feature, members can shake hands virtually by using their smartphones to connect on XING. People using the mobile version of XING will see a handshake symbol, and if two people press the Mobile Handshake symbol at the same time they can add one another as a contact. This feature uses GPS on all HTML5 smartphones to determine the user’s location and is really useful for people who are often on business trips as it replaces the need to exchange business cards, e.g. at trade fairs and conventions. XING launched new versions of its apps for the BlackBerry and iPhone platforms in October, and both contain the Mobile Handshake feature.





XING wherever you are: The launch of the XING plugin for the Microsoft Outlook Social Connector turns XING users' Outlook inbox into a highly sophisticated message center. Here they can find out what their contacts are doing and call up their profile details. On top of that, they can expand their XING network without having to leave Outlook.

The plugin is part of the cooperation announced by Microsoft and XING at the CEBIT 2010 exhibition in Hanover, Germany, back in March. At the same time, the exhibition was used as a platform to launch a range of features offering XING members an opportunity to network efficiently beyond the conventional desktop browser. To round things off, XING was also a launch partner within the scope of Microsoft's new browser, Internet Explorer 9, which also helps to make XING's features easier and faster to use.

The ongoing expansion of our platform for both basic and Premium Members also took a major step forward during our product launch in September. In spring this year we made the "What's new in your network" feature and status updates available to basic members. This means that every XING user is now able to send messages to their direct contacts via our platform. This tactical move helps to promote interaction, communication, and contact management, which in turn accelerates activity levels on XING. And that's something that everyone stands to benefit from.

First-ever TV campaign

Following extensive market research, we noticed that people who are active in various areas of industry consider it a given to have a XING profile to promote their career. Despite this, some of the more traditional industries still haven't discovered the potential of professional networking. So to make people aware of XING and more appealing to these groups, the Company launched a TV campaign in mid-September which aired on various German TV stations such as n-tv, N24, Eurosport, SAT.1, RTL, ProSieben until mid-October. The ad used a fictitious example of how the XING network always works for its members while they're busy with other things. The main slogan, translated from German, was "XING - the network that works for me" and the ad was accompanied by a banner campaign and SEM measures to continue driving the topic online in the months that followed.



Research and product development

During the third quarter of 2010, XING AG expanded its longstanding agile management style by deploying specialized development teams. To ensure continual development of products while maintaining a high level of quality, the Company also added the KANBAN method to its workflows along with a number of additional skills.

In terms of products, XING focussed on innovation which, when coupled with the major increase in added value of the core platform that took place in September, helped to round out the strategic expansion work the Company has been doing on its mobile services during the last quarter:

- Major improvements to XING's core areas as a result of
 - a universal search feature comprising members, events, jobs, company homepages, and groups
 - a new items list providing users with the latest changes to their profile such as new messages, event invitations, group newsletters, and contact requests
 - a new and refreshing design across the entire site
 - the new Social Connector linking Outlook and XING with one another and allowing address books to be synchronized
- Improve basic membership and drive activity thanks to
 - being able to send free messages to direct contacts
 - switching to a comprehensive tag/keyword search by member. The search includes all available criteria (wants, haves, interests etc.) and offers 15 results
- Expansion of "Advertising" products and services including
 - a wallpaper booking service for the homepage
 - a new advertising format that appears after basic users send messages
- Integration of Company Profiles in the Jobs section
- Expansion of mobile services to include
 - a new and innovative application for Android and BlackBerry phones that comes with new contact and messaging management
 - the new mobile portal and innovative Mobile Handshake feature allowing two people to connect with one another on XING using their smartphones
- Additional Company Profile options, with the product now also available to freelancers and SMEs in the form of free Company Profiles
- Continuation of the XING Partner EcoSystem (OpenSocial)
- Concerted implementations to achieve positive PR and launch marketing campaigns in September
- Work on the registration process and other parts of the product in order to optimize member growth and reduce the churn rate even further

In order to ensure that our platform is available as much as possible and to develop it even further, XING uses both tried-and-tested Perl technology as well as the innovative web development framework Ruby on Rails. In this respect, XING considers itself to be a leading employer and promotes the Rail community through sponsoring and by posting articles. In order to meet the growing number of challenges we expect in future, the product and development team has been expanded with a focus on user interaction specialists.

Risk report

Permanent monitoring and management of risks is one of the key tasks of a listed company. To this end, XING has implemented an early risk detection system required in accordance with section 91 (2) AktG. Each individual employee is called on to actively look for and prevent potential damages to the Company. Their task is to immediately remove all risks in their own area of responsibility, and to immediately notify the responsible parties in the event of any indications of existing risks that may arise. An essential requirement for such a task is knowledge of the risk management system and maximum risk awareness of each individual employee.

Accordingly, employees are familiarized with the risk management system via periodic introductory seminars, and by means of informational material, and their attention is drawn to the significance of risk management.

Potential risks are continually identified and analyzed. Identified risks are then systematically evaluated as to their probability of occurrence, and the expected potential damage. The risk owners and division heads are regularly queried as to the status of existing risks and the identification of new risks.

Since the reporting of risks in the 2009 Annual Report, the Company has not identified any notable new risks.

Hamburg, November 2010

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period from January 1 to September 30, 2010

Consolidated income statement

for the period from January 1 to September 30, 2010

in € thousand	01/01/2010 – 09/30/2010	01/01/2009 – 09/30/2009	07/01/2010 – 09/30/2010	07/01/2009 – 09/30/2009
Service revenues	38,876	32,635	13,611	11,571
Other operating income	749	572	155	93
Total income	39,625	33,207	13,766	11,664
Cost of materials	0	(22)	0	(1)
Personnel expenses	(14,103)	(11,551)	(4,413)	(4,487)
Marketing expenses	(5,188)	(3,500)	(2,073)	(1,363)
Other operating expenses	(8,834)	(9,315)	(2,824)	(2,888)
EBITDA	11,500	8,819	4,456	2,925
Depreciation	(3,727)	(4,174)	(1,285)	(1,450)
EBIT	7,773	4,645	3,171	1,475
Interest income	59	256	20	13
Interest expenses	(57)	(39)	(57)	0
EBT	7,775	4,862	3,134	1,488
Taxes on income	(3,064)	(2,342)	(1,026)	(1,144)
Total result for the period	4,711	2,520	2,108	344
Earnings per share (undiluted) in €	0.91	0.49	0.41	0.07
Earnings per share (diluted) in €	0.91	0.49	0.41	0.07

Statement of income and accumulated earnings

for the period from January 1 to September 30, 2010

in € thousand	01/01/2010 – 09/30/2010	01/01/2009 – 09/30/2009	07/01/2010 – 09/30/2010	07/01/2009 – 09/30/2009
Total result	4,711	2,520	2,108	344
Currency translation adjustment	(6)	(97)	(23)	(35)
Other result	(6)	(97)	(23)	(35)
Total result for the period	4,705	2,423	2,085	309

Consolidated balance sheet

as of September 30, 2010

Assets in € thousand	09/30/2010	12/31/2009
Non-current assets		
Intangible assets		
Purchased software	2,609	2,952
Self-developed software	7,436	6,354
Goodwill	13,440	13,440
Other intangible assets	3,654	4,592
Property, plant and equipment		
IT hardware and other business equipment	2,485	2,317
Financial assets		
Equity participations	50	50
Other financial assets	24	24
Deferred tax assets	371	346
	30,069	30,075
Current assets		
Receivables and other assets		
Receivables attributable to services	3,541	6,478
Tax refund assets	77	92
Other assets	784	1,241
Cash and cash equivalents and other current deposits	56,372	42,862
	60,774	50,673
	90,843	80,748

Liabilities in € thousand	09/30/2010	12/31/2009
Shareholders' equity		
Subscribed capital	5,272	5,272
Treasury stock	(3,041)	(3,041)
Capital reserves	40,586	40,586
Other reserves	3,512	2,607
Cumulative profit	11,975	7,264
	58,304	52,688
Non-current liabilities		
Deferred tax liabilities	2,844	2,646
Deferred income	1,436	1,275
	4,280	3,921
Current liabilities		
Trade accounts payable	1,290	802
Deferred income	18,682	14,958
Tax provisions	3,698	2,750
Other liabilities	4,589	5,629
	28,259	24,139
	90,843	80,748

Consolidated cash flow statement

for the period from January 1 to September 30, 2010

in € thousand	01/01/2010 - 09/30/2010	01/01/2009 - 09/30/2009	07/01/2010 - 09/30/2010	07/01/2009 - 09/30/2009
Earnings before taxes	7,776	4,862	3,135	1,488
Depreciation on capitalized development costs	1,253	1,296	431	456
Depreciation	2,474	2,878	854	994
Personnel expenses stock option program	911	794	272	291
Interest income	(57)	(256)	(18)	(11)
Interest received	57	256	18	11
Interest expenses	54	39	54	0
Interest paid	(54)	(39)	(54)	0
Taxes paid/received	(1,875)	(1,976)	(1,492)	(296)
Change in receivables and other assets	3,367	(2,836)	135	73
Change in liabilities and other liabilities	469	1,105	155	380
Change in deferred income	3,885	4,499	544	913
Cash flow from operating activities	18,260	10,622	4,034	4,299
Capitalization of self-developed software	(2,335)	(2,883)	(942)	(1,144)
Purchase of other software	(471)	(1,861)	(7)	(177)
Purchase of other intangible assets	(1,050)	(3,401)	(350)	(5)
Purchase of property, plant and equipment	(888)	(1,050)	(271)	(173)
Purchase of consolidation companies (less cash acquired)	0	(4,619)	0	0
Investment in other financial assets	0	(30)	0	0
Cash flow from investing activities	(4,744)	(13,844)	(1,570)	(1,499)

in € thousand	01/01/2010 - 09/30/2010	01/01/2009 - 09/30/2009	07/01/2010 - 09/30/2010	07/01/2009 - 09/30/2009
Transaction cost for issuance of shares	0	(36)	0	0
Result from capital increase	0	19	0	0
Share buyback	0	(949)	0	0
Repayment of liabilities from finance leases	0	(120)	0	(31)
Interest paid	0	0	0	0
Cash flow from financing activities	0	(1,086)	0	(31)
Differences due to currency translation	(6)	0	(23)	0
Change in cash and cash equivalents	13,510	(4,308)	2,441	2,769
Cash and cash equivalents at the beginning of the period	42,862	42,922	53,931	35,845
Cash and cash equivalents at the end of the period	56,372	38,614	56,372	38,614

Consolidated statement of movements in shareholder equity

for the period from January 1 to September 30, 2010

in € thousand	Subscribed capital	Capital reserved	Treasury stock
Balance 01/01/2009	5,202	38,517	(2,092)
Currency translation	0	0	0
Total income and expense for the period recognized directly in the equity	0	0	0
Net result	0	0	0
Total result for the period	0	0	0
Share buyback	0	0	(949)
Acquisition of minorities			
Capital increase to acquire parts of the company	70	1,023	0
Ancillary costs capital increase	0	0	0
Capital increase from share-based payment	[0,7]	19	0
Addition from stock options program	0	0	0
As of 09/30/2009	5,272	39,559	(3,041)
Balance 01/01/2010	5,272	40,586	(3,041)
Currency translation	0	0	0
Total income and expense for the period recognised directly in the equity	0	0	0
Net result	0	0	0
Total result for the period	0	0	0
Addition from stock options program	0	0	0
As of 09/30/2010	5,272	40,586	(3,041)

Other reserves	Cumulative profit	Total	Minorities	Shareholders' equity, total
1,756	9,068	52,451	(123)	52,328
(97)	0	(97)	0	(97)
(97)	0	(97)	0	(97)
0	2,520	2,520	0	2,520
(97)	2,520	2,423	0	2,423
0	0	(949)	0	(949)
	(123)	(123)	123	0
0	0	1,093	0	1,093
(36)	0	(36)	0	(36)
0	0	19	0	19
790	0	790	0	790
2,413	11,465	55,668	0	55,668
2,607	7,264	52,688	0	52,688
(6)	0	(6)	0	(6)
(6)	0	(6)	0	(6)
0	4,711	4,711	0	4,711
(6)	4,711	4,705	0	4,705
911	0	911	0	911
3,512	11,975	58,304	0	58,304

Notes to the consolidated interim financial statements

as of September 30, 2010

Basis for preparing the financial statements and accounting methods

The consolidated financial statements for the 9-month period ending on September 30, 2010, have been prepared in accordance with the International Financial Reporting Standards for Interim Statements (IAS 34) as applicable in the EU.

The corresponding previous year period began on January 1, 2009, and ended on September 30, 2009.

The accounting principles applied to this consolidated interim financial statement are the same as those used for the annual consolidated financial statement for the financial year ending December 31, 2009.

Group of consolidated companies

At the time of the consolidated interim reporting date, the group of consolidated companies included:

	Equity holding 09/30/2010 in %	Equity holding 12/31/2009 in %	Initial consoli- dation	Share- holders' equity balance 09/30/2010 in € thousand	Result 01/01/2010 - 09/30/2010 in € thousand
XING Hong Kong Ltd., Hong Kong, China	100	100	2006	(169)	(4)
openBC Network Technology (Beijing) Co. Ltd., Beijing, China	100	100	2006	73	(32)
Grupo Galenicom Tecnologías de la Informacion (eConozco), S.L., Barcelona, Spain	100	100	2007	(2)	(4)
XING International Holding GmbH, Hamburg, Germany	100	100	2007	9.325	(2)
XING Networking, S.L., Barcelona, Spain ¹⁾	100	100	2007	(16)	(38)
EUDA Uluslararası Danışmanlık ve Bilisim Hizmetleri Limited Sirketi (XING Turkey), Istanbul, Turkey ²⁾	100	100	2008	120	21
XING Switzerland GmbH, Sarnen, Switzerland ¹⁾	100	100	2008	24	1
XING Italy S.R.L., Milan, Italy ¹⁾	100	100	2009	35	(13)
XING İnsan Kaynakları Uluslararası Danışmanlık Hizmetleri Ltd. Sti., Istanbul, Turkey ²⁾	100	0	2010	2	(1)
Socialmedian Inc., Wilmington, Delaware, USA	100	100	2009	320	0

¹⁾ 100 percent is held indirectly via shares of 100 percent in XING International Holding GmbH, Hamburg, Germany.

²⁾ 99.5 percent of shares are held indirectly via XING International Holding GmbH, Hamburg, Germany, and 0.5 percent are held directly by XING AG.

Stock Option Plan

During the first nine months of 2010, an amount of €911 thousand was recognized for the four tranches of the existing stock option program and several single commitments.

No new stock options were issued during the period under review.

The Stock Option Plan was evaluated by Mercer Deutschland GmbH, with the same methods of evaluation used for each program.

Company acquisitions

In the first nine months of 2010, the Group did not acquire any companies.

In June 2010, XING İnsan Kaynakları Uluslararası Danışmanlık Hizmetleri Ltd. Sti. was founded with equity of 5,000 Turkish lira. The equity has not been paid in as of yet.

In March 2009, XING AG agreed to pay epublica €3.2 million to acquire the expertise and assets required to develop the XING platform. Within this context, 18 epublica employees moved to XING AG. The last installment within the scope of this acquisition (€350 thousand) was paid during Q3/2010.

Additions and disposals of assets

In the nine-month period ending on September 30, 2010, the Group invested €2,335 thousand (previous period in 2009: €2,883 thousand) in self-developed software. The capitalized self-developed largely includes costs for improvements and developments, and additional features and functions of the XING website.

In the reporting period from January to September 2010, the Company invested a total of €1,352 thousand (previous period in 2009: €2,911 thousand) in EDP software and hardware, and for other office equipment.

Breakdown of other operating expenses

The following table breaks down the primary items of other operating expenses:

in € thousand	01/01/2010 – 09/30/2010	01/01/2009 – 09/30/2009
IT services, management services and services for new markets	2,880	3,113
Legal advice, audit and accounting fees	1,047	1,630
Office costs	990	775
Payment costs	956	1,332
Rental/leasing	565	290
Server hosting, management and traffic	551	615
Travel, entertainment and other business expenses	530	516
Other personnel expenses	298	280
Other	1,017	764
Total	8,834	9,315

In contrast to 2009, rental/leasing expenses and costs for server hosting, management and traffic will be listed separately with last year's figures adjusted accordingly in order to be able to draw a comparison. The "Other" operating expenses primarily include payments for office space, office supplies, communications costs, insurance policies, fees and taxes. Expenses for exchange rate difference and losses on receivables are also included.

Segment information

XING AG has one segment which is subject to reporting requirements, with the business units "Subscriptions", "e-Recruiting" (Jobs and Recruiter memberships), "Advertising" (display advertising, Enterprise Groups, Best Offers and Company Profiles), and "Others".

The segment revenues for the period under review are shown in the following tables:

in € thousand	01/01/2010 – 09/30/2010	01/01/2009 – 09/30/2009	07/01/2010 – 09/30/2010	07/01/2009 – 09/30/2009
Subscriptions	31,381	27,067	10,792	9,687
e-Recruiting	4,890	3,271	1,900	1,043
Advertising	2,544	1,712	893	613
Other	61	71	26	28
Total	38,876	32,121	13,611	11,371

The business unit "Jobs" was renamed "e-Recruiting". Earnings from returned bank transfers amounting to €191 thousand (previous year: €514 thousand) were not included under revenues in contrast to the previous year, but rather reported under "Other operating income". The figures from the previous year were adjusted accordingly. Furthermore, revenues from "Groups" amounting to €401 thousand (previous year: €372 thousand) were reclassified from the "Subscription" segment to "Advertising", and revenues from "Best Offers" amounting to €391 thousand (previous year: €372 thousand) were also reclassified to "Advertising".

in € thousand	01/01/2010 – 09/30/2010	01/01/2009 – 09/30/2009	07/01/2010 – 09/30/2010	07/01/2009 – 09/30/2009
DACH	37,535	30,593	13,146	10,851
International	1,341	1,528	465	520
Total	38,876	32,121	13,611	11,371

As there are no considerable changes to long-term assets, these are not listed in the table.

Contingent liabilities

The Company no longer has any liabilities arising from finance leases. In the corresponding period of the previous year, said liabilities amounted to €3 thousand within a year and €0 thousand after one year.

Related parties

In the first three months of 2010, payments amounting to €72 thousand were made to epublica (previous period: €271 thousand).

In addition, payments amounting to €90 thousand were made to DLD Media GmbH, which is owned by the Burda Group. Payments of €867 thousand were also made to Altradia GmbH, which is also owned by the Burda Group, primarily for a TV campaign.

Significant events during and after the interim reporting date

No significant events have occurred during the first nine months of 2010.

Hamburg, November 9, 2010

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XING AG

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COO
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Michael Otto
CTO
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FINANCIAL CALENDAR 2010

Date

Disposition

November 9, 2010

Interim Report for Q3/2010

MASTHEAD AND CONTACT

This interim financial report is available in German and English.

You can find both versions and additional press information on the Internet at

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