

Q2'2011 Results Presentation XING AG



Dr. Stefan Gross-Selbeck (CEO) & Ingo Chu (CFO)
Hamburg, August 10, 2011



Ongoing strong financial performance



Re-acceleration of D-A-CH¹ member growth continues



„Verticals“ contribute 75% to topline growth (yoy)



Big product launch successfully implemented

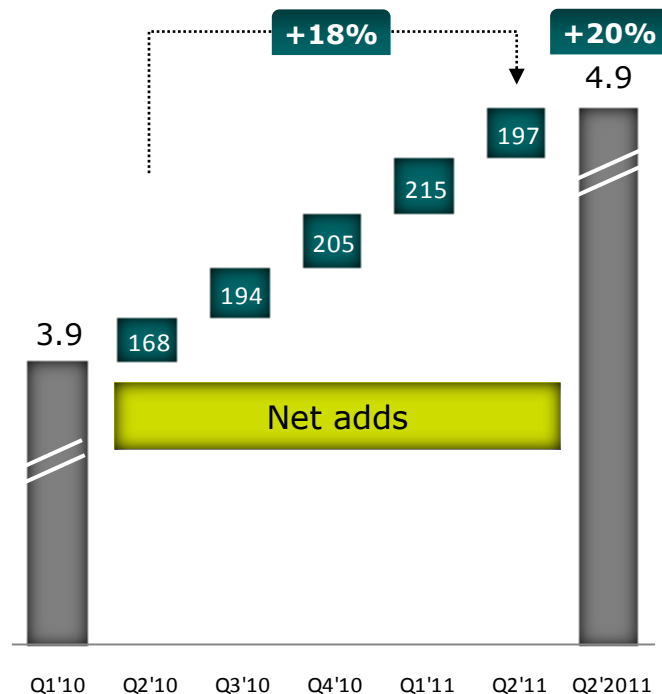
		Q2'2011	Q2'2010	yoy
Subscriptions	€m	11.32	10.51	8%
E-Recruiting	€m	2.81	1.55	81%
Advertising	€m	1.48	0.88	68%
New verticals	€m	0.55	0.01	N.A.
Service revenues	€m	16.17	12.95	25%
Other*	€m	0.17	0.31	-45%
Total revenues	€m	16.33	13.26	23%
EBITDA	€m	5.67	3.74	70%
EBITDA-Margin	%	35	28	7%pts
Net-result	€m	2.37	1.35	76%

* Other revenue & other operating income

04 Growth momentum in core market continues (D-A-CH)

Member adds (D-A-CH): Accelerating growth

in 000'



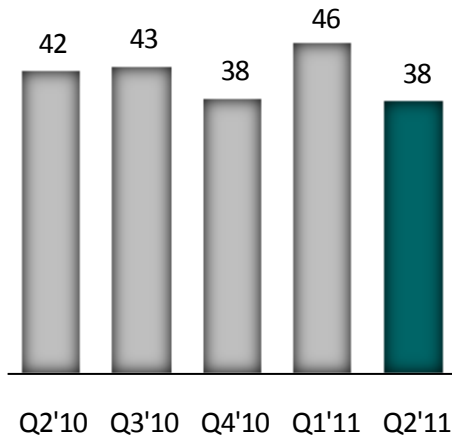
Comments

- Total member base up 20% (June 11 vs. June 10)
- Q2 impacted by seasonality ...
- ... but growth momentum continues
- Confirming large growth potential: D-A-CH market with significant runway for further growth

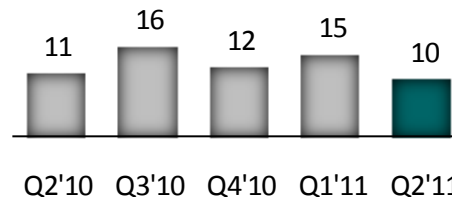
03 Payer base growing

10k net adds in Q2'11 despite price increase in April

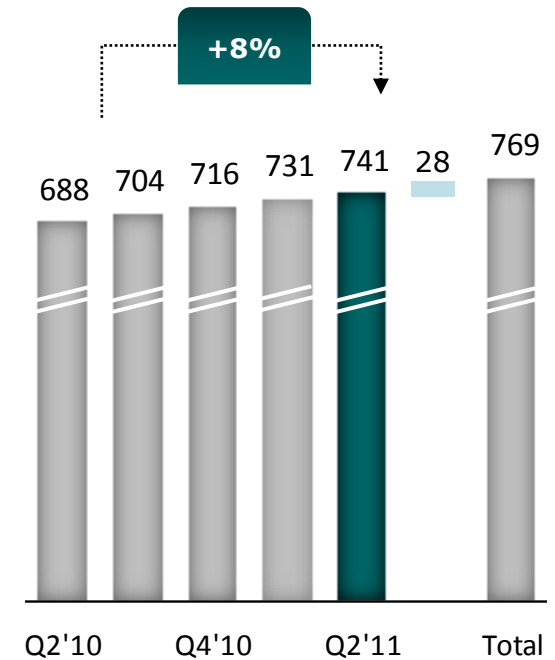
**Payer gross adds
D-A-CH**
in 000'



**Payer net adds
D-A-CH**
in 000'



**Payer base
in 000'**



New pricing structure since April 2011 for all new members

3m = €7.95 (€6.95 for first 3 months → new price after first renewal)

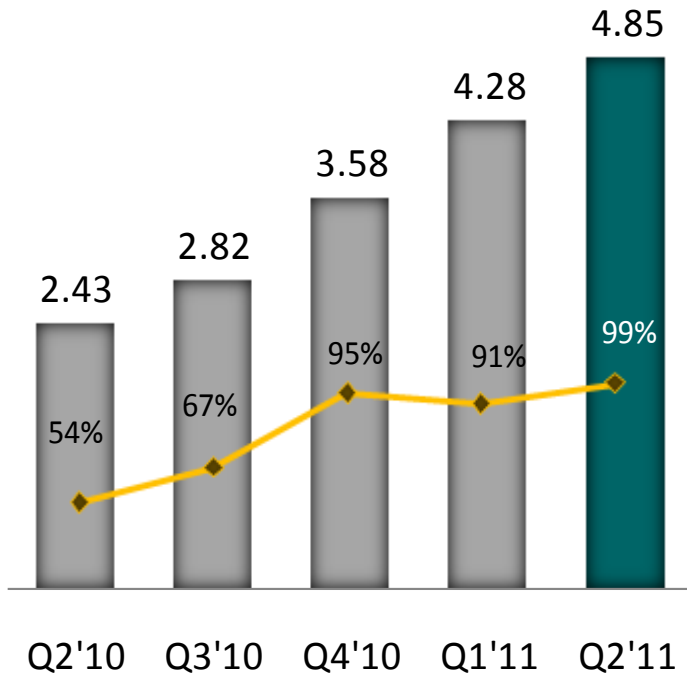
12m = €6.95 (€5.95 for first 12 months → new price after first renewal)

03 'Verticals' drive overall growth

with 75% contribution to overall yoy topline growth

„Verticals“: Continued strong growth

Revenues from “verticals”
(recruiting, advertising, events & other)
in €m incl. yoy growth in %



E-Recruiting

- >400 new B2B customers & 4 additional FTEs (sales)
- Recent study confirms: XING preferred social media channel for corporate recruiting

Advertising

- Successful introduction of new ad format
- Additional inventory within different site sections (jobs, groups, events & CP's)

Events

- Amiando integration well on track
- Building sales force (9 new FTE's)
- Deeper platform integration planned for H2

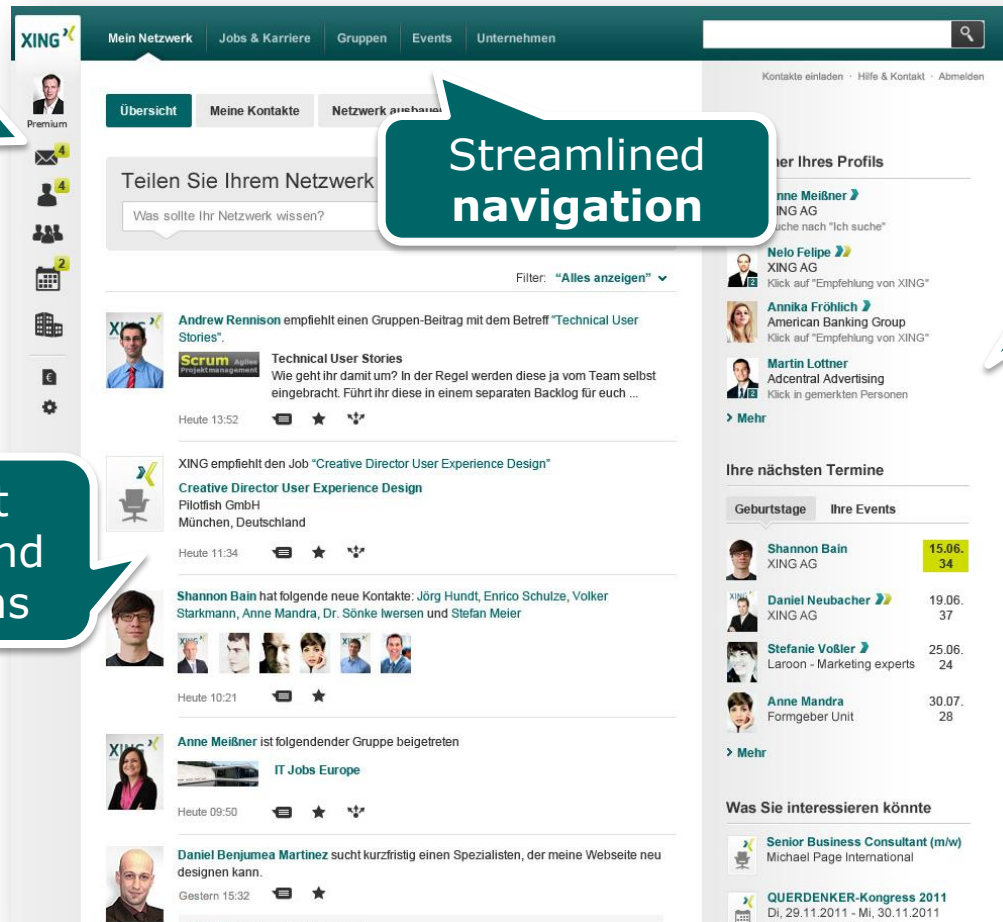
04 Big product launch in Q2 – New design, new architecture and more social interaction

My XING:
instant access
to personal
content

More prominent
network feed and
recommendations

**Streamlined
navigation**

Improved **site
architecture**:
Secondary
options on the
side



- Strong increase of social activities (e.g., comments & likes)
- traffic on core site sections (groups, events, jobs) up significantly



23% revenue growth from all revenue streams



Continued diversification of revenue base through vertical business



Profitable business with EBITDA of €5.7m & 35% margin



Ongoing investment mode, acceleration in H2

P&L

in €m

	Q2'11	Q1'11	Q2'11 vs. Q1'11	Q2'10	Q2'11 vs. Q2'10
	Abs.	Abs.		Abs.	
Total revenue ¹	16.3	15.7	+4%	13.3	23%
Costs	(10.6)	(10.0)	(6%)	(9.5)	(12%)
EBITDA	5.7	5.6	+2%	3.7	53%
Margin	35%	36%	-0.1%pt	28%	+7%pt
Depreciation	(2.2)	(1.5)	(50%)	(1.2)	(81%)
Financial result	0.1	0.0	+104%	0.0	231%
Taxes	(1.2)	(1.5)	(19%)	(1.2)	1%
Net result	2.4	2.7	(11%)	1.4	78%

(1) Of revenue

(2) Including other operating income

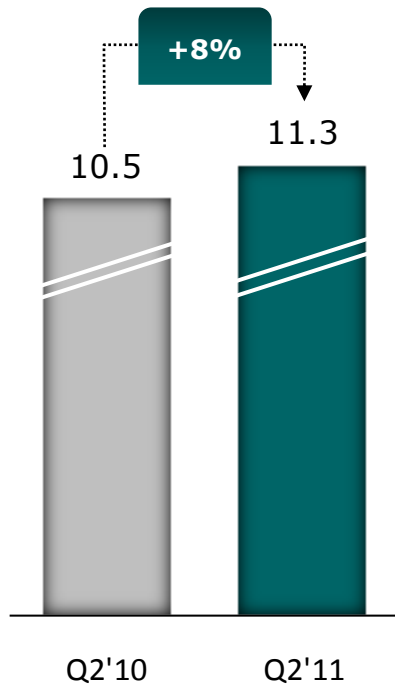


- EBITDA margin impacted by start-up investments in events (-4%-points)
- Depreciation impacted by one-off write-down (-€0.6m)
- Financial result improved through new treasury policy

05 Ongoing diversification of revenue streams

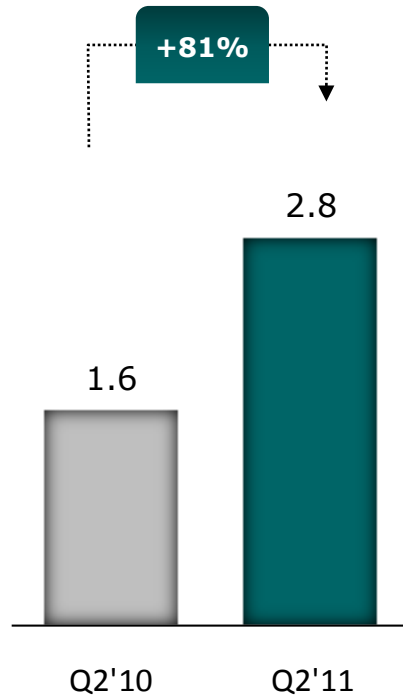
Core

„Subscription“ in €m

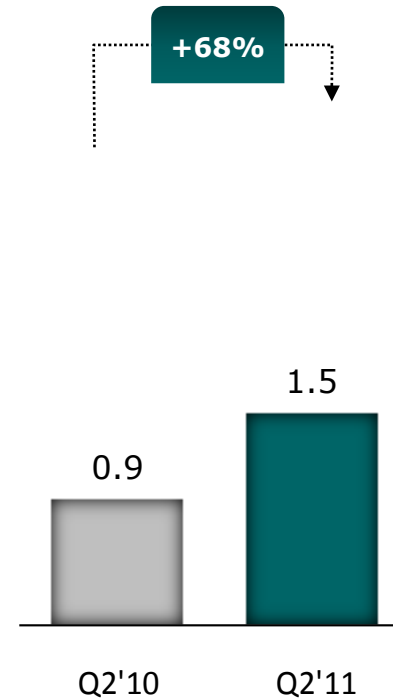


Verticals

E-Recruiting in €m



Advertising (incl. Company Profiles) in €m



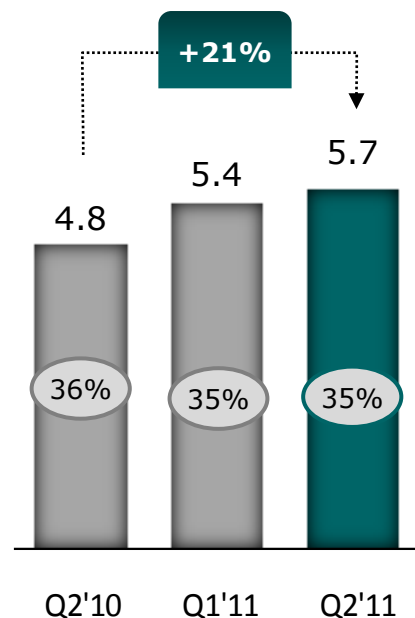
New Verticals (Events) in €m



05 Personnel Expenses Are Main Investment Area To Further Drive Company Growth

Personnel

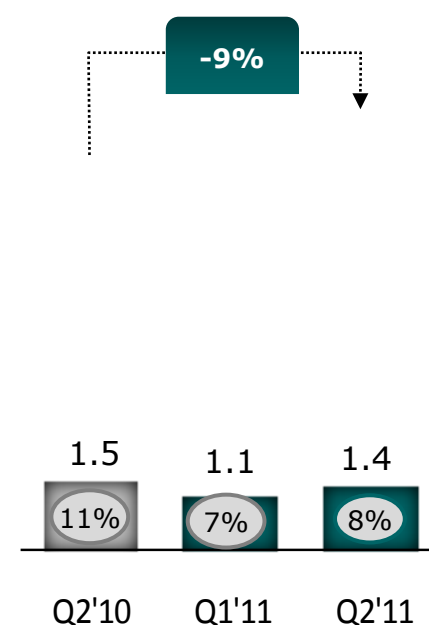
in €m
in % of total revenue



- Yoy increase due to amiendo acquisition

Marketing

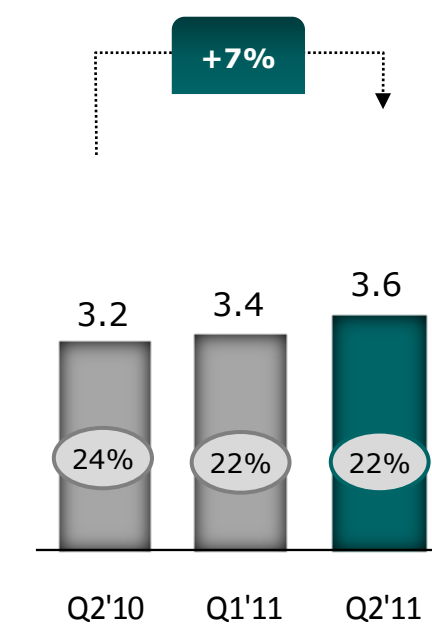
in €m
in % of total revenue



- Online Display & Social Media Advertising
- Search Engine Advertising
- Offline Marketing spends (Conferences & Events, Print, Sponsorings)

Other Expenses

in €m
in % of total revenue



- External Services, Legal, audit & consulting
- Payment processing, Server hosting
- Rent & other costs
- Amiendo

05 Operating Cash-flow impacted by one-time tax cash-outs for 2009/2010

	Q2'11	Q1'11	Q2'11 vs. Q1'11	Q2'10	Q2'11 vs. Q2'10
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	5.7	5.6	+0.1	3.3	+2.4
Interest/tax/ESOP	-6.6	+0.0	-6.6	+0.3	-6.9
Δ Net working capital	+0.0	+2.0	-2.0	+5.6	-5.6
Operating cashflow excl. Organizer cash	-0.9	+7.6	-8.5	+9.2	-10.1
Investment – operating	-1.4	-1,1	-0.3	-1.4	+0.0
Investment – acquisitions	0.0	-5,1	+5.1	-0.7	+0.7
Financing incl. transaction of own shares	4.0	0.0	+4.0	0.0	+4.0
Free cashflow excl. organizer cash	+1.7	+1.4	+0.3	+7.1	-5.4
Effects organizer cash	-0.4	+2.5	-2.9		-0.4
Free cashflow incl. organizer cash – reported	+1.3	+3.9	-2.6		+1.3



- One-time tax cash-out for years 2009/2010
- Deferred tax cash-out for Q1 2011
- Cash-in from employees exercising their options (+4m€)

Thank you
for your attention!

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XING AG IR stats

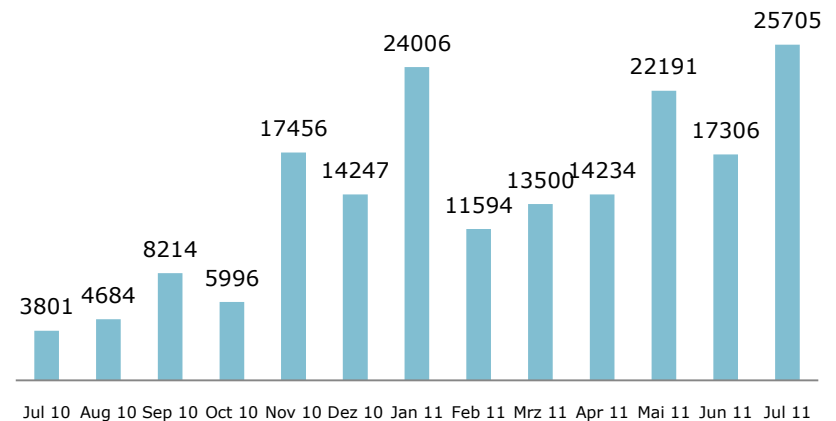
Market cap: ~€240m / ~€63m cash / No debt



Consensus
(August, 2011)

	2011e	2012e	2013e
Total revenues	65.7	77.3	88.6
EBITDA	20.8	25.6	29.9
<i>Margin</i>	32%	33%	34%
Depreciation	-6.0	-6.9	-7.4
EBIT	14.8	18.7	22.5
<i>Margin</i>	22%	24%	25%
Net income	10.0	12.9	15.7
EPS in €	1.89	2.46	2.98
Free cash flow	7.7	15.1	17.0

Average Trading Volume per day (XETRA)



Analyst coverage

Deutsche Bank,
DZ Bank,
Hauck & Aufhäuser,
HSBC,
Montega AG,
Close Brothers

Shares

5,394,172

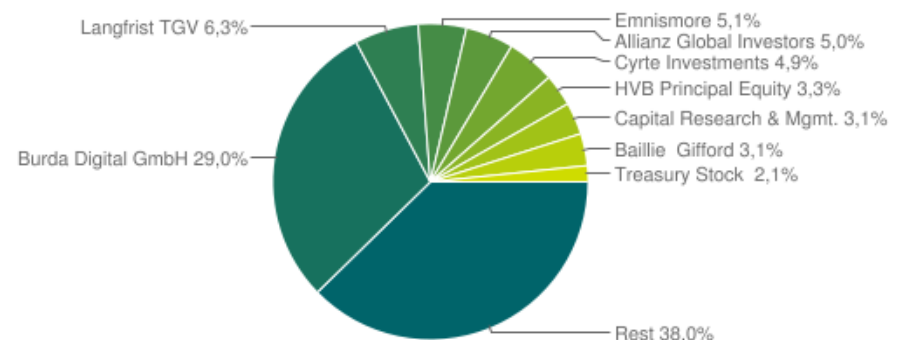
TecDax ranking end of July 2011

Market Cap.

27

Turnover

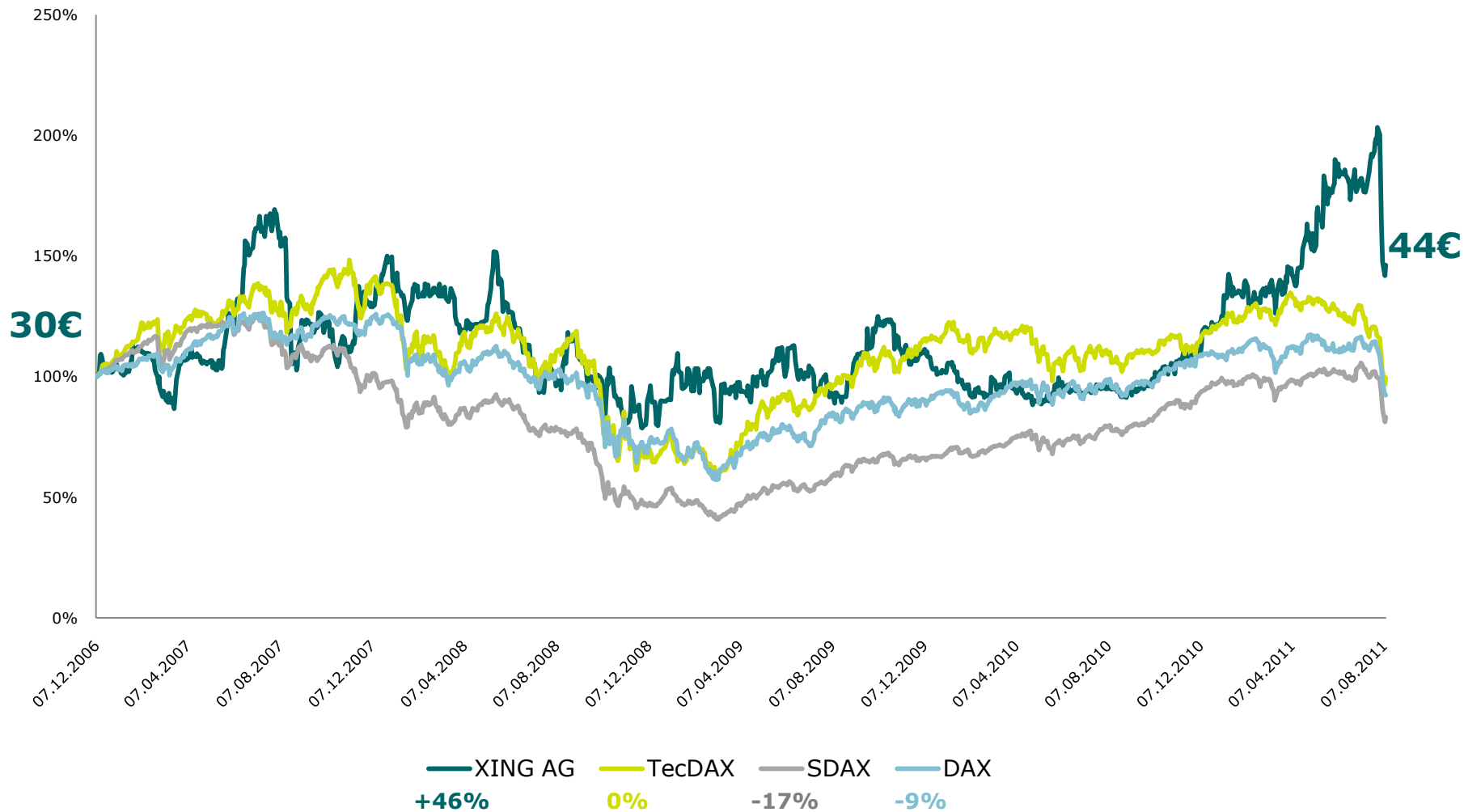
31



Free float according to Deutsche Börse: 68.8%

XING share price since IPO in Dec 2006

(as of August 9, 2011)





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