

Q1'2011 Results Presentation

XING 

Hamburg

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May 10, 2011



Strong financial performance



Continuing good momentum in D-A-CH¹ member growth



‚Verticals‘ with strong yoy growth



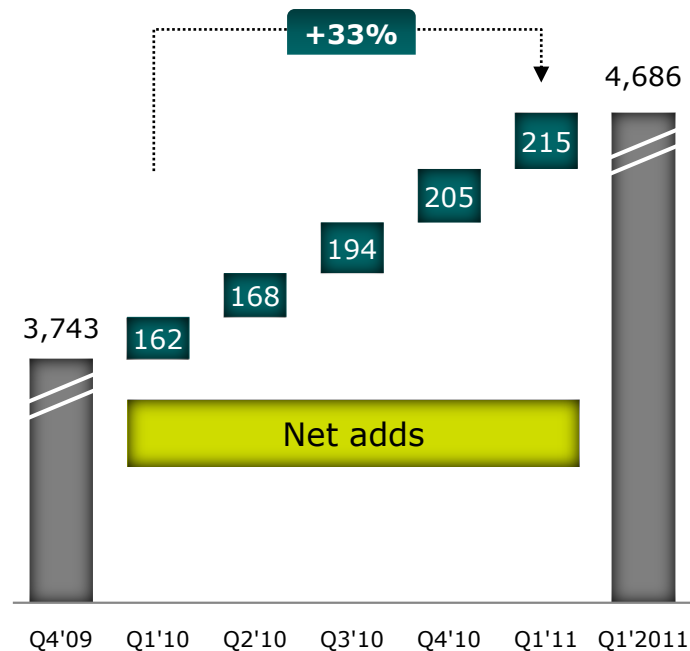
Execution well on track

		Q1'2011	Q1'2010	yoy
Subscriptions	€m	11.13	10.07	+11%
E-Recruiting	€m	2.71	1.44	+89%
Advertising	€m	1.05	0.77	+36%
New verticals	€m	0.51	0.00	N.A.
Other*	€m	0.24	0.28	-14%
Total revenues	€m	15.65	12.60	+24%
EBITDA	€m	5.62	3.30	+70%
EBITDA-Margin	%	36	26	+10pt.
Net-result	€m	2.69	1.26	+114%

* Other revenue & other operating income

Member Adds (D-A-CH): Accelerating Growth

in 000'



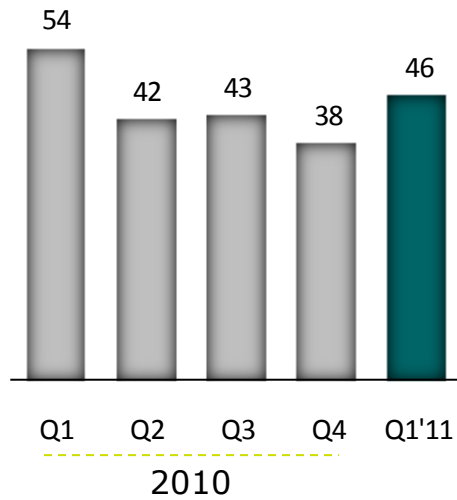
Comments

- Highest number of net member adds since Q1'2009
- Total member base up 20% yoy
- Product improvements and marketing initiatives paying off
- Confirming large growth potential: D-A-CH market with significant runway for further growth

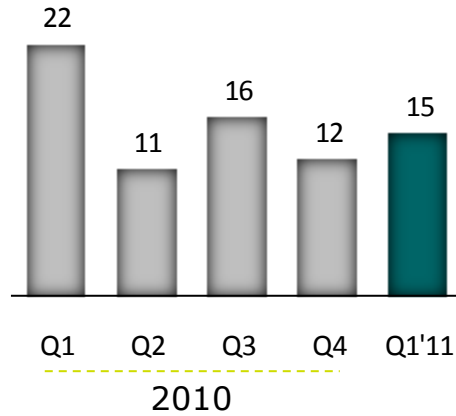
03 Payer Base Continues To Grow

15k net adds in Q1'11

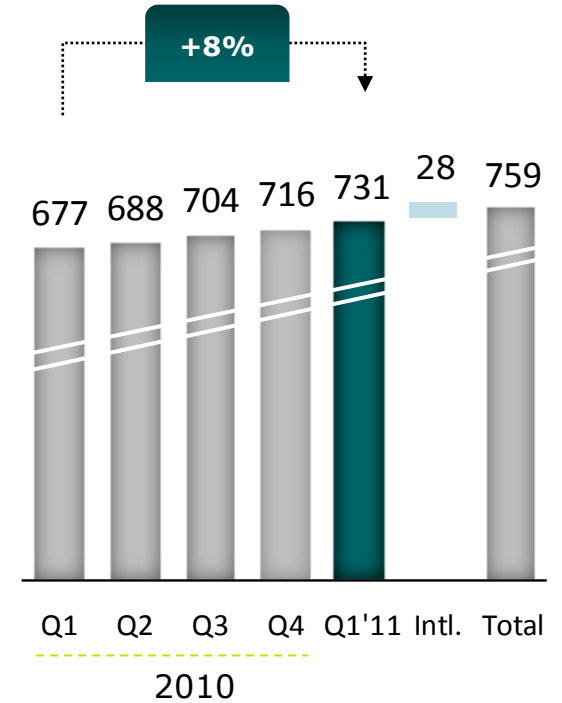
**Payer gross adds
D-A-CH**
in 000'



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

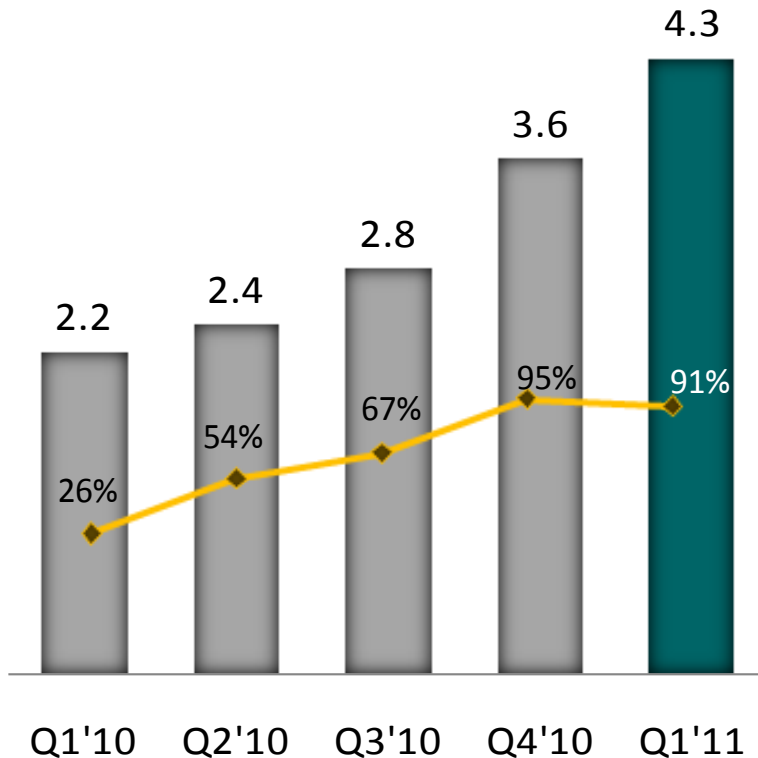


**Payer base
in 000'**



„Verticals“: Continued strong growth

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



E-Recruiting

- Social media is rapidly gaining traction as efficient recruiting tool for corporates
- New telesales team & further increase in offline sales force

Advertising

- New ad format: "Specials"
- eCPM ~8€
- ~1,000 claimed CPs per week

Events

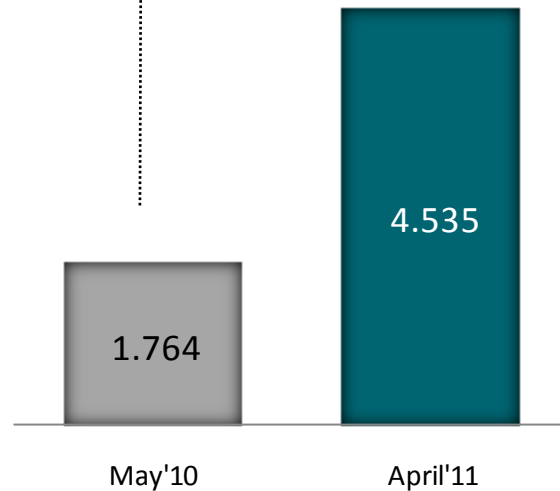
- Technical ticketing integration mid February 2011
- Starting to monetize XING events
- Building offline sales team

Growth opportunity from mobile „revolution“

XING mobile visits in m

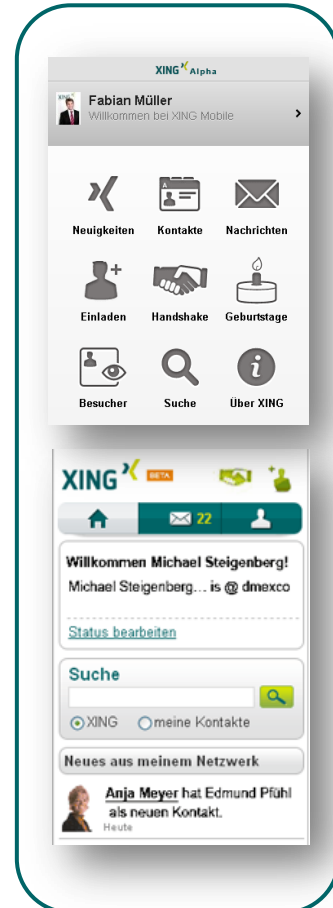
>15% of total traffic

+157%



Comments & Strategy

- XING available on all relevant OS (iOS, Android, Blackberry) as well as via web app
- Mobile traffic already >15% of total traffic
- New Android app 3.2 launched on April 7 with Contact Sync between XING and your telephone address book
- Investment area with dedicated standing team for "XING-mobile"



➤ 24% revenue growth and increasing revenue diversification

➤ Profitable business with €5.6m EBITDA and 36% margin

➤ 2011 further investment in future growth

➤ Return of €20m cash to shareholders

05 Revenues €15.7m, EBITDA €5.6m with 36% Margin

P&L in €m

	Q1'11	Q4'10	Q1'11 vs. Q4'10	Q1'10	Q1'11 vs. Q1'10
	Abs.	Abs.		Abs.	
Total revenue ¹	15.7	14.7	+7%	12.6	24%
Costs	(10.0)	(9.4)	(6%)	(9.3)	(8%)
EBITDA	5.6	5.2	+8%	3.3	70%
Margin	36%	36%	+0.3%pt	26%	+9.7%pt
Depreciation	(1.5)	(1.5)	0%	(1.2)	(19%)
Financial Result	0.0	0.0	+328%	0.0	70%
Taxes	(1.5)	(1.3)	(19%)	(0.8)	(80%)
Net Result	2.7	2.5	+8%	1.3	114%

(1) Of revenue

(2) Including other operating income

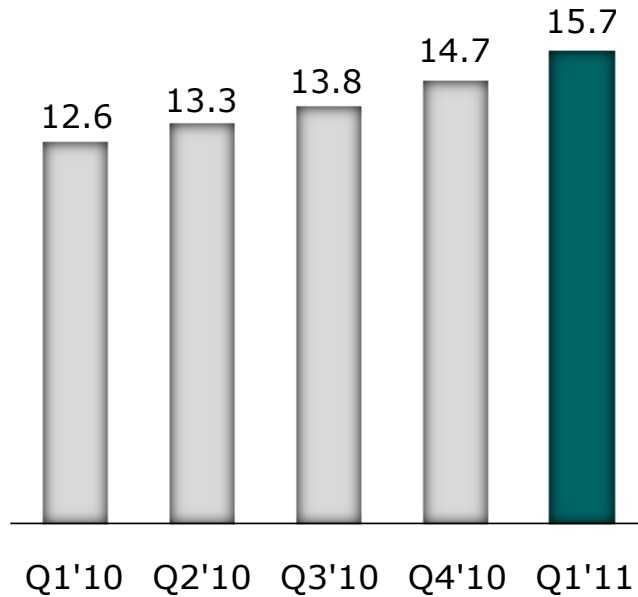


EPS Q1: €0.51; up from €0.47 in Q4

05 Strong bottom-line despite investment in future growth

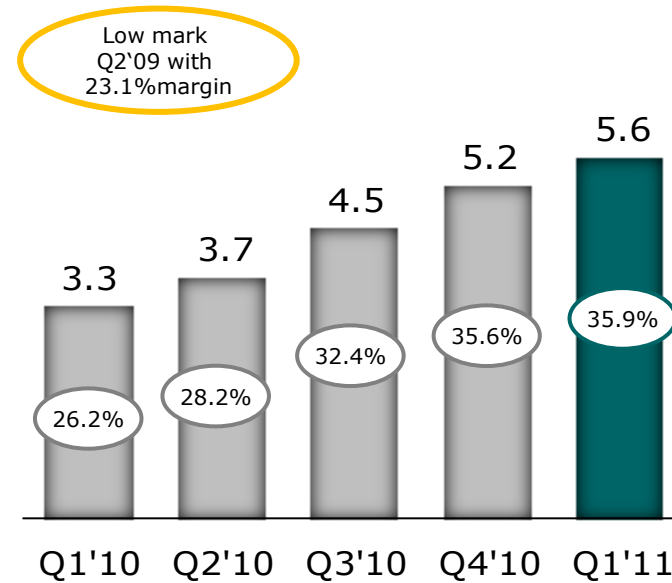
Revenues

In €m - (Total revenue inc. other revenues)



EBITDA

In €m
In % of total revenue



05 Increase in profitability driven by scaling business, growth to profitability of new business, turnaround International

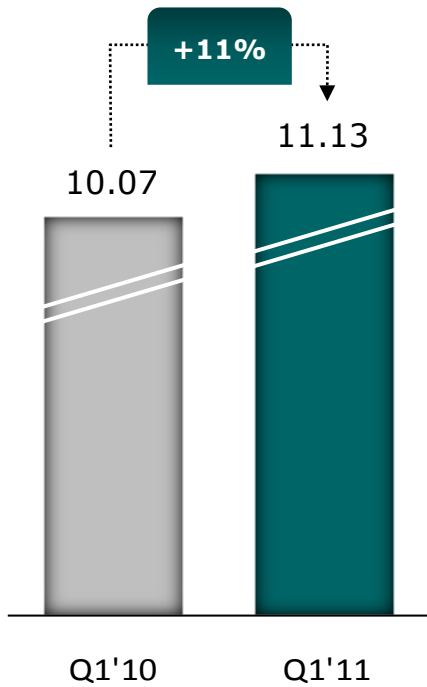
	Q1'2010	Q1'2011	Comment
Subscription	+	+	Scale of existing business
E-recruiting	+	+	Scale of existing business
Advertising w/o company profiles	+	+	Scale of existing business
Company profiles	-	+	Growth to profitability
International	-	+	Turnaround
Events	n/a	-	Major investment field
Total EBITDA margin	26%	36%	

- Investment in events dilutes overall margin
- Further investment fields: mobile, advertising, marketing, sales

05 Strong Growth In Vertical Business

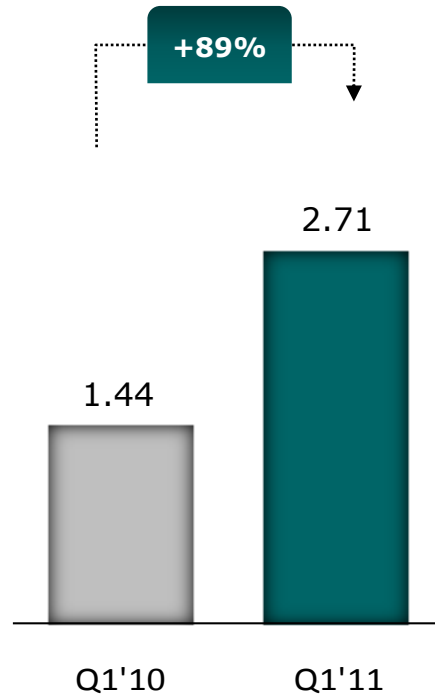
Core

„Subscription“ in €m

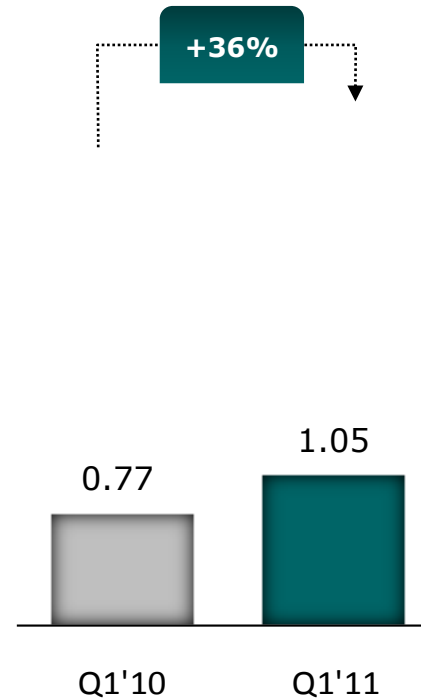


Verticals

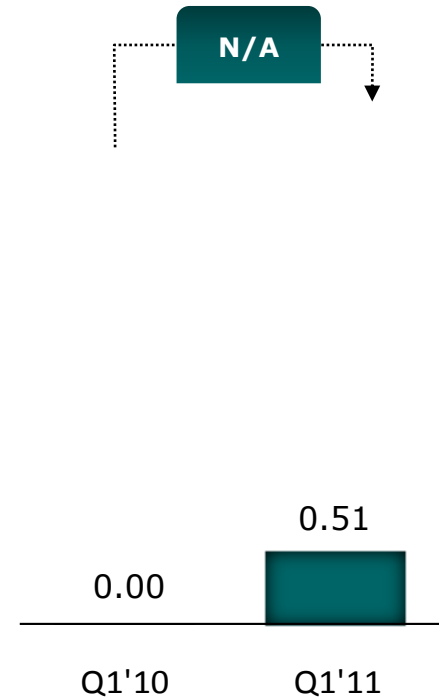
E-Recruiting in €m



Advertising (incl. Company Profiles) in €m



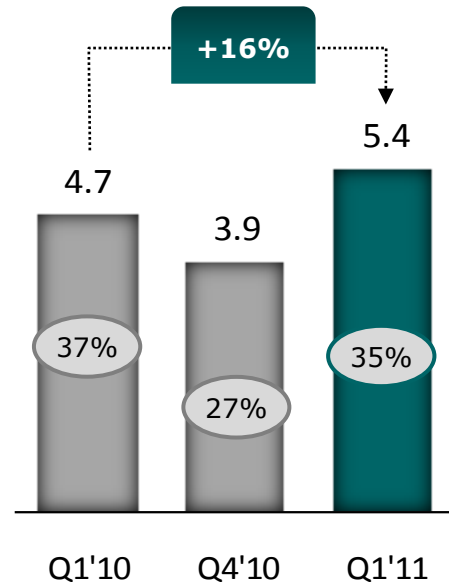
New Verticals (Events) in €m



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

Personnel

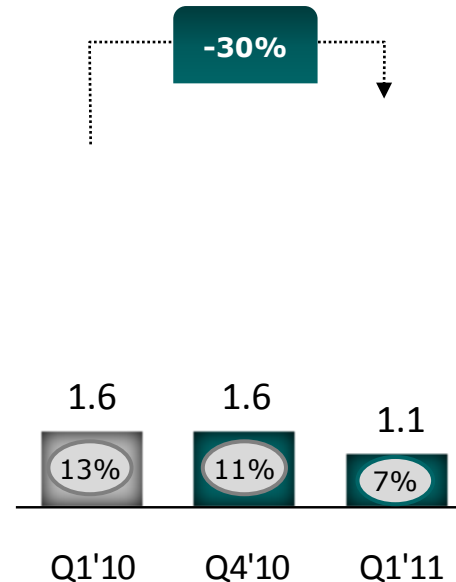
in €m
in % of total revenue



- > Amiando: ~30FTE's
- > Additional FTE's in Product/Engineering & Sales
- > Vacation accruals

Marketing

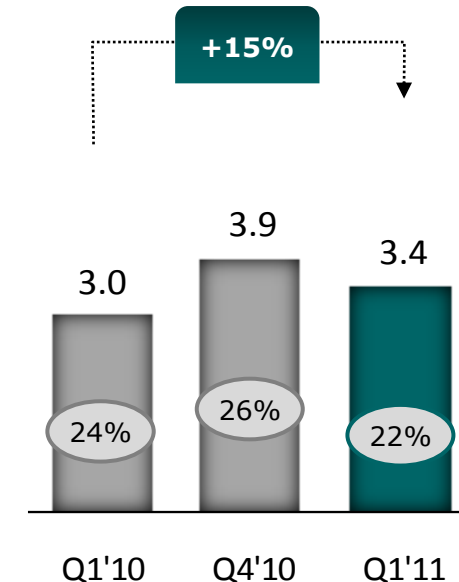
in €m
in % of total revenue



- > Cut marketing spendings in Turkey & Spain
- > Change in spending pattern throughout year
- > Awareness campaign planned in Q2

Other Expenses

in €m
in % of total revenue



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

➤ First time consolidation of Amiando impacts all cost lines

05 Operating cashflow excl. organizer cash €7.6m

	Q1'11	Q4'10	Q1'11 vs. Q4'10	Q1'10	Q1'11 vs. Q1'10
	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	5.6	5.2	+0.4	3.3	+2.3
Interest/tax/ESOP	+0.0	-0.6	+0.6	+0.3	-0.3
ΔNet working capital	+2.0	-0.2	+2.2	+5.6	-3.6
Operating cashflow excl. Organizer cash	+7.6	+4.4	+3.2	+9.2	-1.6
Investment – operating	-1,1	-2.3	+1.2	-1.4	+0.3
Investment – acquisitions	-5,1	0.0	-5.1	-0.7	-4.4
Financing incl. share buyback	0.0	+0.6	-0.6	0.0	0.0
Free cashflow excl. organizer cash	+1.4	+2.7	-1.3	+7.1	-5.7
Effects organizer cash	+2.5				
Free cashflow incl. organizer cash – reported	+3.9				

Free cashflow impacted by Amiando acquisition with -5.1m€

Why?

- Clear growth strategy in core and vertical business
- Cash needs lower than cash reserves due to financially robust nature of business model
- Logical consequence: Return cash to shareholders

How?

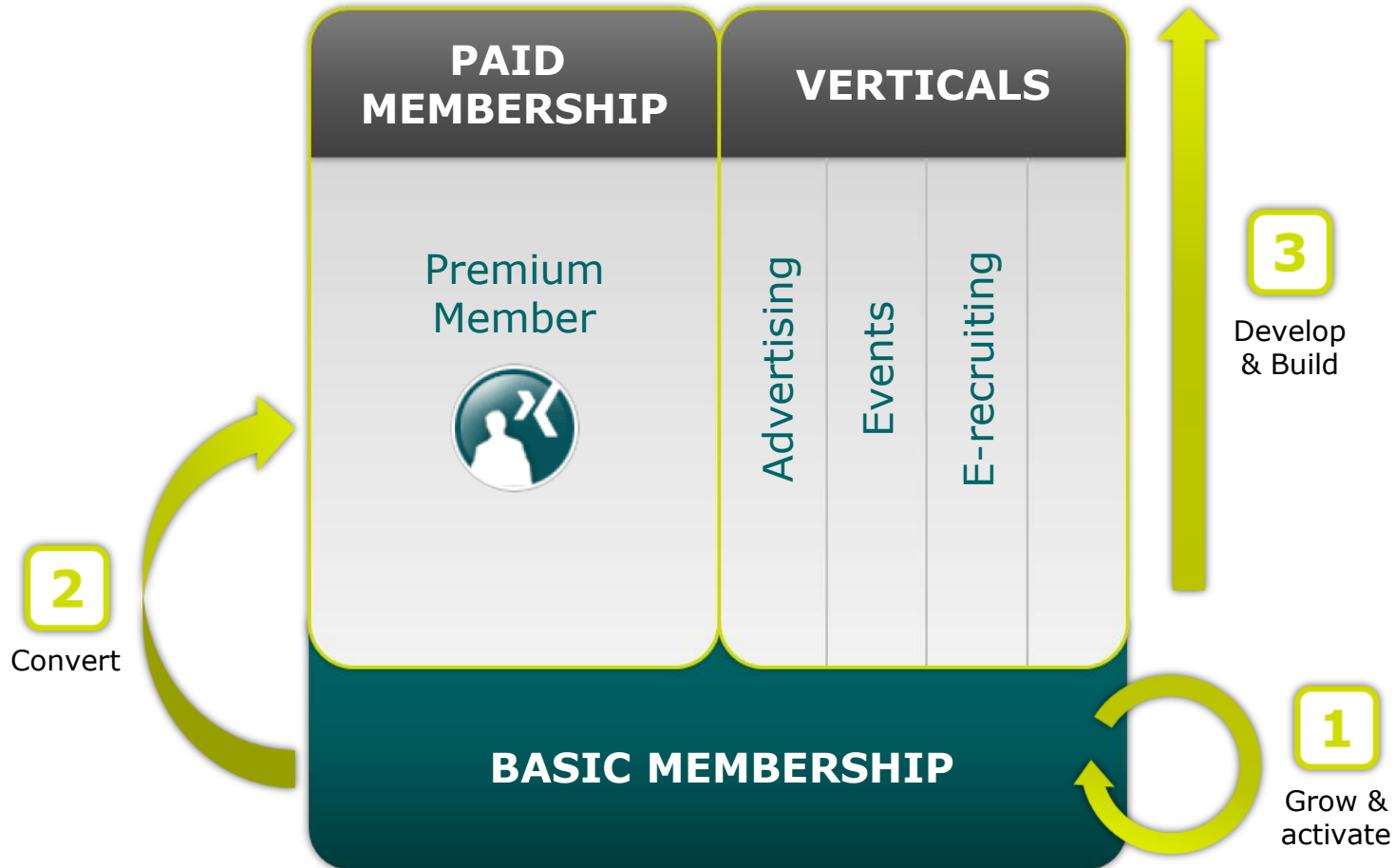
- Capital increase followed by capital decrease to generate distributable reserves
- AGM approval needed (May 26 2011)
- 6 months waiting period after registration of AGM approval
- Pay-out to shareholders holding stock one day prior to cash-out



Significant and sufficient reserves to fund future growth

- ~€40m cash reserves after cash out
- Significant debt capacity (currently debt-free)
- Authorized capital

07 Our Strategic Levers To Drive Growth

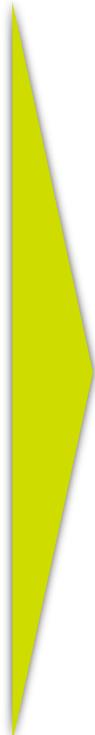


Backup

POWERING RELATIONSHIPS
WWW.XING.COM

in €m

	Q1'11
	Abs.
Assets	108.1
Operating Assets	23,3
Acquisitions / International	21,3
TAX A/R	0,6
Cash	62.9
Liabilities	108.1
Equity	64.1
Deferred Income	23.2
Liabilities	11,8
Tax Liabilities	9,0
Other	0.0



Operating Assets	€23,3m
Deferred Income	-€23,2m
Liabilities	-€11,8m
Invested Capital w/o cash	-€11,7m

➤
Plan to return €20m of cash to shareholders

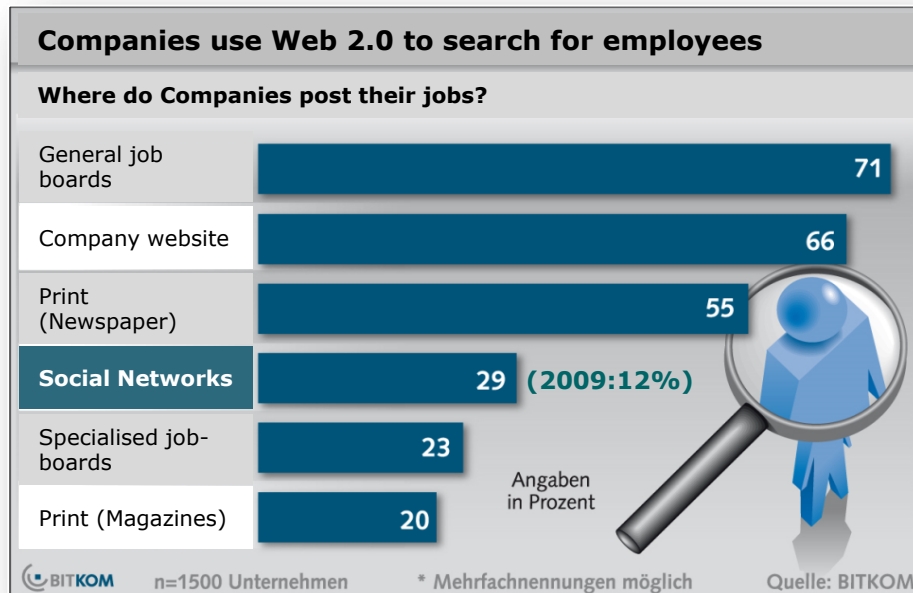
Verticals: E-Recruiting

XING is the preferred choice among social media HR services



Recruitment through social networks is growing quickly*

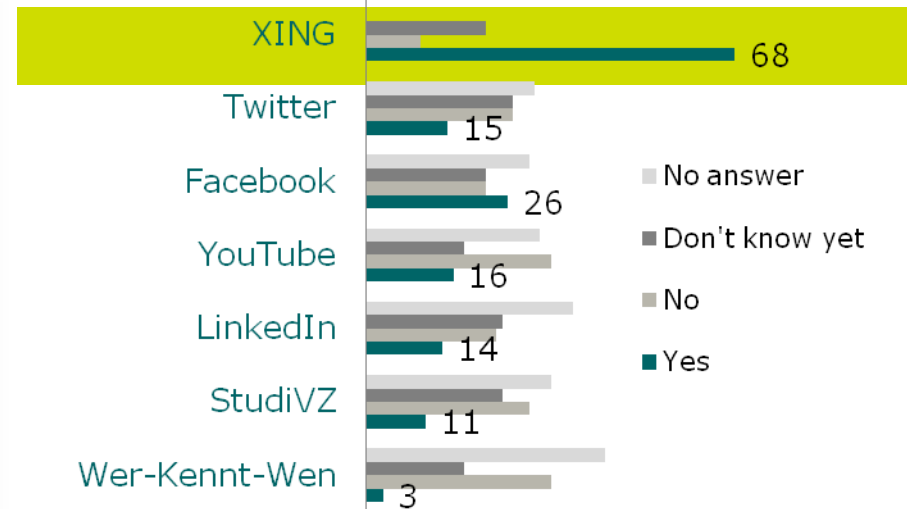
In %



* Source: BITKOM

What kind of social media HR services are you going to use in the future?*

In %



* Source: Social Media HR Report 2010

XING AG IR stats

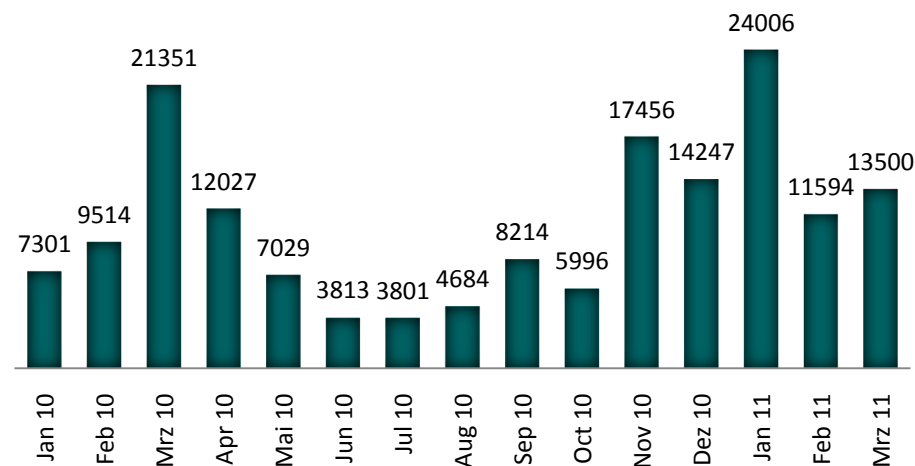
Market cap: ~€210m / ~€60m cash / No debt



Consensus
(March, 2011)

	2011e	2012e	2013e
Total revenues	66.1	77.7	87.6
EBITDA	20.6	25.6	30.2
<i>Margin</i>	31%	33%	34%
Depreciation	-5.9	-6.8	-7.0
EBIT	14.7	18.8	23.2
<i>Margin</i>	22%	24%	27%
Net income	10.0	13.0	17.1
EPS in €	1.97	2.51	3.2
Free cash flow	6.6	13.0	13.9

Average Trading Volume per day (XETRA)



Analyst coverage

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

Shares

5,332,838

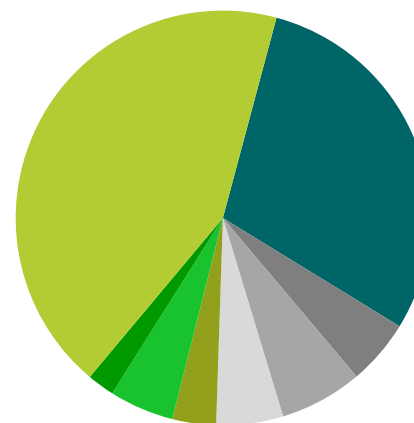
TecDax ranking end of April 2011

Market Cap.

33

Turnover

38



- Burda Digital GmbH 29.6%
- Allianz Global Investors 5.1%
- Langfrist TGV 6.5%
- Ennismore 5.2%
- HVB 3.4%
- Cyrte Investments 5.0%
- Treasury Shares 2.1%
- Rest 43.1%

Free float according to Deutsche Börse: 68.3%

XING share price since IPO in Dec 2006 (as of May xx, 2011)





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