



1. January to 31. March
QUARTER REPORT 2007
of OPEN Business Club AG

By focusing on the “business people worldwide” target group, the company is able to offer tailored features, thereby making networking and contact management simpler. At present, 87 employees from 13 different countries work for the company, which has its headquarters in Hamburg, Germany, and offices in Beijing, China, and in Zurich, Switzerland. With its successful IPO in December 2006, open Business Club AG as the first Web 2.0 company to go public is influencing the social networking trend amongst professionals on a sustained basis.

	01.01.2007 - 31.03.2007 in 000 €	01.01.2006 - 31.03.2006 in 000 €	Change in %
Recognized revenues	3,926	1,586	148
Non-recurring charge	221	0	100
EBITDA adjusted for non-recurring charge	529	-433	222
EBITDA before non-recurring charge	750	-433	273
EBITDA margin before non-recurring charge in %	19.1	-27.3	
Quarterly results adjusted for non-recurring charge	467	-459	202
Cashflow from operating activities	305	352	-13
Equity	41,510	5,782	618
Number of registered members (as of March 31)	2,126,955*	927,482	129
Number of employees (as of March 31)	87	43	102

* including eConozco

**Ladies and Gentlemen,
Dear Shareholders, Employees and XING Members,**

We have just completed a fast-growing first quarter in which we increased our recognized revenues from €3,584 thousand in the previous quarter to €3,926 thousand. The member base increased to 2.1 million, of which more than 258,000 were paying Premium Members.

We have also made considerable progress in operations. The conversion to the new German VAT of 19 percent was successful, and we were able to increase the size of our team and core competences even faster than expected, leaving us well equipped for further international expansion planned in the coming months. In the first quarter 2007, we also invested in a new payment processing system that will increase payment efficiency in the course of the coming year.

We also invested in our core platform and began the development of XING Marketplace which will be featured on www.xing.com/marketplace starting in May 2007. The beta version was launched on schedule at the beginning of May and got off to a promising start. In addition, we have made some considerable improvements in the registration and invitation processes, paving the way for future acceleration of membership growth.

In the first quarter 2007, we reached a new milestone in the history of our young Company by completing the acquisition of the Spanish online network eConozco. After achieving clear leadership in the German-speaking markets and successfully positioning ourselves for future growth in China with our local joint venture, this acquisition represents the first decisive step to enter the 420 million strong Spanish-speaking market. The integration of eConozco is proceeding according to plan and will be completed during the course of the fourth quarter. Measures for upselling users to Premium Memberships will be implemented after the integration of eConozco members onto the XING platform.

We are confident in the value that XING offers to an ever increasing number of members using the platform in their daily professional lives, as exemplified by the usage and retention statistics, which continue to be the best in our entire industry.

The increased trading volume of our company's shares since the IPO in December 2006 points to a high degree of interest among investors. The numerous requests of analysts and the coverage generated thereby points to a further boost in this trend.

Hamburg, May 2007



Lars Hinrichs
Chairman of
the Executive Board
OPEN Business Club AG



Eoghan Jennings
CFO
OPEN Business Club AG

Short management review

Business and Economic Environment

Eurozone stimulates global economy

Until recently, economic growth in the Eurozone has lagged behind those of the U.S. and Asia. Today, however, European growth has strengthened and is expected to reach 2.7 percent during 2007, exceeding growth in the U.S. for the first time in several years. The improved performance of the largest European economies - Germany, France and Italy - is a considerable driving force behind this growth¹⁾.

The favorable macroeconomic climate throughout the first quarter of 2007 and growing labor market flexibility provides a setting in which the value of personal contacts and social networks continues to grow. The sustained improvement of the economic climate has had a particularly significant impact on self-employed professionals and employees, leading them to leverage and expand their social networks more actively. Businesses are also feeling the effects of an improved economic situation in an increasingly competitive market, however, and are taking advantage of additional channels to reach qualified potential employees and customers to an ever greater degree. In an economic environment on the upswing, business contacts are more important than ever.

Competitive business model and profitable market dynamics

An online business lives from high activity rates. Throughout the first quarter of 2007, openBC was able to extend the position of XING as one of the leading online social networking platforms with a business focus as measured by the key indicators of unique visitors, usage, and time spent online (Source: comScore Networks, Inc.). In particular, the number of monthly unique visitors to the www.xing.com domain was 37 percent higher at the end of first quarter compared to the end of the fourth quarter 2006. Indeed, the values for several key statistics (average minutes per visitor, average page views per visitor, total page views, as measured by comScore Networks, Inc.) were all at least 100 percent greater than those of openBC's main competitor LinkedIn Corporation. And this, for the entire period between October 2006 and March 2007.

Business development

Strategic expansion

openBC has started its acquisition strategy in the European market. At the end of the first quarter 2007, openBC completed the acquisition of eConozco, a leading online business network in the Spanish-speaking market. With a population of over 420 million people, an Internet usage approaching 90 million users and an Internet penetration which is growing faster than the rest of the world, the Spanish-speaking market therefore represents a key strategic market for the Company.

With the acquisition of eConozco, openBC has gained critical mass in the key cities of Madrid and Barcelona as well as access to the South American market. In these markets, eConozco provides an excellent platform for future organic growth, in particular via viral marketing. A gradual migration and integration process has started at the beginning of the second quarter 2007. Prior to the acquisition, paid services on eConozco had not been implemented. Subsequently, subscription fees and premium services will be introduced in the fourth quarter of 2007.

Market leadership in the German-speaking world expanded

At the end of the first quarter, openBC recorded over 1.2 million basic members in Germany alone. That represents 1.5 percent of the entire population and 2.4 percent of the estimated Internet population²⁾.

The payer ratio was increased through the use of cost-effective, personalized email campaigns to reactivate and convert basic members to the Premium service. In addition the company tested search engine marketing and display marketing in highly relevant advertising media in various countries across the globe. Strategic cooperations aimed at acquiring new members and enhancing member loyalty were also expanded further.

In terms of an increase in brand awareness and members growth, openBC's press coverage in Germany also played a relevant role. The month of January 2007 saw the highest recorded level of press activity. The overhang from the extensive press coverage related to the IPO in December

¹⁾ Institut der deutschen Wirtschaft Köln (Institute for the German Economy, Cologne)

²⁾ Source: www.internetworldstats.com

³⁾ Coverage: Nielsen IV

Development of the share price from January 1, 2007 to March 31, 2007 (indexed)



2006 extended into the first quarter of 2007. Despite the overhang, however, press coverage is sustainably higher than in the quarters prior to the IPO. As a result, openBC benefits from an increased level of public awareness in the long term. The print run audience reached 47 million, while the coverage audience surpassed 110 million³.

Member growth

openBC was able to continue its dynamic course of growth in the first quarter of 2007. Compared to the same period in the previous year, the number of registered members increased at the end the first quarter by 1,199,473 to 2,126,955. The number of members (including those on eConozco) has grown by 25.6 percent since the beginning of the year. The acquisition of eConozco in the first quarter resulted in a member base growth of 151,853 members. The overall membership base consists of 258,113 paying members. Compared to the same period in the previous year, this represents an increase of 133,085 paying members.

Poised for international growth

During the first quarter 2007, the international member base grew at a faster rate than the German member base. Notable areas of particular growth were Turkey, Dubai, Hungary and Spain. Test campaigns gauging the effect of search engine optimization were conducted in the US, United Kingdom, France, and India and provided useful benchmarks for future campaigns. During the remainder of the year, openBC will increase spending on its international marketing campaigns to further accelerate the growth rates of both membership and revenues in international markets.

In addition, openBC prepared for entry into the US market. The Company's profile was increased by press activities including meetings with influential cooperation partners, media representatives and online/print journalists, interviews and articles in key US cities (New York, Washington and San Francisco) generating numerous high-profile publications, both online and offline. Furthermore, marketing campaigns were prepared and tested in leading national high-traffic websites such as www.cnn.com and www.washingtonpost.com.

Shareholder base remains stable

The openBC share price closed on March 31, 2007 at €32.20 (XETRA), which corresponds to a market capitalization exceeding €167.5 million. Since the beginning of the year, openBC's share price increased by 3.2 percent. During the same period the German DAX rose 10.4 percent and the German TecDAX increased by 7.7 percent. The lowest price (XETRA closing price) in the first quarter was €26.00 (March 20, 2007), while the highest price during this period was on January 24, 2007 when the share reached €33.89. Average daily volumes have increased over the period which is attributable to increased interest in the share from both institutional and retail investors.

Research and product development

Successful new developments and optimized processes

Besides continuing maintenance and scalability optimization, the conceptual and technical product development and engineering departments focused in the first quarter of 2007 on the development of Marketplace, the creation of a new optimized invitation and registration process, and the integration of an advanced, state-of-the-art full-text search technology for member search. In addition, openBC developed a special "corporate groups pro" product based on the groups module. This includes the option to purchase and distribute bulk memberships giving companies the opportunity, for example, to purchase a contingent of memberships for their employees.

The first quarter of 2007 also saw the Company lay the technical foundations for cooperation between a newly founded internal development team and the software company epublica. The development of an internal XING interface means that the innovative web development framework Ruby on Rails is being extended via an internal connection to the XING data backend maintained by epublica. The long-term goal of this development is a service-oriented architecture, which facilitates the scalability of development resources and has already produced results in the Marketplace module, which is being developed speedily in Ruby on Rails - a first for the Company and for the industry.

Results of operations

Revenue trend

openBC generated revenues from services of € 3,753 thousand. This can be attributed primarily to the sale of Premium Memberships. This amount is equivalent to a growth of 136.6 percent compared to the same period in the previous year, and 9.9 percent compared to the previous quarter (€ 3,415 thousand).

The other operating income of € 173 thousand (previous quarter: € 169 thousand) results from income relating to other periods and the reversal of accruals.

Result

The EBITDA margin (adjusted for non-recurring charge) of 13.5 percent in the first quarter has increased significantly compared to the same period in the previous year (-27.3 percent). The EBITDA margin would have been even higher without the unexpectedly high final invoice (€ -221 thousand) from a major service provider as part of the IPO and additional investment in First Tuesday AG, Zurich, Switzerland (€ -267 thousand).

The EBT result has improved considerably as a result of the increased interest earnings (€ 289 thousand) compared to the first quarter 2006 (€ 21 thousand), with a plus of 198 percent.

Relevant profit and loss trends

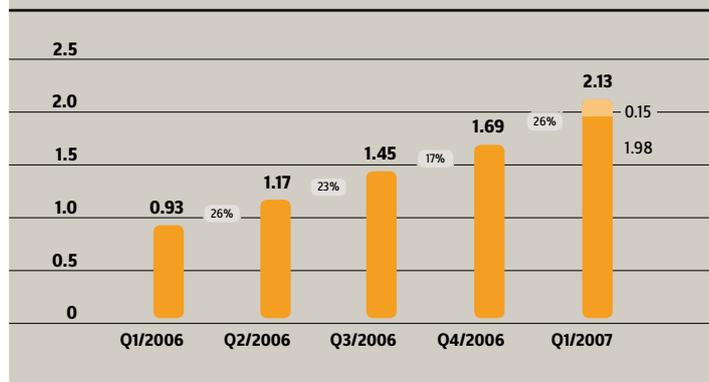
The growth in the number of employees from 43 to 87 has led to an increase in personnel costs compared to € 476 thousand in the first quarter of the previous year to € 1,395 thousand (previous quarter: 74 employees including CEO). Slightly more than 45 percent of all new hires planned for the full year took place in the first quarter of 2007.

openBC has almost doubled its marketing expenditure during this reporting period (€ 214 thousand) compared to the previous year (€ 138 thousand in first quarter 2006). This increase results from the implementation of key international test campaigns and the establishment of the Marketing department.

The slight increase in other operating expenses can be attributed to higher legal and audit consultancy and IT maintenance expenses.

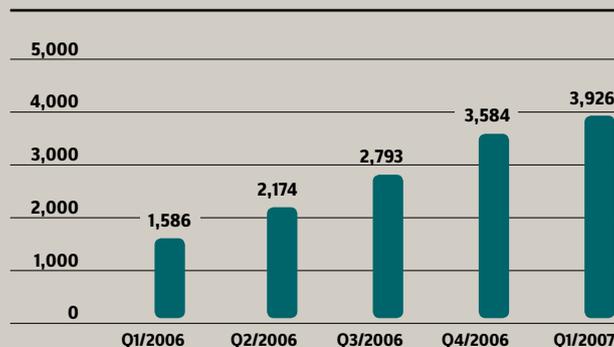
The depreciation of intangible assets and tangible assets increased by 448 percent to € 351 thousand compared to the first quarter 2006, mainly resulting from additional investments made in openBC's self-developed software.

Members (number) in million and growth in %



Registered members (XING)
Registered members (eConozco)

Sales revenues in 000 €



Net assets

At the reporting date March 31, 2007, cash and cash equivalents in the amount of €43,502 thousand accounted for 85.5 percent of the Group's €50,871 thousand in total assets. At the reporting date December 31, 2006, the proportion of liquid assets amounted to 88.7 percent. The decrease in liquid assets of €45,225 thousand for the period ending December 31, 2006 to €43,502 thousand for the period ending March 31, 2007 results essentially from the acquisition of the company eConozco.

Financial position

The Company generated net cash from operating activities amounting to €305 thousand (quarter of previous year: €352 thousand). The slight decrease (-13.4 percent) of net cash from operating activities can be attributed to the fact that the increase in the quarter net profit was offset by the occurrence of items affecting cash.

At the reporting date March 31, 2007, net cash from investing activities amounted to €-2,028 thousand (previous year: €-465 thousand). This amount results from the company acquisition of eConozco and investments made in self-developed software.

Risk report

Possible risks arising from openBC's operations are outlined in detail in the Annual Report. The statements included in the risk report in the Annual Report 2006 remain in effect. There are currently no risks identified that could endanger the continued existence of the Company.

Forecast

Many promising opportunities

openBC is maintaining the guidance provided for the financial year 2007 and expects therefore that revenues will roughly double in comparison to full calendar year 2006. In addition, openBC expects that an EBITDA margin to lie between 30 to 35 percent.

Significant events after the reporting date

No major events occurred after the end of the reporting period which had a significant impact on openBC's net assets, financial position and results of operations.

Consolidated income statement for the quarter from January 1 to March 31, 2007

	01.01.2007 - 31.03.2007 000 €	01.01.2006 - 31.03.2006 000 €
Service revenues	3,753	1,586
Other operating income	173	0
Total revenues	3,926	1,586
Personnel and permanent contractors expenses	(1,395)	(476)
Marketing expenses	(214)	(138)
Other operating expenses	(1,788)	(1,405)
EBITDA	529	(433)
Depreciation and amortization	(351)	(64)
EBIT	178	(497)
Interest income/(expense), net	289	21
EBT	467	(476)
Income taxes	0	17
Net profit/ loss for the period	467	(459)
Earnings per share (undiluted)	0.09 €	(0.12 €)
Earnings per share (diluted)	0.09 €	(0.12 €)

Consolidated balance sheet as of March 31, 2007

ASSETS	31.03.2007 000 €	31.12.2006 000 €
Non-current assets		
Intangible assets		
Other intangible assets	1,359	202
Acquired software	270	297
Self-developed software	2,312	1,869
Goodwill	254	254
Fixed assets		
Technical equipment and machinery	9	12
EDP-Hardware and other office equipment	980	971
Financial assets		
Investments	200	100
Other financial assets	287	289
	5,671	3,994
Current assets		
Receivables and other assets		
Trade receivables	1,062	1,532
Other assets	636	222
Cash and cash equivalents	43,502	45,225
	45,200	46,979
	50,871	50,973

EQUITY AND LIABILITIES	31.03.2007 000 €	31.12.2006 000 €
Equity		
Subscribed capital	5,202	5,202
Capital reserves	38,696	38,562
Other reserves	7	8
Retained Earnings	(2,395)	(2,862)
	41,510	40,910
Minority interests	0	0
	41,510	40,910
Long-term liabilities		
Finance lease liabilities	356	394
Deferred income	498	500
	854	894
Short-term liabilities		
Finance lease liabilities	157	157
Trade payables	2,266	1,733
Accruals	1,006	2,877
Deferred income	4,778	4,160
Other liabilities	300	242
	8,507	9,169
	50,871	50,973

Consolidated cash flow statement for the quarter from January 1 to March 31, 2007

	01.01.2007 - 31.03.2007 000 €	01.01.2006 - 31.03.2006 000 €
Net profit/loss for the period	467	(459)
Depreciation and amortization	351	64
Personnel expenses for stock option plan	134	0
Changes in accruals	(1,871)	510
Changes in deferred taxes	0	(30)
Changes in net working capital		
Changes in receivables and other assets	55	(472)
Changes in trade payables and other liabilities	553	59
Changes in deferred income	616	680
Cash flow from operating activities	305	352
Purchase of intangible assets	(664)	(192)
Purchase of fixed assets	(111)	(46)
Investments in subsidiaries (less cash acquired)	(1,153)	(227)
Investments in other financial assets	(100)	0
Cash flow from investing activities	(2,028)	(465)
Changes in cash and cash equivalents	(1,723)	(113)
Cash and cash equivalents at the beginning of the period	45,225	6,985
Cash and cash equivalents at the end of the period	43,502	6,872

Consolidated statement of changes in equity for the quarter from January 1 to March 31, 2007

	Attributable to equity holders of the parent						Total equity 000 €
	Subscribed capital 000 €	Capital reserves 000 €	Other reserves 000 €	Retained earnings 000 €	Total 000 €	Minority interests 000 €	
At 31.12.2005	52	6,837	0	(649)	6,240	0	6,240
Foreign currency translation	0	0	1	0	1	0	1
Net loss for the period	0	0	0	(459)	(459)	0	(459)
At 31.03.2006	52	6,837	1	(1,108)	5,782	0	5,782
At 31.12.2006	5,202	38,562	8	(2,862)	40,910	0	40,910
Foreign currency translation	0	0	(1)	0	(1)	0	(1)
Net profit for the period	0	0	0	467	467	0	467
Total income and expense for the period	0	0	(1)	467	466	0	466
Personnel expenses for stock option plan	0	134	0	0	134	0	134
At 31.03.2007	5,202	38,696	7	(2,395)	41,510	0	41,510

Notes to the consolidated financial statements for the first quarter ending March 31, 2007

Basis of preparation, methods of accounting and valuation

The consolidated financial statements for the first quarter ending March 31, 2007 have been prepared in accordance with the International Financial Reporting Standards (IAS 34) as adopted by the EU. The prior-period figures relate to the period from January 1, 2006 to March 31, 2006.

The accounting and valuation methods of the consolidated financial statements correspond to the applied methods of the consolidated financial statements ending December 31, 2006 with the exception of the changed clauses regarding IAS 1, IAS 32, IFRS 1 and the new standards IFRS 7.

The implementation of these amended/new clauses did not have any effect on the performance and financial assets of the Company.

Basis of consolidation

The basis of consolidation in the consolidated financial statements comprises the following companies:

	31.03.2007 %	31.12.2006 %	Year of consolidation
First Tuesday AG, Switzerland	100	100	2006
openBC China Ltd., China	55	55	2006
openBC Network Technology (Beijing) Co. Ltd., China	100*	100*	2006
Grupo Galenicom Tecnologias de la Information, S.L., (eConozco), Spanien	100	0	2007

* 100% are indirectly held via shares amounting to 55% of openBC China Ltd., China.

Acquisition

On March 26, 2007, the Company completed the 100 percent acquisition of Grupo Galenicom Tecnologias de la Information, S.L. (eConozco). eConozco, the second largest Spanish contact network, offers professional networking for the Spanish-speaking community worldwide and has been focused since its founding on the user group "business professionals". The acquisition has been accounted for using the purchase method of accounting. The first consolidation took place on March 31, 2007. As a result, the consolidated profit and loss statement will not contain any revenues nor expenses relating to eConozco prior to the consolidated financial statements as of June 30, 2007.

The total cash consideration of approximately €1,155 thousand less cash acquired of €2 thousand resulted in a net cash outlay of €1,153 thousand. In addition, a variable amount of up to €200 thousand of the purchase price is dependent on future performance achieved by eConozco in the 12 months immediately following the date of acquisition. Further costs such as notary and legal costs are still anticipated.

At the time of acquisition, the actual value of the assets acquired and liabilities assumed of eConozco were as follows:

	Acquisition capitalization 000 €	Book value 000 €
Intangible assets	1,153	1,153
Cash acquired	2	2
Other assets	2	2
Other liabilities assumed	(1)	(1)

Net cash outflow resulting from the company acquisition:

	Amount 000 €
Acquisition price	(1,000)
Direct transaction costs	(155)
With subsidiary cash acquired	2
Net cash outflow	(1,153)

The purchase price allocation was assessed on a temporary basis in the consolidated financial statements as of March 31, 2007. The total acquisition costs were 100 percent allocated as "customer base". A final valuation in the consolidated financial statements ending June 30, 2007 will provide a clear breakdown between intangible assets and goodwill. The value of the goodwill can be attributed to the expected synergies and combination of assets and activities of eConozco with those of the Company. eConozco was acquired in order to enable entry onto the Spanish and Latin American markets. In the three-month ending March 31, 2007, eConozco reported a net profit of €3 thousand.

Additions and disposals of assets

In the three-month period ending March 31, 2007, an amount of €650 thousand (prior period: €129 thousand) was invested in self-developed software. The capitalized self-developed software comprises investments for further developments and new functions of the XING website.

In the first quarter ending March 31, 2007, the Company purchased software amounting to €14 thousand (prior period: €63 thousand), as well as IT hardware and other office equipment amounting to €111 thousand (prior period: €46 thousand).

The investments in financial assets amounting to €100 thousand in the first quarter of 2007 (prior period: €0 thousand) are related to an increase in the shares held in Plazes AG, Zurich, Switzerland.

Summary of other operating expenses

The main items regarding other operating expenses are broken down in the following overview:

	01.01.2007 - 31.03.2007 000 €	01.01.2006 - 31.03.2006 000 €
IT and operating expenses and expenses for emerging markets	545	777
Legal, consulting and audit expenses	383	114
IT services and maintenance	301	77
Travel, entertainment and other operating expenses	124	142
Costs for the handling of payments	150	79
Others	285	216
Total	1,788	1,405

Segment information

The geographical allocation of revenues from the product Premium Membership for the reporting period is shown in the table below:

	01.01.2007 - 31.03.2007 000 €	01.01.2006 - 31.03.2006 000 €
Germany	3,012	1,237
Others Europe	628	299
Asia Pacific	52	24
America	41	17
Others	20	9
Total	3,753	1,586

Related party disclosures

epublica GmbH, Hamburg, which is a shareholder of the Company and develops the software for the XING platform, provided services amounting to €664 thousand (prior period: €178 thousand) during the reporting period.

Significant events during and after the interim reporting period

Aside from the acquisition of eConozco in March 2007, which has already been outlined in the section labeled "Company acquisition", there were no further significant events during and after the interim reporting period.

Hamburg, May 10, 2007



Lars Hinrichs
Chairman of
the Executive Board
OPEN Business Club AG



Eoghan Jennings
CFO
OPEN Business Club AG

Further information about the openBC share

Key data

Trading symbol	O1BC
German Securities Code Number (WKN)	XNG888
ISIN	DE000XNG8888
Bloomberg	O1BC
Reuters	OBCGn.DE
Market segment	Prime Standard
Stock exchanges	Berlin-Bremen, Düsseldorf, Frankfurt, Munich, Stuttgart

Key share data

Number of shares	5,201,700
Closing price as of 31.03.2007	€ 32.20/XETRA
Market capitalization as of 31.03.2007	€ 167.5 million
Average daily trading volume (01.01. - 31.03.2007)	6,142 no-par value shares
Share price high (01.01. - 31.03.2007)	€ 33.89 (24.01.)/XETRA
Share price low (01.01. - 31.03.2007)	€ 26.00 (26.02.)/XETRA

Financial calendar

Date	Event
June 13, 2007	Annual general meeting in Hamburg
August 21, 2007	Publication of results for the first half year of financial year 2007
November 20, 2007	Publication of results for the first nine months of financial year 2007

Masthead

OPEN Business Club AG

Gänsemarkt 43
20354 Hamburg
Germany

Phone +49 40 41 91 31-0
Fax +49 40 41 91 31-11
info@xing.com
www.xing.com

Corporate Communications

Phone +49 40 41 91 31-19
Fax +49 40 41 91 31-11
daniela.hinrichs@xing.com

