

XING 

Half year report 2008

		H1 2008	H1 2007	Q2/2008	Q2/2007
Recognized revenues ¹	€ million	15.91	8.21	8.41	4.29
EBITDA	€ million	5.76 ³	1.43 ²	3.13 ³	0.90
EBITDA margin	in %	36 ³	17 ²	37 ³	21
Net income for the period	€ million	2.95	1.18	1.33	0.71
Operating cash flow	€ million	7.83	2.35	4.34	1.99
Operating cash flow per share	in €	1.51	0.44	0.83	0.38
Earnings per share (undiluted)	in €	0.57	0.23	0.26	0.14
Equity	€ million	49.42	42.33	49.42	42.33
Net financial assets	€ million	24.75	28.36	24.75	28.36
Members	in millions	6.14	3.52	6.14	3.52
thereof: Premium members	in thousands	470	285	470	285
Peer to peer connections	in millions	100	56	100	56
Employees		142	111	142	111

¹ Incl. other operating income

² Adjusted by one-off factors from the IPO

³ Adjusted by one-off costs of discontinued M&A activities (€ 768 thousand)

XING AG provides an Internet platform specifically tailored to meet the needs of professionals; in line with the motto “Discover and utilize your relationships”, it offers its approximately six million members throughout the world a wide range of customized functions for contact search and management. With the successful IPO at the end of 2006, XING was the first Web 2.0 company in the world to have a major impact on the trend of online business networking.

On the basis of the theory “no two people are more than six degrees apart” the platform displays to the members the contacts of their own contacts. In this way users are able to set up, extend and maintain a personal network quickly and in an uncomplicated manner. In addition to its headquarters in Hamburg, XING AG has also established a presence in Barcelona and Beijing, as well as, since January 2008, in Istanbul. The platform functionalities are available in 16 languages.

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Letter of the Executive Board

**Ladies and gentlemen,
Dear shareholders, colleagues and XING members,**

2 In the first half of 2008, XING AG was able to continue the success achieved in the previous year and considerably boost its operating result despite the difficult market climate. In the first quarter, we slightly exceeded market expectations with revenues of € 7.51 million, and we were also able to positively surprise the capital market with the revenue and earnings figures published in this document. Revenues in the first half amounted to around € 16 million. Accordingly, with much higher profitability, we have almost doubled the revenues of € 8.21 million generated in the first half of 2007. In the first six months of 2008, we have achieved an operating EBITDA margin (adjusted by non-recurring effects) of approximately 36 percent. This confirms that XING is not one of the numerous emerging web 2.0 companies whose business models are based primarily on advertising. On the contrary, in recent months, we have succeeded in establishing different as well as sustainable sources of income, and have thus created a sound basis for the current and future profitable growth.

In our core business of Subscriptions (Premium memberships), XING has generated revenues of € 12.6 million with its around 470 thousand subscribers. XING has reported member growth of around 1.31 million in the first six months of the year. Because we have been able to convince new Basic members of the benefits of Premium membership, this considerable expansion of our member base has laid the foundation for further continuous growth of Premium memberships.

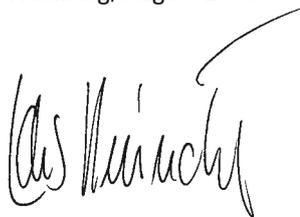
The new sources of income eCommerce and Advertising are already contributing to revenues and results only a few months after having been implemented on the platform, and this means that the XING business model is now based on three viable pillars. Overall, revenues in these fields amounted to € 3.1 million in the first half.

As was the case in the previous year, the establishment of new business models, the further development of existing business models as well as growth via acquisitions were of major importance for the Company. Acquisitions continued the external growth strategy at the beginning of the first quarter of 2008. In January, XING AG acquired cember.net, the largest business contact network in Turkey. Accordingly, we have taken over three direct competitors within twelve months, and have considerably expanded our European market leadership.

We would like to thank you for the confidence which you have placed so far in our growth strategy and our business model. These figures confirm that we are able to achieve very good results even in difficult market phases. We would be pleased if we could continue to count on your support in future.

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Hamburg, August 2008



Lars Hinrichs
CEO and founder



Eoghan Jennings
CFO



Burkhard Blum
Member of the Executive Board

Interim management report

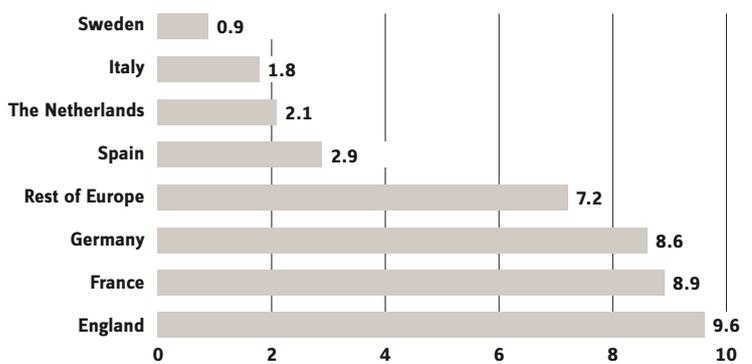
Development of business and the sector

The social networking sector is becoming increasingly important on an international scale. According to a study of Datamonitor, 230 million people throughout the world were already using social networks at the end of 2007. Accordingly, approximately 17 percent of all Internet users have a profile in social networks. According to the experts of Datamonitor, they generate revenues of more than € 600 million with such profiles. According to the Company, the number of users of social networks has continued to rise in the first half of 2008. At present, more than half of all users live in Europe and Asia.

XING focuses its activities on the European business networking markets, and has more than 4.3 million members in Europe alone. According to a BITKOM analysis, the Company's home

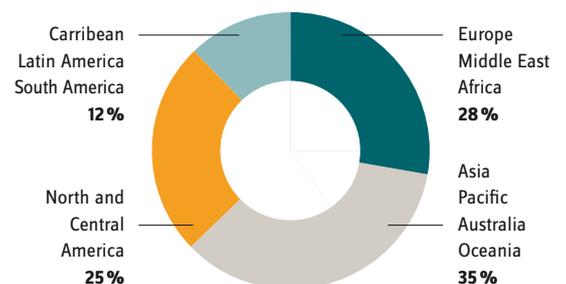
market of Germany has around 9 million users, and is the third largest social networking market in Europe, behind England and France. With around 2.1 million members in Germany, XING has thus a market share of more than 23 percent. It has been able to considerably expand its market share in Spain in fiscal year 2007 as a result of taking over its competitors eConozco and Neurona. With approximately 900,000 members, XING is today the largest business network in Spain. Around 31 percent of all social networking users in Spain are registered with XING. With the acquisition of cember.net at the beginning of the first half of 2008, XING AG has further expanded its Europe-wide market leadership in business networking, and has established an excellent starting position for achieving further viral growth.

Members in social networks in million



Source: Datamonitor

Members in social networks according to regions



Business development and results of operations

Revenues continue to expand

XING AG continued its growth in revenues in the first six months of the current financial year. With a total of € 15.91 million in the first half of 2008 (Q2/2008: € 8.41 million), the Company has virtually doubled total revenues compared to the corresponding previous year period (€ 8.21 million). With € 12.64 million, XING AG generated around 80 percent of its six-month revenues with Premium memberships (**Subscriptions**). With its Subscriptions business model, XING AG is one of the few Web 2.0 companies to have successfully established a sustainable and continuously expanding source of income. Since the Company was originally founded, the number of Premium members has risen to 470,000.

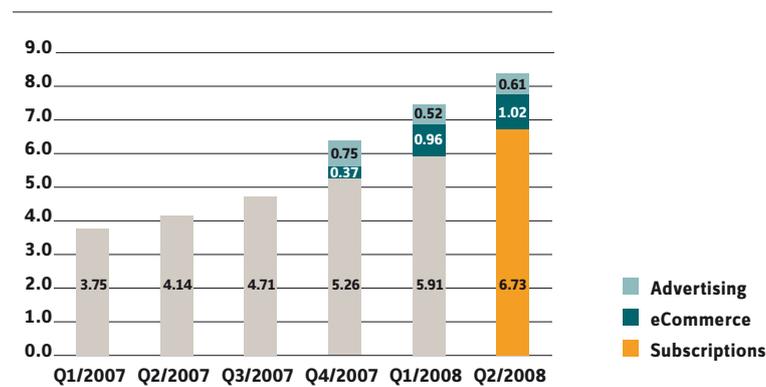
In the fourth quarter of 2007, XING laid the foundation for further growth in revenues outside the traditional field of Premium memberships, and expanded its existing business model in October and December to include two further sources of income. Following the implementation phase in the fourth quarter of 2007, the new areas of eCommerce and Advertising generated revenues of more than € 3 million in the first half of 2008. The new business models are thus already accounting for 20 percent of 2008's first half year revenues.

The strong development in revenues in all segments is confirming the business model which in future will be based on three pillars as well as the change in the distribution of income.

In its new **eCommerce** segment, XING AG generated revenues of € 1.98 million in 2008's first half year mainly with job offers in the Marketplace. Despite the seasonally negative factors for web-based business models, such as hot months in the second quarter, XING was able to boost revenues in this segment by more than 6 percent compared with the previous quarter. The total investment in this new business model has been less than € 1 million, and the payback period for the performance-oriented billing model for job offers has been less than six months.

With the third business model of **Advertising**, XING AG has generated more than € 1 million in the first half of 2008. In the second quarter of 2008, advertising revenues increased by more than 17 percent to € 0.61 million compared with Q1 2008. In addition to the two strategically important business models of Subscriptions and eCommerce, Advertising at XING AG is opening up an additional source of income for the Company. The Company continues to follow its policy of exercising extreme caution with regard to implementing advertising. XING AG avoids emphasising short-term advertising revenues by focusing on the networking needs of its members as well as sustainable growth of the Company.

Service revenues according to segments in € million



Result

In the first half of 2008, XING increased **EBITDA** by 250 percent to € 4,995 thousand, compared with the figure of € 1,427 thousand in the corresponding previous year period. In the second quarter of 2008, EBITDA amounted to € 2,359 thousand, compared with € 2,636 thousand in the first quarter of 2008. The decline in the second quarter is attributable to one-off expenses of around € 768 thousand attributable to discontinued M&A activities.

In the first half of 2008, the **EBITDA margin** was reported as 31 percent, and has thus improved appreciably compared with the corresponding previous year period (17 percent). The fact that the EBITDA margin in the second quarter declined compared to the corresponding figure for the previous three months is mainly due to one-off expenses attributable to discontinued M&A activities.

EBT of € 4,711 thousand in the first half of 2008 has more than tripled compared with the figure reported for the first half of 2007 (€ 1,195 thousand) due to the strong EBITDA result.

Whereas revenues have increased by 94 percent (€ 7,701 thousand), the total operating expenses of the Group have increased by 54 percent (€ 4,133 thousand).

Development of main items in the income statement

Personnel expenses have increased from € 2,904 thousand in the first half of 2007 to € 4,202 thousand in the first half of 2008. This increase is mainly due to factors such as staff recruitment (111 employees as of June 30, 2007 compared with 142 employees as of June 30, 2008) as well as vacation and bonus provisions.

In the period under review, XING AG considerably increased its **marketing expenses** for national and international, online and offline marketing campaigns compared with the first half of 2007 (namely to € 1,969 thousand from € 740 thousand). These expenses were incurred in order to support the members migration process of the Spanish acquisition Neurona and to generate new members in XING's key European markets.

The increase in **other operating expenses** (50 percent compared with the corresponding previous year period) is mainly due to the one-off expenses of discontinued M&A activities and the higher costs of IT and other services, legal and other consultancy fees, as well as payment processing.

Depreciation on intangible assets and fixed assets was slightly up compared with the first half of 2007 (namely from € 917 thousand to € 927 thousand) despite the change in the duration of use of the XING platform. This is due to the increase in depreciation on fixed assets to € 226 thousand (previous year: € 95 thousand).

Net assets

As of the balance sheet date June 30, 2008, the value of non-current assets was stated as € 24,450 thousand. The increase compared with the figure of € 19,020 thousand as of December 31, 2007, is attributable to the allocation of the purchase price of the Turkish network cember.net under non-current assets.

Total assets of the Group as of the reference date were stated as € 71,399 thousand. Liquid assets of € 40,945 thousand account for 57 percent of total assets. As of December 31, 2007, cash and current deposits accounted for 63 percent of total assets. The decline in this figure is mainly due to the increase in non-current and other current assets. The increase in other intangible assets from € 2,054 thousand to € 4,741 thousand is mainly due to investments in on-going, large infrastructure projects. The increase in goodwill from € 9,180 thousand in the first half year 2007 to € 13,440 thousand in the first half year 2008 results from the acquisition of the Turkish networking platform cember.net.

Financial position

In the first six months of 2008, XING AG generated **cash flow from operating activities** of € 7,825 thousand. The considerable growth compared with the corresponding previous year figure of € 2,346 thousand is mainly attributable to a sharp increase in earnings before taxes to € 4,711 thousand as of June 30, 2008 compared with € 1,195 thousand in the corresponding previous year period, as well as the change in liabilities to € 2,578 thousand (previous year: € -1,234 thousand).

In the first half of 2008, **cash flow from investing activities** amounted to € -4,632 thousand (previous year: € -10,886 thousand). In the first half of 2008, this movement is attributable to the acquisition of the Turkish network cember.net (€ -2,209 thousand).

In the first half of 2008, the Company invested € 946 thousand in self-developed software (previous year: € 1,282 thousand). This decrease is due to investments performed in optimization and maintenance works. In the second quarter of 2008 alone, XING invested € 510 thousand in self-developed software (previous quarter 2008: € 436 thousand).

At the end of the period, **liquid assets** of XING amounted to € 40,945 thousand. The increase compared with the corresponding previous year figure of € 36,611 thousand is due to the higher cash flow from operating activities less investing activities.

The positive development of the Company's results of operations in the first half of 2008 has confirmed the expectations of XING, which means that the effects of the economies of scale and also the national and international organic and external growth are now being felt.

With an equity ratio of 69 percent as of June 30, 2008 (77 percent as of December 31, 2007), XING is primarily financed by way of shareholders' equity. This constitutes a sound basis which provides the Company with a high degree of financial stability even in the event of possible negative developments.

The cash flow margin of 50 percent (cash flow from operating activities/service revenues) is running at a high level. This confirms the intrinsic value of the Company, and permits further investment in future growth.

Scalable business model permits profitable growth

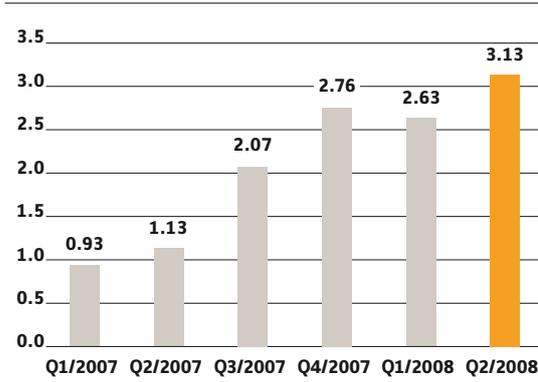
XING AG is a growth company. The focal point of all activities is the development of the top line (revenues). All measures which have been initiated by the Company are intended to accelerate growth in revenues. The scalability of the business model also permits profitable growth, which XING confirmed impressively in the first half year with an EBITDA margin of 36 percent (€ 5.76 million). In the second quarter of 2008, XING AG reported the strongest quarterly EBITDA in its history, namely € 3.13 million and a margin of 37 percent (excl. one-off effects).

More than 100 thousand new Premium members

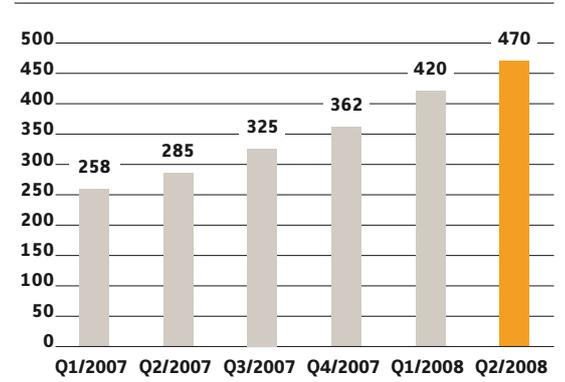
XING AG also sets new records in the first half of 2008 in terms of membership growth. A growth of 58,000 new Premium members in the first quarter of this year is the greatest success which has so far been achieved in the Company's history. As expected, seasonal factors resulted in slower growth in the second quarter to 50,000 new subscribers. With a total of 108,000 new Premium members, XING AG has achieved growth of 60 percent compared with the first half of 2007. Overall, the Company thus has 470,000 subscribers at the end of June 2008. This has also laid the foundation for further growth of revenues in the Subscriptions segment.

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EBITDA in € million



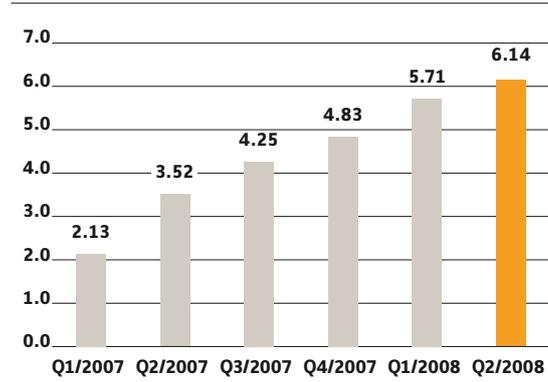
Premium members in thousands



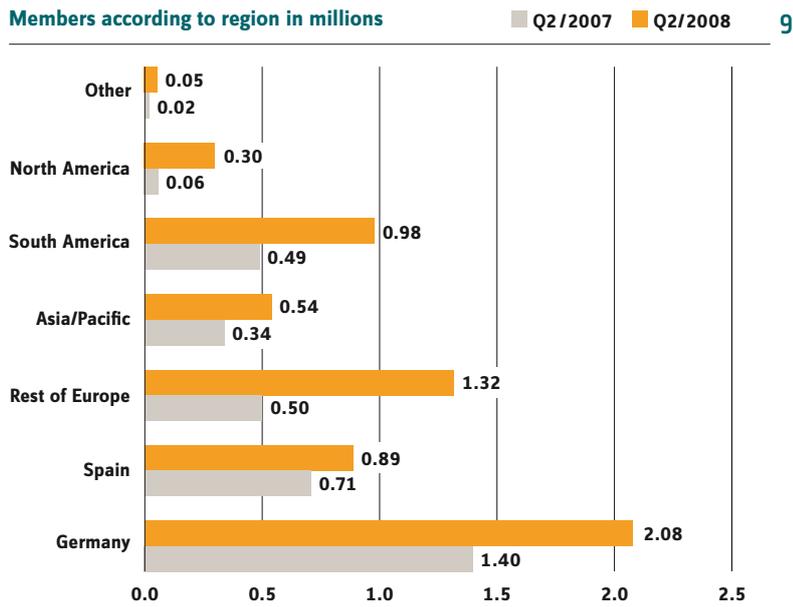
The total member base of XING continues to expand at a high level. In the first six months of the current fiscal year, XING acquired 1.31 million new members. Around 280 thousand Turkish users were gained with the acquisition of cember.net in Turkey. Accordingly, in less than twelve months, XING has acquired three direct competitors and has further expanded its market leadership in Europe. Also in the seasonally weak second quarter, XING AG succeeded in expanding its member base by around 440 thousand to a total of 6.14 million members.

The growth in membership is being driven by strong organic growth in the Company's home market of Germany. Compared with the first half of 2007, the number of members in Germany has increased from 1.40 to 2.01 million. In addition, the Company has reported a considerable increase in the breadth of the membership base in Austria, Switzerland as well as Turkey. In the Spanish-speaking world, XING has acquired relevant market shares by way of two acquisitions, and has thus also become the largest business network in this region.

Number of members XING AG millions



Members according to region in millions





Expansion of marketing activities

XING AG considerably expanded its marketing activities in the first half of 2008. Accordingly, the Hilton complex in Vienna carried a 600 m² "blow-up" (giant poster) with the slogan ("Who is doing it with whom - 5 million members main-

tain their business relations on www.xing.com"). Under the campaign umbrella "mynetworkvalue", XING not only focused on online and existing customer marketing in Austria but also (for the first time) on outdoor advertising.



With the integration of the Spanish platform „Neurona” in April 2008, XING focused its marketing activities in the second quarter on the Spanish market. With a blow up covering more than 1,000 m² in the heart of Barcelona, XING has continued its successful “mynetworkvalue” campaign and simultaneously welcomed the former Neurona members to XING. Spain is

already the fourth market in which XING is establishing a position as a European business network under the motto “mynetworkvalue”. In the same way as the platform links its members, XING links outdoor, promotion, online and event measures in marketing across national borders.



In order to enhance growth in Premium memberships (Subscriptions), XING started a “happy hour” campaign particularly in the second quarter of the current fiscal year. Under <http://happy-hour.xing.com>, Basic members were able to take out a one-month Premium membership and automatically received a second month free during the month of June 2008.

New features on www.xing.com

XING has been offering its members a new address book function since April. In this way, XING users are able to display all their personal contacts on a map. This new service provides members with a further benefit in their daily professional and business lives. Members who wish to establish business contacts across regional borders are rapidly provided with an overview of the countries and cities in which they already have contacts, and are also provided with a distribution of these contacts. The map is also a useful tool for members who are searching for a specific skill in a region. If somebody has a meeting in a city away from home, he can see at a glance which of his XING contacts might be available for follow-up meetings.

A further highlight in the first half was the introduction of the "Graduate/Student" status on the platform. Since June 2008, graduates and students of high schools and professional academies have also been able to benefit from a professional website (www.xing.com): The new "Graduate/Student" status enables an individual education background to be embedded in the user's own profile. For the first time, a professional profile on XING enables students to gain access to potential employers as well as alumni world-wide, and are also able to actively plan their career while they are still studying. Because professional networking commences even when an undergraduate is still at university, a profile on XING paves the way for future academics to enter a successful professional career. XING not only advantages new members with the optimized profile settings for graduates. Numerous members at high-ranking international universities are already using XING for professional networking purposes. At present, this target group is organized on XING in more than 1,300 groups related to the subject of "University". These include for instance the Harvard community, the Almuni Gruppe TU Wien and the community of the Instituto Empresa Madrid.

Research and product development

In the first half of 2008, the aim of creating new functionalities and improving existing functionalities on the XING platform was to further enhance the benefit of the product for the members and to translate the growth-oriented business strategy on the platform in functional terms. The main emphasis was placed on the following:

- The integration of Neurona on XING, incl. network and users
- The development of a network newsfeed for the home page, which has significantly boosted user activity
- The integration of new full-text search technology for members and group articles-searches
- The introduction of a status message on the user profile
- The introduction of an innovative map on which the users can see their contacts
- The creation of a mass interface for large customers of Marketplace
- The introduction of an adjusted profile for graduates and students in order to appropriately address the next generation and target group
- The various measures for optimizing the search engine and for enabling XING profiles to be found more easily in the web
- The launch of a new address book plug-in
- The start of developments for expanding further business models

Furthermore, XING continued in the first half of 2008 to press on with expanding its IT infrastructure so that the platform will in future be able to provide a high level of quality to the constantly increasing number of users throughout the world. The focus was on the consistent distribution of the IT infrastructure over several data centers in order to further minimize failure risks. In addition, numerous measures were successfully implemented in the field of performance optimizing and stability of the platform.

In order to assure operation and to improve the platform, XING is using the innovative web development framework Ruby on Rails in addition to the tried-and-tested Pearl technology. XING is one of the leading employers in this particular field, and further enhances the Rails-Community by way of sponsoring and various contributions.

Remuneration report

Compared with the annual report for 2007, there have been no changes in the composition of the Executive Board and Supervisory Board.

There have been the following changes in the compensation paid to two members of the Executive Board:

- Lars Hinrichs receives an additional variable amount of € 25 thousand (pro-rata) with retro-active effect for his work in the period between October 2007 and September 2008.
- Burkhard Blum receives an additional one-off variable amount of € 30 thousand for his work in the Company between August 2007 and July 2008. In addition, the fixed compensation of Burkhard Blum will be increased by € 20 thousand starting July 1, 2008. His variable compensation for the period between August 2008 and July 2009 will remain unchanged at € 70 thousand.

The figures for the members of the Executive Board shown in the following table relate to payments for services provided in fiscal years 2007 and 2008, and for which the following compensation was paid in 2008.

Members of the Executive Board	2008	2007	2008	2007	2007	2007/2008
	Fixed compensation in thousand €	Fixed compensation in thousand €	Variable compensation in thousand €	Variable compensation in thousand €	Share options in thousand €	Total compensation in thousand €
Lars Hinrichs	150	150	50	25	66	266
Eoghan Jennings	160	160	0	0	51	211
Burkhard Blum	200 ¹⁾	180	100 ²⁾	70	43	343
	510	490	150	95	160	820

¹⁾ Starting July 2008

²⁾ One-off

The contents of the compensation system for the Supervisory Board continue to reflect the articles of association adopted since the shareholders' meeting of the Company of June 13, 2007.

Risk report

Permanent monitoring and management of risks is one of the key tasks of a listed company. For this purpose, XING AG has implemented the risk early warning system required in accordance with Section 91 (2) AktG. This is continuously optimized within the context of current market and company developments. The functionality of the system, as was the case in the previous year, was again confirmed by the auditors of the consolidated financial statements.

Each individual employee is required to avert potential damage from the Company. All employees are obliged to immediately remove all risks in their own area of responsibility and to immediately notify the corresponding contacts in the event of any indications of existing risks or risks which might be arising. Essential requirements in this respect are knowledge of the risk management system and maximum risk awareness of employees. Accordingly, the employees are familiarized with the risk management system in regular introduction events and by way of information material, and their attention is drawn to the significance of risk management. Since the beginning of 2008, XING AG carries out risk inventories regularly.

The Company continuously identifies and analyzes potential risks. The risks which are identified are systematically evaluated on the basis of the probability of occurrence and the expected potential damage. A comprehensive risk inventory was carried out in 2007; existing risks were considered and where appropriate reassessed, and new potential risks were identified.

Compared with the risk factors detailed in the current annual report, the Company has not documented any further risks in the previous quarters.

Outlook

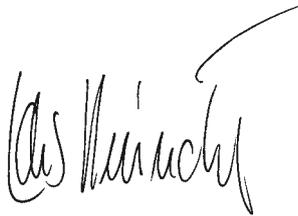
The first half of 2008 was characterized for XING by the acquisition of the Turkish market leader cember.net as well as the integration of the Spanish platform Neurona. In addition, the Company assessed options for further external growth particularly in the second quarter.

In the second half of the year, XING AG will complete the latest acquisition in Turkey by migrating the member base and will thus install an important link between the two trade partners Germany and Turkey via the Internet.

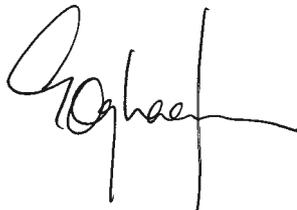
In addition, the Company will devote its activities to continually improving the existing business models and also creating new sources of income. Despite all activities and new developments, the Company will continue in future to focus on the benefit of members.

XING AG is assuming that the entire social networking sector will continue to become more important particularly for professionals during the next few years.

Hamburg, August 8, 2008



Lars Hinrichs
CEO and founder



Eoghan Jennings
CFO



Burkhard Blum
Member of the Executive Board

Significant events after the end of the reporting period

No major events have occurred after the end of the first half year 2008.

Consolidated interim financial statements

Consolidated income statement for the first half year from January 1 to June 30, 2008

	01 / 01 / 2008 - 06 / 30 / 2008 in € thousand	01 / 01 / 2007 - 06 / 30 / 2007 in € thousand	04 / 01 / 2008 - 06 / 30 / 2008 in € thousand	04 / 01 / 2007 - 06 / 30 / 2007 in € thousand
Revenues from services	15,779	7,892	8,366	4,139
Other operating income	134	320	42	147
Total revenues	15,913	8,212	8,408	4,286
Cost of material	(26)	0	(18)	0
Personnel expenses and freelance staff	(4,202)	(2,904)	(1,952)	(1,508)
Marketing expenses	(1,969)	(740)	(1,305)	(526)
Other operating expenses	(4,721)	(3,141)	(2,774)	(1,354)
EBITDA	4,995	1,427	2,359	898
Depreciation	(927)	(917)	(539)	(567)
EBIT	4,068	510	1,820	331
Financial income	656	715	367	410
Financial expenses	(13)	(30)	(5)	(13)
EBT	4,711	1,195	2,182	728
Expenses attributable to taxes on income	(1,760)	(18)	(853)	(18)
Total result for the period	2,951	1,177	1,329	710
Thereof:				
Shareholders of the parent company	2,981	1,177	1,349	710
Minorities	(30)	0	(21)	0
	2,951	1,177	1,329	710
Earnings per share (undiluted)	0.57	0.23	0.26	0.14
Earnings per share (diluted)	0.56	0.22	0.25	0.13

Consolidated balance sheet as of June 30, 2008

ASSETS	06/30/2008 in € thousand	12/31/2007 in € thousand
Non-current assets		
Intangible assets		
Other intangible assets	4,741	2,054
Purchased software	260	307
Self-developed software	3,527	2,934
Goodwill	13,440	9,280
Property, plant and equipment		
IT hardware and other business equipment	1,420	2,487
Financial assets		
Equity participations	0	200
Other financial assets	12	132
Deferred tax assets	1,050	1,626
	24,450	19,020
Current assets		
Inventories		
Products	25	20
Receivables and other assets		
Receivables attributable to services	3,093	2,121
Other assets	2,478	376
Tax refund assets	208	219
Cash and cash equivalents and other current deposits	40,945	37,844
Available-for-sale current assets	200	0
	46,949	40,580
	71,399	59,600

LIABILITIES	06/30/2008 in € thousand	12/31/2007 in € thousand
Shareholders' equity		
Subscribed capital	5,202	5,202
Capital reserves	38,517	38,517
Other reserves	1,039	636
Cumulative profit/loss	4,725	1,744
	49,483	46,099
Minorities	(60)	(117)
	49,423	45,982
Non-current liabilities		
Liabilities from finance leases	40	240
Deferred tax liabilities	2,094	1,533
Deferred income	607	540
	2,741	2,313
Current liabilities		
Liabilities from finance lease	174	160
Trade accounts payable	4,024	2,320
Deferred income	8,444	6,380
Other liabilities	5,122	1,702
Tax liabilities	1,471	743
	19,235	11,305
	71,399	59,600

Consolidated cash flow statement for the period from January 1 to June 30, 2008

	01/01/2008 - 06/30/2008 in € thousand	01/01/2007 - 06/30/2007 in € thousand
Earnings before taxes	4,711	1,195
Depreciation	573	299
Depreciation on capitalized development costs	354	618
Personnel expenses for stock option plan	502	268
Interest income	(656)	(715)
Interest received	656	718
Interest expenses	13	30
Interest paid	(2)	(10)
Gain from disposal of fixed assets	(2)	0
Change in receivables and other assets	(3,069)	50
Change in liabilities and other liabilities	2,578	(1,234)
Change in other assets and liabilities with regard to acquisition of consolidated companies	38	0
Change in deferred income	2,129	1,127
Cash flow from operating activities	7,825	2,346
Acquisition of intangible assets (self-developed software)	(946)	(1,282)
Acquisition of intangible assets (acquired software)	(25)	(162)
Acquisition of other intangible assets	(615)	0
Income from the disposal of fixed assets	3	0
Acquisition of property, plant and equipment	(595)	(602)
Acquisition of consolidated companies less cash acquired	(2,209)	(8,734)
Acquisition of minority interests	(365)	0
Investment in other financial assets	120	(106)
Cash flow from investing activities	(4,632)	(10,886)
Repayment of liabilities from finance leases	(81)	(55)
Interest paid	(11)	(19)
Cash flow from financing activities	(92)	(74)
Change in cash and cash equivalents	3,101	(8,614)
Cash and cash equivalents at the beginning of the period	37,844	45,225
Cash and cash equivalents at the end of the period	40,945	36,611

Statement of movements in consolidated shareholders' equity or the period from January 1 to June 30, 2008

	Shareholders' equity attributable to shareholders of the parent company						Total equity in € thousand
	Subscribed capital in € thousand	Capital reserve in € thousand	Other reserves in € thousand	Retained earnings in € thousand	Total in € thousand	Minority interests in € thousand	
At 01/01/2007	5,202	38,517	53	(2,862)	40,910	0	40,910
Currency translation	0	0	(25)	0	(25)	0	(25)
Total income and expense for the period recognised directly in the equity	0	0	(25)	0	(25)	0	(25)
Net result	0	0	0	1,177	1,177	0	1,177
Total result for the period	0	0	(25)	1,177	1,152	0	1,152
Purchase of minority interest	0	0	0	0	0	0	0
Capital increase out of company funds	0	0	0	0	0	0	0
Cash capital increase	0	0	0	0	0	0	0
Cost of procuring shareholders' equity	0	0	0	0	0	0	0
Personnel expenses, stock option program	0	0	268	0	268	0	268
At 06/30/2007	5,202	38,517	296	(1,685)	42,330	0	42,330
At 01/01/2008	5,202	38,517	637	1,744	46,100	(117)	45,983
Currency translation	0	0	(100)	0	(100)	0	(100)
Total income and expense for the period recognised directly in the equity	0	0	(100)	0	(100)	0	(100)
Net result	0	0	0	2,981	2,981	(30)	2,951
Total result for the period	0	0	(100)	2,981	2,881	(30)	2,851
Purchase of minority interest	0	0	0	0	0	87	87
Capital increase out of company funds	0	0	0	0	0	0	0
Cash capital increase	0	0	0	0	0	0	0
Cost of procuring shareholders' equity	0	0	0	0	0	0	0
Personnel expenses, stock option program	0	0	502	0	502	0	502
At 06/30/2008	5,202	38,517	1,039	4,725	49,483	(60)	49,423

Notes to the consolidated interim financial statements for the first half ending June 30, 2008

Basis of preparation, methods of accounting and valuation methods

The abbreviated consolidated interim financial statements for the first half of 2008 were approved for publication on August 8, 2008 by way of an Executive Board resolution.

The abbreviated consolidated interim financial statements for the first half ending June 30, 2008 have been prepared in accordance with the International Financial Reporting Standards adopted by the EU (IAS 34).

These statements cover the period from January 1, 2008 to June 30, 2008. The comparison period is the period between January 1, 2007 and June 30, 2007.

The accounting policies and calculation methods applied for the abbreviated consolidated interim financial statements are the same as those used for the consolidated financial statements for the period ending December 31, 2007.

There may be deviations due to rounding figures in the upcoming overviews.

Consolidated Group

The group of consolidated companies in the consolidated financial statements comprises the following companies:

	06/30/2008	31/12/2007	Initial consolidation	Capital as of 06/30/2008	Result for H1/2008
	in %	in %		in € thousand	in € thousand
openBC China Ltd., China	85	55	2006	1	(2)
openBC Network Technology (Beijing) Co. Ltd., China ¹⁾	85	55	2006	519	(111)
Grupo Galenicom Tecnologías de la Información, S.L., (eConozco), Spain	100	100	2007	2	(9)
XING International Holding GmbH, Germany	100	100	2007	25	6
Neurona Networking, S.L., (Neurona), Spain ²⁾	100	100	2007	67	(304)
EUDA Uluslararası Danışmanlık ve Bilisim Hizmetleri Limited Sirketi (cember.net), Turkey ³⁾	80	0	2008	72	(68)

¹⁾ XING AG holds 95 percent of the openBC China Ltd., China, which in turn holds 100 percent of the shares in openBC Network Technology (Beijing) Co. Ltd., China.

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

³⁾ 80 percent are held indirectly via shares of 79.5 percent in XING International Holding GmbH and 0.5 percent in XING AG.

Shareholders' meeting

The shareholders' meeting of XING AG was held on May 21, 2008. A majority of the shareholders attending the shareholders' meeting approved the creation of further authorized and contingent capital (97.1 percent), the authorization for setting up a further stock option plan for employees of the Group (99.3 percent) as well as the corresponding changes to the articles of association.

Stock option plan

Further stock options were issued to new employees and certain key members of staff of the Company on March 7, 2008 as part of the stock option plan. A figure of € 502 thousand was recognized for the stock option plan expenses of the three tranches in the first half year of 2008.

The stock option plan was valued by Mercer Deutschland GmbH, and the valuation is based on the same valuation methods and updated criteria which are applicable for the stock option plan 2006.

No further stock options have been issued to employees of the Company since March 7, 2008.

Money market investments

XING continued to invest in the money market funds "DWS Institutional Money Plus" and "DB Platinum IV-Corporate Cash" in the first half of 2008.

While "DWS Institutional Money Plus" is a short-term investment instrument (investing in bonds, convertibles, other fixed-income and variable-income securities as well as profit certificates), "DB-Platinum IV-Corporate Fonds" is a public fund which offers an attractive alternative to money market investments for cash management purposes.

Both funds can be traded daily.

On average, the Company invested € 1,804 thousand in DWS Money Plus and € 36,441 thousand in DB Platinum respectively in the first half. Interest income of € 656 thousand was recorded in the same period (previous year period: € 715 thousand).

Business combinations and assets held for sale

a) cember.net

On January 23 2008, the Group acquired 80 percent of the voting rights of EUDA Uluslararası Danışmanlık ve Bilisim Hizmetleri Limited Sirketi ("cember.net"), Istanbul, Turkey, the largest Turkish networking platform. The acquisition has been accounted for using the purchase method of accounting. The condensed consolidated financial statements include the results of cember.net for the one month period from the acquisition date.

The fair value of the identifiable assets and liabilities of cember.net as at the date of acquisition are:

	Fair value recognized on acquisition in € thousand	Previous carrying value in € thousand
Property, plant and equipment	21	21
Intangible assets	77	77
Trade receivables	37	37
Cash	35	35
	169	169
Trade accounts payable	(97)	(97)
Net assets	72	72
Intangible assets (customer relations)	528	
Deferred taxes liability	(106)	
Goodwill arising on acquisition	4,179	
Total acquisition cost	4,673	

The total acquisition cost of € 4,673 thousand comprises a cash payment of € 1,930 thousand, a second cash payment of € 2,430 for the acquisition of the remaining voting rights due at a later date and costs € 313 thousand attributable to the acquisition.

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Cash outflow on acquisition:

	in € thousand
Net cash acquired with the subsidiary	35
Cash paid	(4,673)
Net cash outflow	(4,638)

From the date of acquisition, cember.net impacted the net profit of the Group by € -78.

The goodwill recognized above is attributed to the expected synergies and other benefits from combining the assets and activities of cember.net with those of the Group.

b) openBC China Ltd.

Further investments in equity participations in the first quarter of 2008 were reported as € 365 thousand in openBC China Ltd., Hong Kong.

On January 31, 2008 XING increased its existing holding of 55 percent in openBC China Ltd. by 30 percentage points. As of the end of the first half year of 2008 XING hold a total of 85 percent of openBC China Ltd.

c) Plazes AG

Since the second quarter of 2008, the 2.4 percent shares held by XING as part of a strategic participation in Plazes AG have been held for sale. The purchaser, Nokia Corporation, intends to complete the transaction in the course of the next few months. More detailed information concerning the envisaged sale/asset deal structure is not available at present.

Additions and disposals of assets

The asset for self-developed software increased by € 946 thousand in the six-month period ending June 30, 2008 (previous year period: € 1,282 thousand). The capitalized self-developed software includes expenses for further developments and further functions of the web site of XING.

In the first half ending June 30, 2008, the Company invested a total of € 620 thousand for the acquisition of EDP software and hardware as well as other business equipments (previous year period: € 764 thousand).

Summary of other operating expenses

The following table sets out the main items of other operating expenses:

	01/01/2008 - 06/30/2008 in € thousand	01/01/2007 - 06/30/2007 in € thousand
IT services, business services and services for new markets	1,096	622
Server hosting, administration and traffic	743	744
Legal, audit and book-keeping	1,241	504
Costs of payment processing	678	299
Travel, entertainment and other business expenses	209	196
Other expenses	754	776
Total	4,721	3,141

The item "Other expenses" in the first half of 2008 includes in particular costs for renting office premises, bad debts and Supervisory Board remuneration.

Segment information

The revenues segment of XING consists of Premium memberships (incl. revenues from subscription memberships and Premium groups), Advertising (incl. advertising revenues), eCommerce (incl. Marketplace) and Others.

The segment structure of the Group is accordingly based on products and services offered as well as regional.

	01 / 01 / 2008 - 06 / 30 / 2008 in € thousand	01 / 01 / 2007 - 06 / 30 / 2007 in € thousand
Premium memberships	12,643	7,862
eCommerce	1,978	0
Advertising	1,132	0
Others	26	30
Service revenues	15,779	7,892

	01 / 01 / 2008 - 06 / 30 / 2008 in € thousand	01 / 01 / 2007 - 06 / 30 / 2007 in € thousand
Germany	12,353	6,225
Rest of Europe	2,847	1,389
Asia/Pacific	138	91
America	198	182
Others	243	5
Revenues by regions	15,779	7,892

Non-current assets are not being displayed due to immaterial changes in the reported period.

Related-party disclosures

epublica GmbH, Hamburg, which is a shareholder of the Company and which develops the software for the XING platform, provided services to XING amounting to € 1,035 thousand in the period under review (previous period: € 1,042 thousand).

Major events during and after the end of the first half

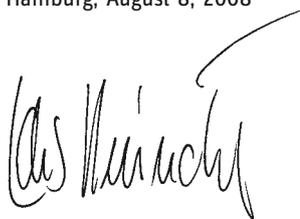
No major events have occurred after the end of the first half.

Director's Dealings

No reportable transactions have been published since the first quarter of 2007 in accordance with Section 15a of the Wertpapierhandelsgesetz (German Securities Trading Act).

Information concerning directors' dealings in accordance with Section 15 of the Wertpapierhandelsgesetz can be downloaded from the Company's web site under Investor Relations.

Hamburg, August 8, 2008



Lars Hinrichs
CEO and founder



Eoghan Jennings
CFO



Burkhard Blum
Member of the Executive Board

Declaration of the Executive Board

We declare that, to the best of our knowledge, the consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles and that the Group management report presents the development of business including the business result and the provision of the Group in such a way that a picture corresponding to the actual circumstances is provided and that the major opportunities and risks of the probable development of the Group are described.

The Executive Board

Hamburg, August 2008

Review report

To XING AG, Hamburg, Germany:

We have reviewed the interim condensed consolidated financial statements prepared by XING AG, Hamburg, Germany, comprising the condensed balance sheet, the condensed income statement, the condensed cash flow statement, the condensed statement of changes in equity and selected explanatory notes, together with the interim group management report for the period from January 1, 2008 to June 30, 2008, which are part of the half-yearly financial report pursuant to Sec. 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the interim condensed consolidated financial statements in accordance with IFRSs (International Financial Reporting Standards) on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany, IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hamburg, Germany, August 8, 2008

Ernst & Young AG

Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Klimmer	Borcherding
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

XING shares

Key parameters of XING shares

	H1 2008	H1 2007
XETRA closing price	€ 33.95	€ 45.77
High	€ 45.55	€ 46.90
Low	€ 33.00	€ 26.00
Market capitalization	€ 176.6 million	€ 238.1 million
Average trading volume per trading day	5,011	12,715
Ranking in TecDAX		
Based on revenues	43	51
Based on market capitalization	43	49
Earnings per share (undiluted)	€ 0.57	€ 0.23
Operating cash flow per share	€ 1.51	€ 0.44
Shareholders' equity per share	€ 9.50	€ 8.84

Data of XING shares

Number of shares	5,201,700
Type of share	Registered shares
IPO	December 7, 2006
Trading symbol	O1BC
Security identification number (WKN)	XNG888
ISIN	DE000XNG8888
Bloomberg	O1BC
Reuters	OBCGn.DE
Market segment	Prime Standard
Stock exchanges	Berlin, Bremen, Düsseldorf, Frankfurt, Munich, Stuttgart

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Performance of share price compared with the indices

	H1 2008
XING	- 23 %
TecDAX	- 21 %
DAX	- 20 %
SDAX	- 18 %

Financial calendar 2008

Date	Event
November 13, 2008*	Interim Report for Q3 2008

* Voraussichtlicher Termin

Masthead and contact

This half year report is available in German and English. Both versions as well as further press releases can also be downloaded in the Internet under www.xing.com.

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