

Q1 Results Presentation XING AG



Dr. Stefan Gross-Selbeck (CEO) & Ingo Chu (CFO)
Hamburg, May 12, 2010

Recap from FY 2009 results presentation

“... 2010: The year of profitable growth...”

- Subscription: Drive penetration in DACH
- E-Recruiting: Continue to gain market share
- Advertising: Improve monetization
- International: Invest to strengthen market position

Q1'10: On track ... with room for improvement

- Subscription: double digit yoy growth – fewer net payer adds
- E-Recruiting: Accelerating growth
- Advertising: qoq (+18%) as well as yoy (+34%) growth
- International: 4th consecutive quarter of accelerating member growth

01 Overview of Q1'2010 Performance



		Q1'2010	Q1'2009	yoy
Total revenue ¹	€m	12.60	10.75	+17%
EBITDA	€m	3.30	3.40	-3%
EBITDA-Margin	%	26	32	-6
Net-result	€m	1.26	1.68	-25%

¹ Including other operating income

01 XING business rests on four pillars



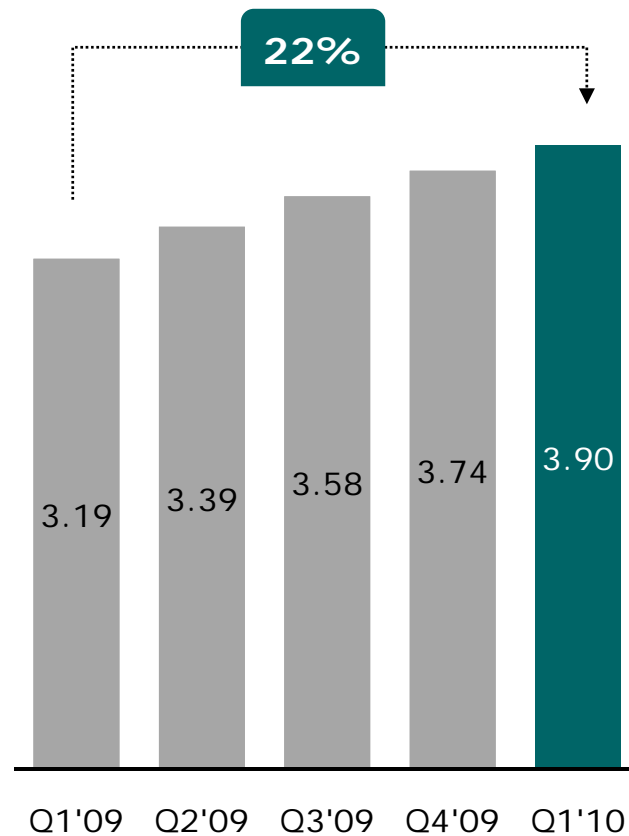
	DACH			
	Subscriptions	E-Recruiting	Advertising	International
Revenues	€9.7m	€1.4m	€0.7m	€0.4m
Yoy growth in %	+21%	+21%	+39%	-14%
Market position & strategic focus	„Dominant #1“ Further drive penetration	„Attacker“ Leverage social media trends in e-recruiting to grow share	„Special Interest Premium Player“ Improve monetization	„#1 in focus countries“ Build out leadership positions
Market Size	~ 19m people ¹	200m	€2bn	~ 17m people ¹
XING share in %	20%	2%	<1%	11%

¹ Source: XING analysis of addressable market

02 DACH: Continuing to grow the member base



Member base DACH in m



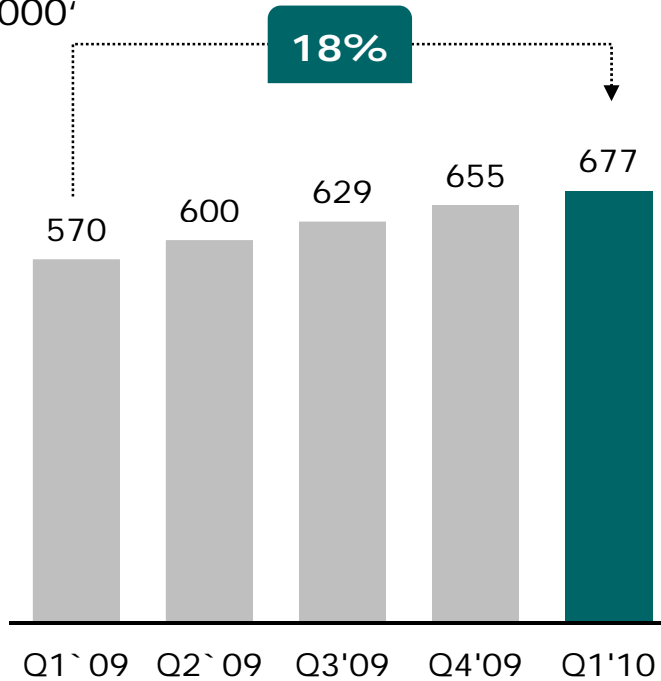
Facts

- Added 160k net new members in Q1
- Continuously strong #1 in DACH
- Unique level of activity (events up 36% yoy, groups up 73% yoy)
- XING usage 7x higher than next competitor in Germany

02 DACH: Payer base up 18%

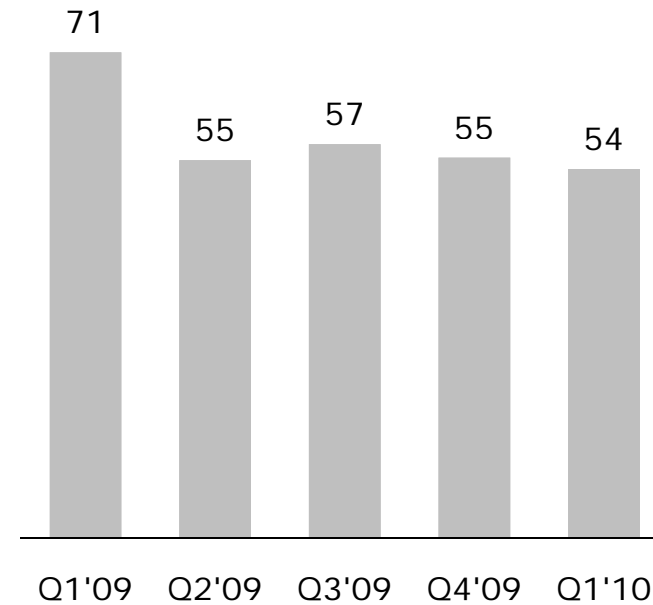
Payer base

in 000'



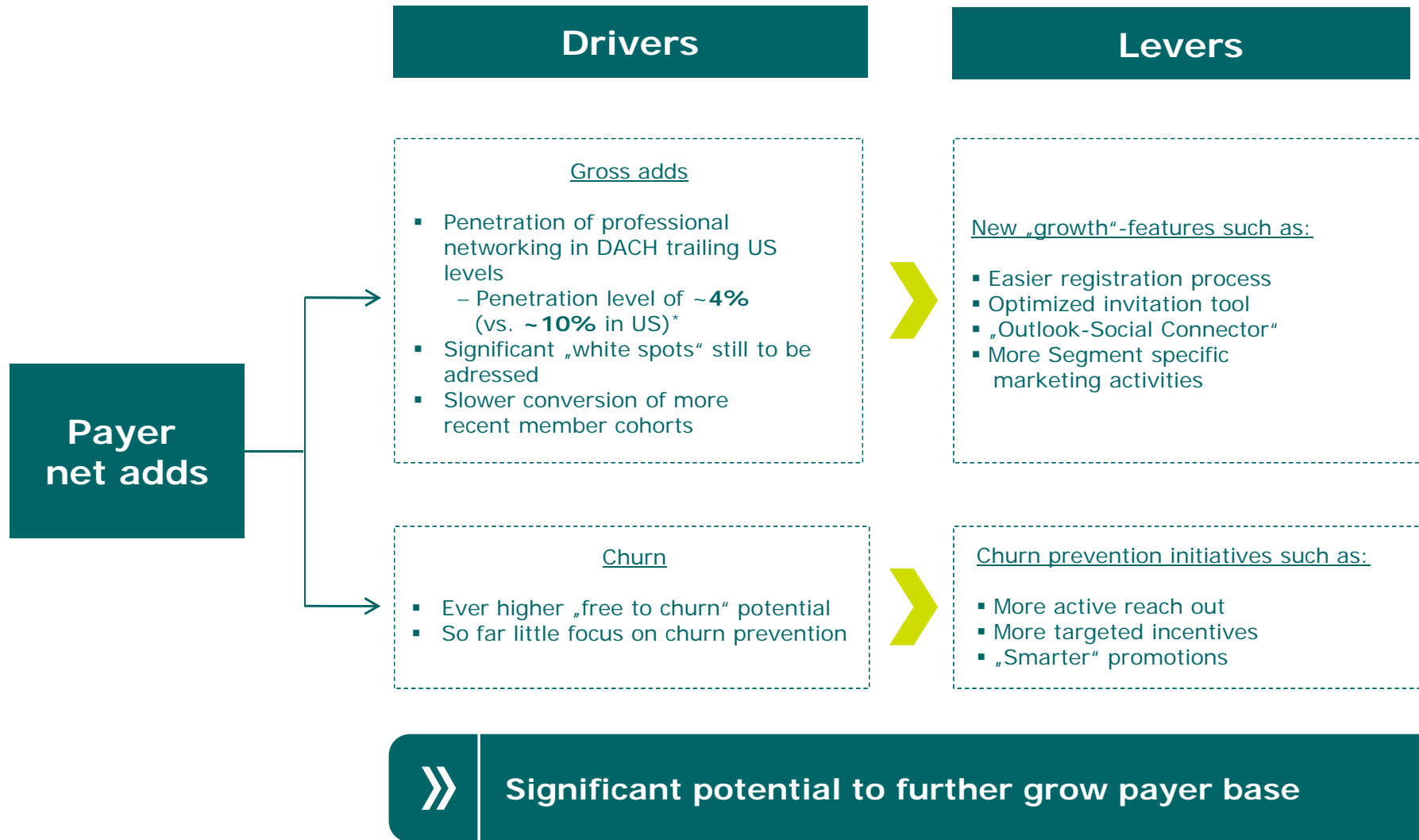
Payer acquisition

in 000'



Net payer growth slower than previous quarters

02 Understanding payer net adds

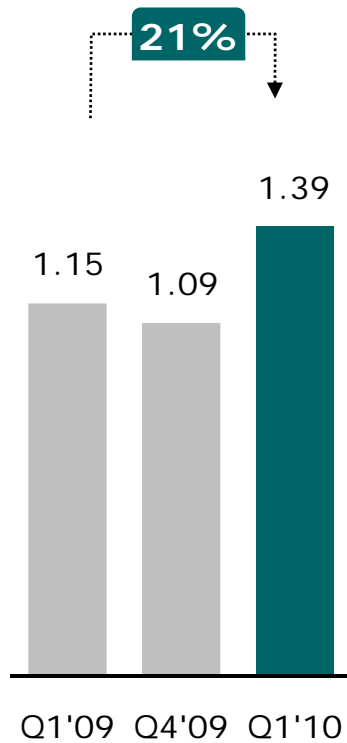


* Source: Internal calculations based on public available data

02 DACH: E-Recruiting: Revenues increase by 21% yoy



“E-Recruiting” revenues
in €m



E-Recruiting market development in DACH*
[Index]

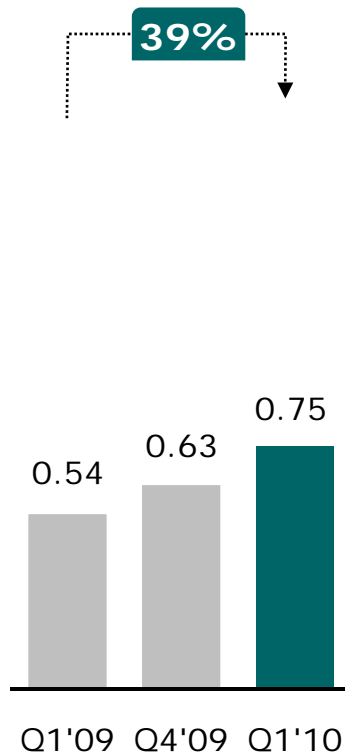


* Source: Anzeigendaten, XING industry model

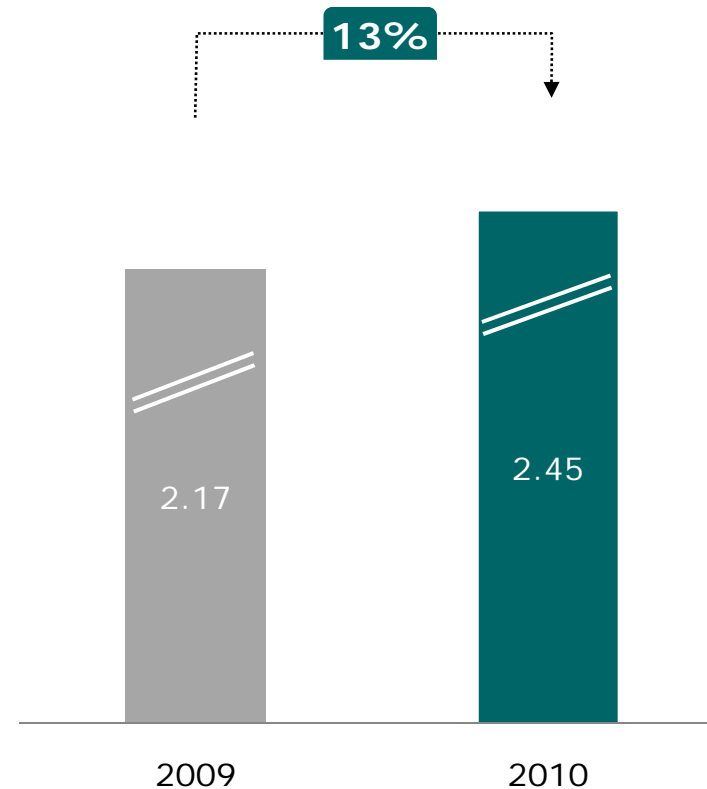
02 DACH: Advertising: YoY growth of 39%



Advertising revenues in m



Advertising market Germany FY2010e in €m*

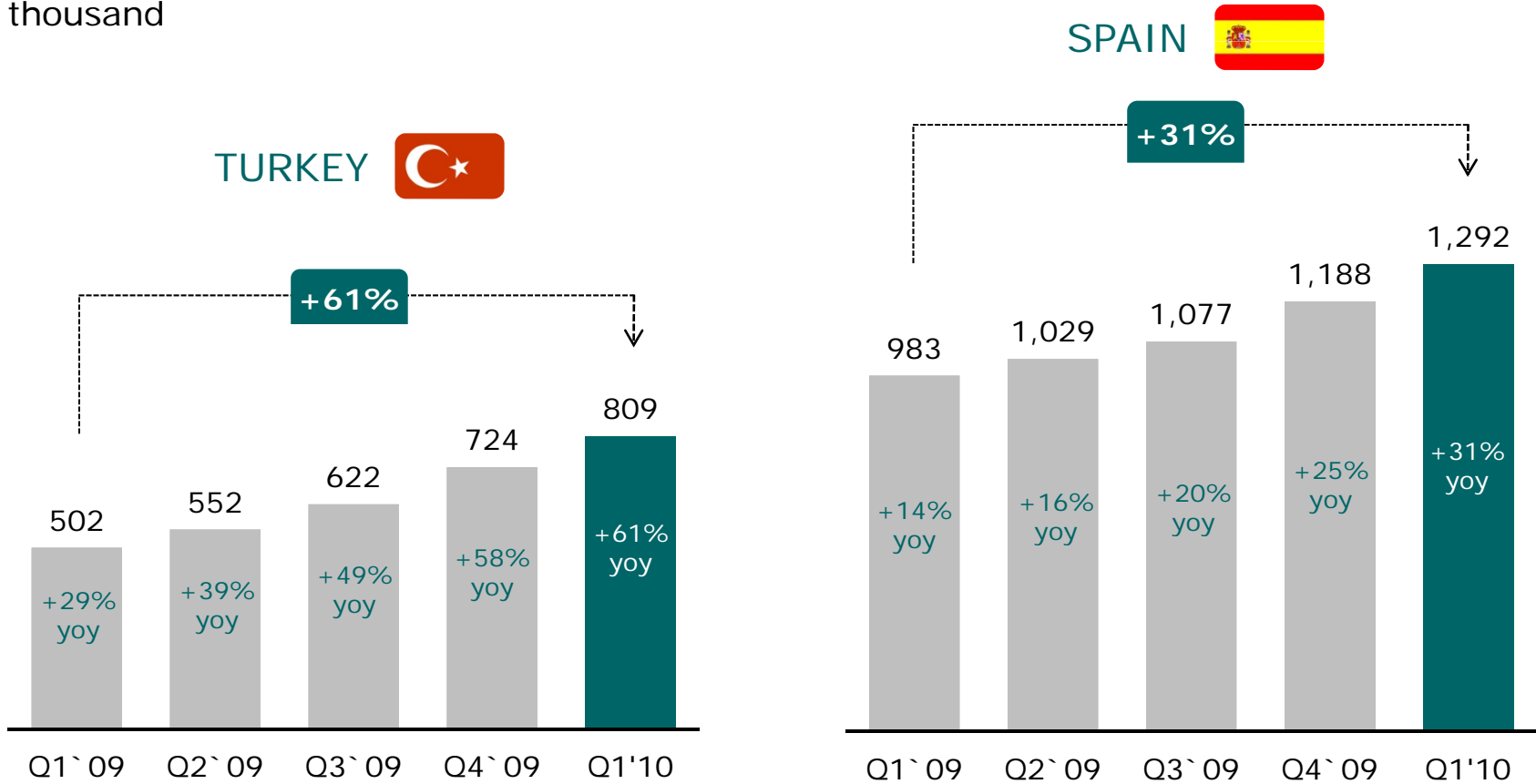


* Source: OVK Online Report 2010/01

03 International business: member growth in Spain & Turkey continues to accelerate



Member growth in thousand



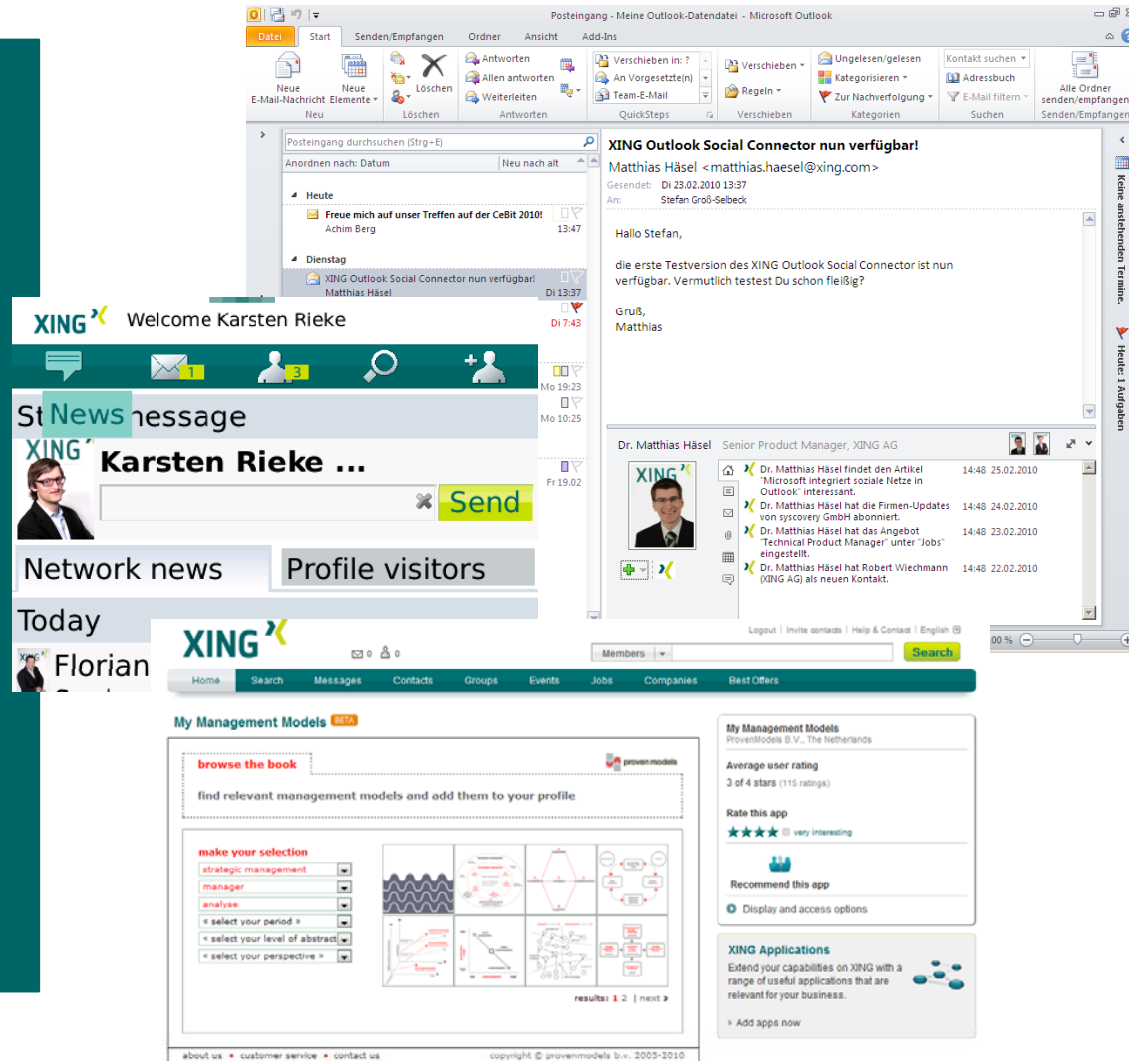
» International payer base : 34k

04 We continue to improve our product

And introduced a number of new functionalities recently



- Partnership with Microsoft – Combining XING and Outlook 2010
- New registration process
- New invite tool
- Enhanced Blackberry app
- Improvement of „Jobs“ product
- „Company Profiles“ enhancements





➤ Strong operating performance

- Revenues €12.6m
- EBITDA €3.3m, margin 26%

➤ Profitable growth despite continuing investment mode

➤ Revenue growth through new business

- E-recruiting +26% qoq (global)
- Advertising and company profiles + 18% qoq (global)

➤ Strong cash generation through improved working capital management

- Operating cash-flow +€9.2m
- Free cash-flow +€7.1m

05 Strong operating performance in Q1'2010



	Q1'10	Q4'09	Q1'10 vs. Q4'09	Q1'09	Q1'10 vs. Q1'09
	Abs.	Abs.		Abs.	
Total revenue ¹	12.60	11.88	6.1%	10.75	17.2%
Costs	(9.30)	(8.85)	5.1%	(7.36)	(26.4)%
EBITDA	3.30	3.03	9.2%	3.40	(2.9)%
Margin	26%	25%		32%	
Depreciation	(1.23)	(6.76)	81.7%	(1.09)	(12.8)%
Financial Result	0.02	0.11	(82.1)%	0.19	(89.5)%
Taxes	(0.83)	(57)	(46.1)%	(0.81)	(2.5)%
Net Result	1.26	(4.20)	129.9%	1.68	(25.0)%

¹ Including other operating income



Continued investment made to address new business segments e-recruiting and advertising

05 Quarterly revenues continue to grow

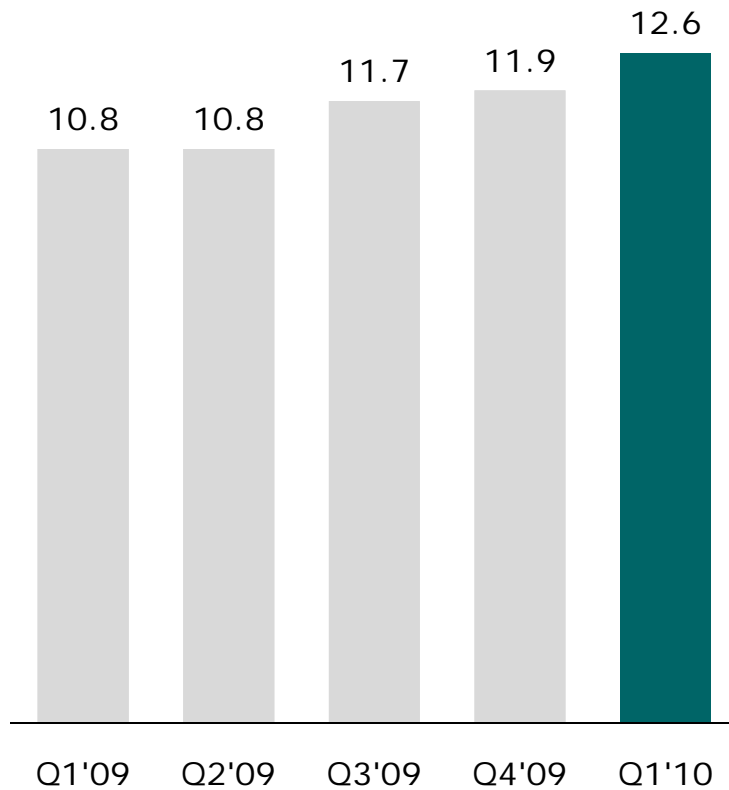
EBITDA margin recovering step by step



- Global figures -

Revenues

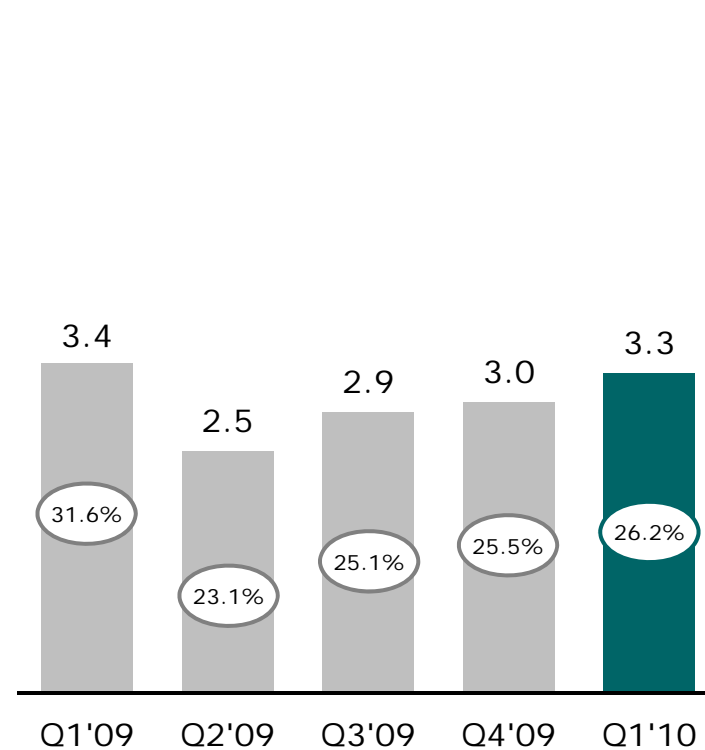
In €m



EBITDA

In €m

In % of total revenue



Upward trend in EBITDA since Q3 despite continued investment mode

05 Double digit growth in Q1 in e-recruiting & advertising



- Global figures -

Subscriptions

In €m

E-Recruiting

In €m

Advertising

In €m

Share of revenue

In %



» Revenue development supports move into e-recruiting and advertising

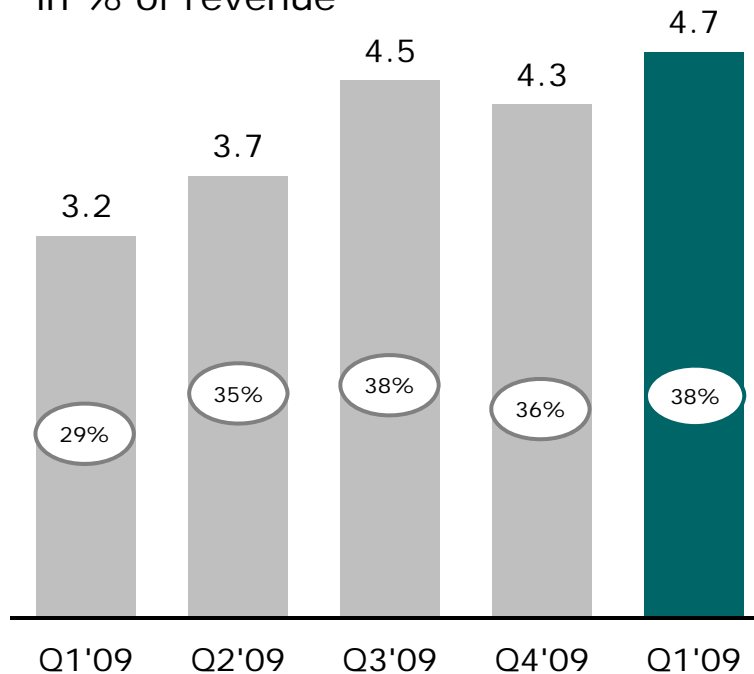
05 Continued investment in personnel to address new business segments e-recruiting/advertising



- Global figures -

Personnel

in €m
in % of revenue



Comments

yoy development focused on

- Product/ Engineering
- Revenue/ Sales
- Customer Care

qoq development focused on

- Engineering
- Sales



Development reflects shift from one-product to multi-product and from b2c to b2b company

05 Marketing expenditures

€1.6m in Q1'2010

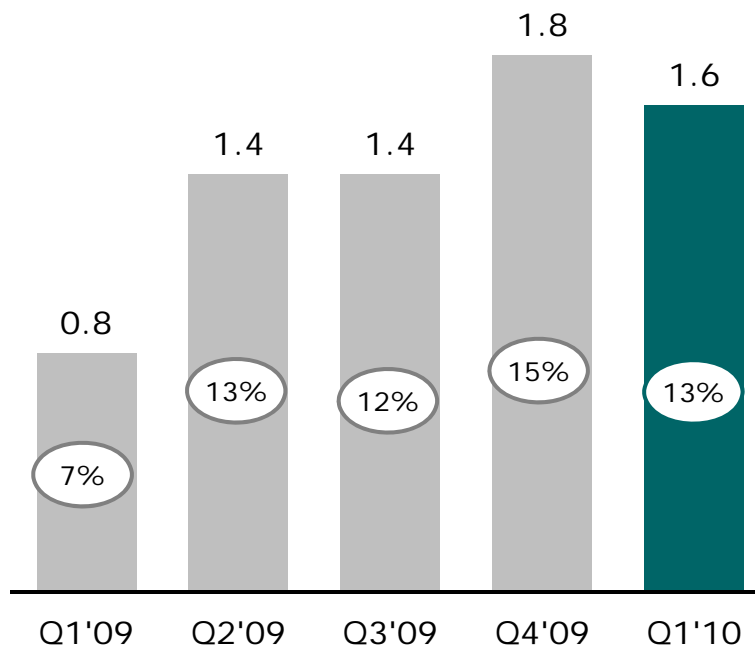


- Global figures -

Marketing

in €m
in % of revenue

Comments



- SEM
- Display campaigns
- Affiliate programs
- Cooperations

05 Other operating expenses

€2.9m in Q1'2010

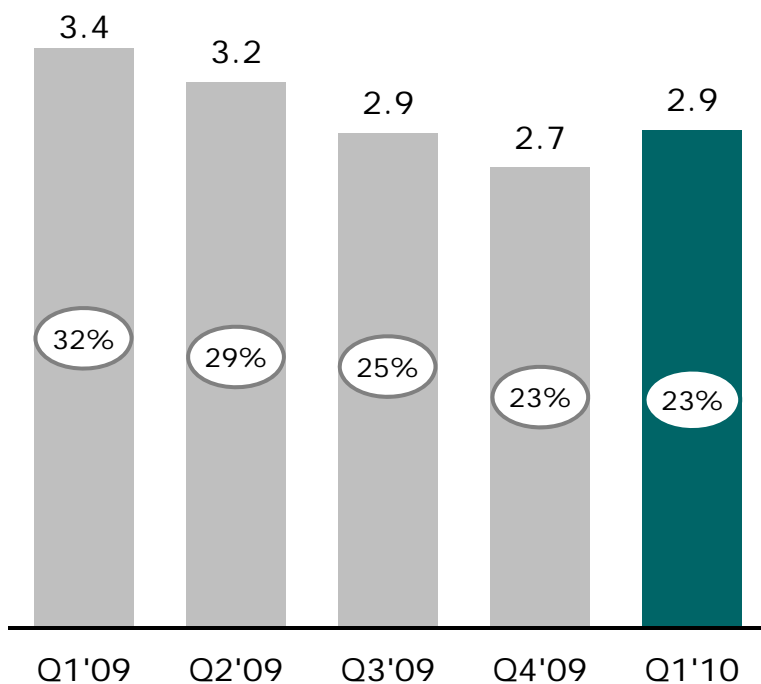


- Global figures -

Other operating expenses

in €m

in % of revenue



Comments

Cost line includes:

- External services (especially development freelancers)
- Legal, audit, consulting
- Payment processing
- Server hosting
- Rent & other costs

05 Cash Flow

Operating cash flow €9.2m – free cash flow €7.1m



- Global figures -

in €m	2009				2010	Q1'10 vs. Q1'09	Q1'10 vs. Q4'09
	Q1'09	Q2'09	Q3'09	Q4'09	Q1'10		
	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	3.4	2.5	2.9	3.0	3.3	-0.1	+0.3
Interest/Tax/ESOP	+0.3	-1.3	0.0	+0.3	+0.3	0.0	0.0
Δ Net Working Capital	+1.7	-0.3	+1.4	+1.1	+5.6	+3.9	+4.5
Operating Cashflow	+5.4	+0.9	+4.3	+4.4	+9.2	+3.8	+4.8
Investment - Operating	-3.0	-2.2	-1.5	-1.1	-1.4	+1.6	-1.0
Investment - Acquisitions	-7.1	0.0	0.0	-0.0	-0.7	+6.4	-0.7
Financing incl. Share Buyback	-1.0	-0.1	0.0	1.0	0.0	+1.0	-1.0
Other	0.0	0.0	0.0	-0.1	0.0	-0.1	+0.1
Free Cash Flow	-5.7	-1.4	+2.8	+4.2	+7.1	+12.8	+2.9



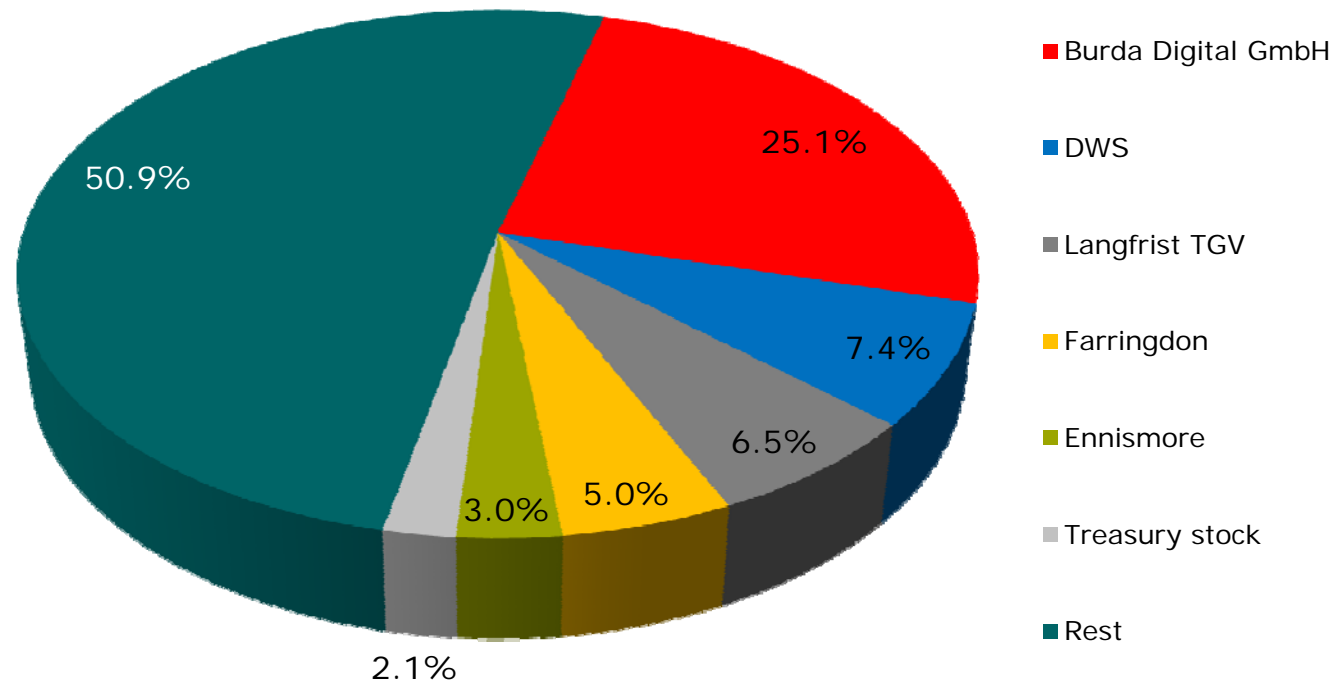
One-time impact +€3.5m due to improved net working capital management

Thank you
for your attention!

POWERING RELATIONSHIPS
WWW.XING.COM

Backup

POWERING RELATIONSHIPS
WWW.XING.COM



FreeFloat according to Deutsche Börse: 72,8%

<p>Subscription business</p>	<ul style="list-style-type: none"> ▪ Paid in advance ▪ 708k Payers ▪ >90% activity rate 	<ul style="list-style-type: none"> ▪ 3 months: €6.95* ▪ 12 months: €5.95* ▪ 24 months: €4.95*
<p>E-Recruiting</p>	<ul style="list-style-type: none"> ▪ Recruiter memberships ▪ Click Price Job Ads ▪ Fix Price Job Ads 	<ul style="list-style-type: none"> ▪ €49.95/€39.95/€29.95 (3/6/12 months)* ▪ €0.59 per job click ▪ €295 / €395 / €495*
<p>Advertising</p>	<ul style="list-style-type: none"> ▪ Best Offers ▪ Display Advertising ▪ Company Profiles 	<ul style="list-style-type: none"> ▪ Set up fee + rev. share ▪ CPM ▪ €29 (Standard) / €129 (Plus)*
<p>Others</p>	<ul style="list-style-type: none"> ▪ Paid-Events ▪ XING Seminars ▪ Other operating income 	<ul style="list-style-type: none"> ▪ Provision to XING ▪ Provision to XING ▪ Mainly charges

* Per month

Share data Q1'2010	
Shares	5,272,447
Bloomberg	O1BC
EPS	€0.24
Op. CF per Share 2009	€1.74
Average trading volume per day	~12,722
Analysts Coverage	Deutsche Bank, DZ Bank, Hauck & Aufhäuser, HSBC, LBBW

TecDax Ranking end of April 2010	
Measure	Rank
Market Cap.	36
Turnover	36



Patrick Möller

Director Investor Relations

XING AG

Gänsemarkt 43
20354 Hamburg
Germany

Tel.: +49 (0)40 419 131-793

Fax.: +49 (0)40 419 131-44 (Please use this number to submit "WpHG notifications")

Email.: patrick.moeller@xing.com

Website: <http://corporate.xing.com>

<http://www.youtube.com/user/XINGcom>

Follow us on twitter:
http://twitter.com/xing_ir



**Institutional
Investor**

2009 Europe's Best Investor Relations

2nd Rank Business & Employment Services,
Sell Side, Patrick Möller

This presentation was produced in May 2010 by XING AG (the "Company") solely for use as an information source for potential business partners and is strictly confidential. It has been made available to you solely for your own information and may not be copied, distributed or otherwise made available to any other person by any recipient. This presentation is not an offer for sale of securities in the United States. The distribution of this presentation to you does not constitute an offer or invitation to subscribe for, or purchase, any shares of the XING AG and neither this presentation nor anything contained herein shall form the basis of, or be relied on in connection with, any offer or commitment whatsoever.

The facts and information contained herein are as up-to-date as is reasonably possible and are subject to revision in the future. Neither the Company nor any of its subsidiaries, any directors, officers, employees, advisors nor any other person makes any representation or warranty, express or implied as to, and no reliance should be placed on, the accuracy or completeness of the information contained in this presentation. Neither the Company nor any of its subsidiaries, any directors, officers, employees, advisors or any other person shall have any liability whatsoever for any loss arising, directly or indirectly, from any use of this presentation. The same applies to information contained in other material made available at the presentation.

While all reasonable care has been taken to ensure the facts stated herein are accurate and that the opinions contained herein are fair and reasonable, this document is selective in nature and is intended to provide an introduction to, and overview of, the business of the Company. Where any information and statistics are quoted from any external source, such information or statistics should not be interpreted as having been adopted or endorsed by the Company as being accurate.

This presentation contains forward-looking statements relating to the business, financial performance and results of the Company and/or the industry in which the Company operates. These statements are generally identified by words such as "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. The forward-looking statements, including but not limited to assumptions, opinions and views of the Company or information from third party sources, contained in this presentation are based on current plans, estimates, assumptions and projections and involve uncertainties and risks. Various factors could cause actual future results, performance or events to differ materially from those described in these statements. The Company does not represent or guarantee that the assumptions underlying such forward-looking statements are free from errors nor do they accept any responsibility for the future accuracy of the opinions expressed in this presentation. No obligation is assumed to update any forward-looking statements.

This presentation speaks as of March 2010. Neither the delivery of this presentation nor any further discussions of the Company with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.

IMPORTANT NOTICE

Pro-forma results

Results contained in this presentation are partly based on unaudited pro-forma financial results that the Company derived from its preliminary and past financial statements for the indicated periods in order to make these periods comparable and show non-recurring costs.

Cautionary note regarding preliminary results and pro-forma financial results

This presentation contains preliminary results and pro-forma results. The preliminary results may change during their final review. While the Company believes that its pro-forma financial results are reflective of its recurrent trends and the on-going status of its business, there can be no assurance that its pro-forma results will accurately reflect these trends and status and therefore, its investors are urged not to rely solely upon the pro-forma results when making their investing decision and the pro-forma results should always be reviewed together with its actual financial results.