

**Q2`2011**  
**Results Presentation**  
**XING AG**



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



Ongoing strong financial performance



Re-acceleration of D-A-CH<sup>1</sup> member growth continues



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



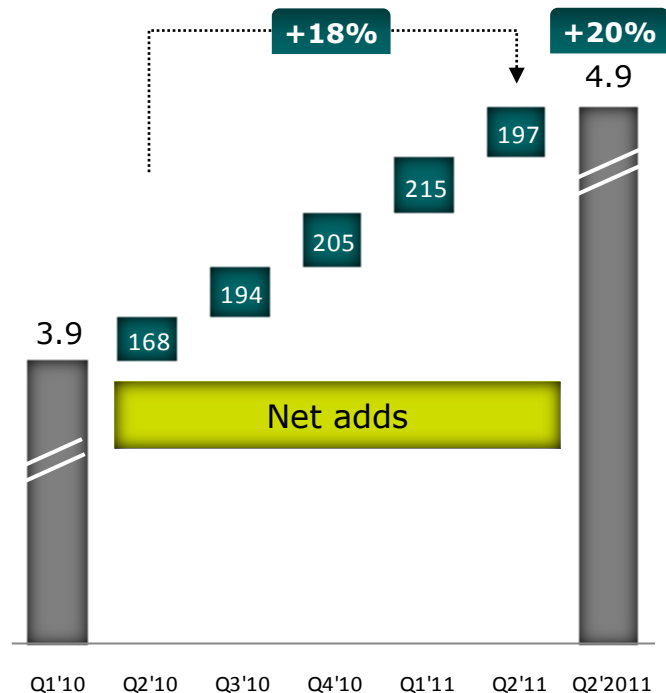
Big product launch successfully implemented

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

\* Other revenue & other operating income

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

in 000'



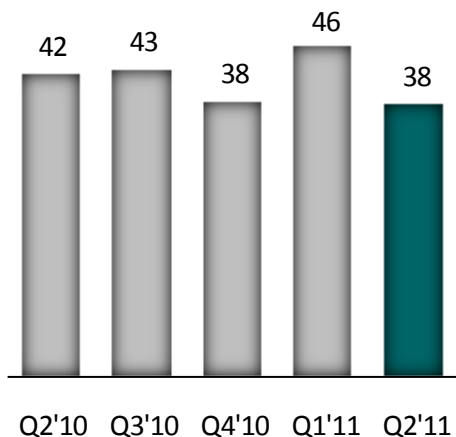
## Comments

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

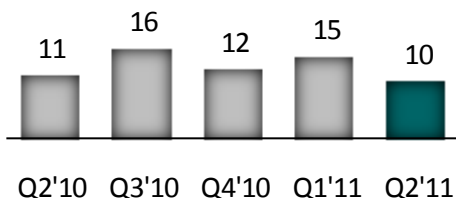
# 03 Payer base growing

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

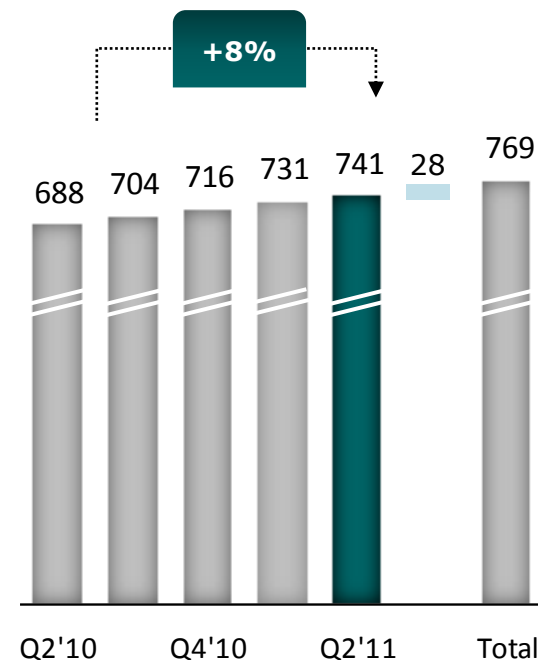
**Payer gross adds  
D-A-CH**  
in 000'



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



**Payer base  
in 000'**



**New pricing structure since April 2011 for all new members**



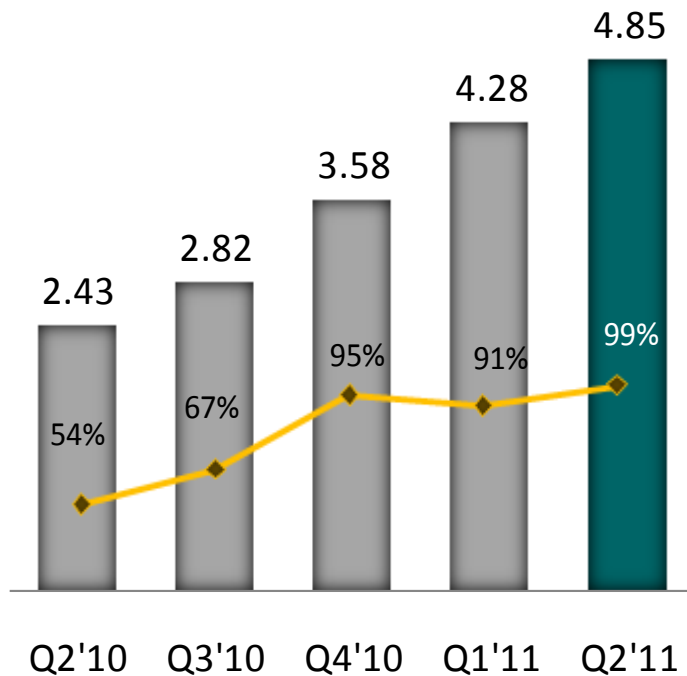
3m = €7.95 (€6.95 for first 3 months → new price after first renewal)  
 12m = €6.95 (€5.95 for first 12 months → new price after first renewal)

# 03 'Verticals' drive overall growth

with 75% contribution to overall yoy topline growth

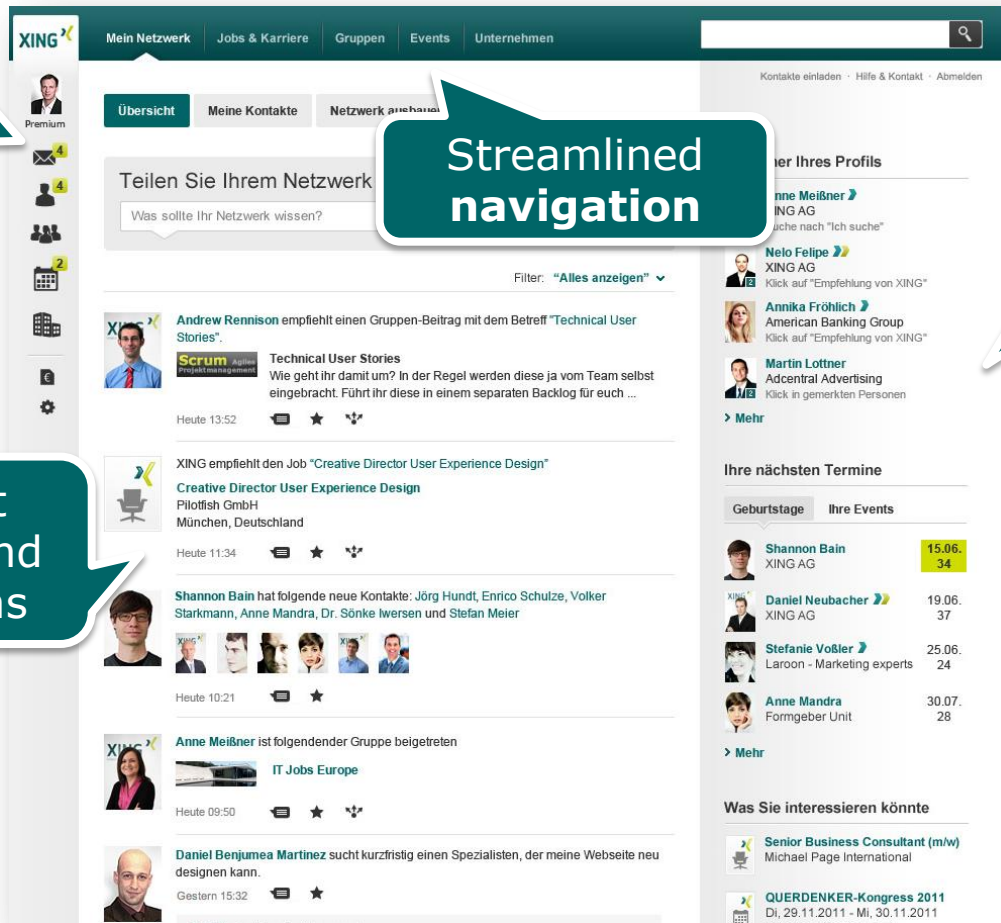
## „Verticals“: Continued strong growth

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



- E-Recruiting**
  - > >400 new B2B customers & 4 additional FTEs (sales)
  - > Recent study confirms: XING preferred social media channel for corporate recruiting
- Advertising**
  - > Successful introduction of new ad format
  - > Additional inventory within different site sections (jobs, groups, events & CP's)
- Events**
  - > Amiando integration well on track
  - > Building sales force (9 new FTE's)
  - > Deeper platform integration planned for H2

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



**My XING:**  
instant access  
to personal  
content

**Streamlined  
navigation**

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

**More prominent  
network feed and  
recommendations**

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



23% revenue growth from all revenue streams



Continued diversification of revenue base through vertical business



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



Ongoing investment mode, acceleration in H2



## P&L in €m

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

(1) Of revenue

(2) Including other operating income

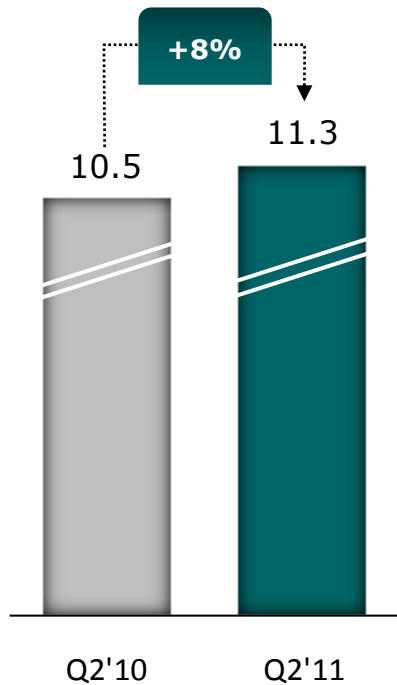


- EBITDA margin impacted by start-up investments in events (-4%-points)
- Depreciation impacted by one-off write-down (-€0.6m)
- Financial result improved through new treasury policy

# 05 Ongoing diversification of revenue streams

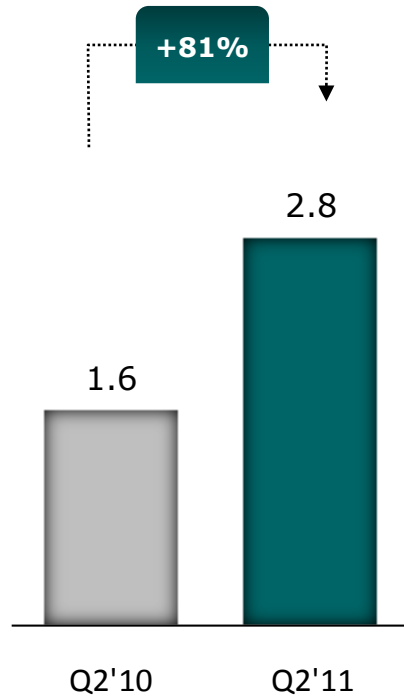
## Core

### „Subscription“ in €m

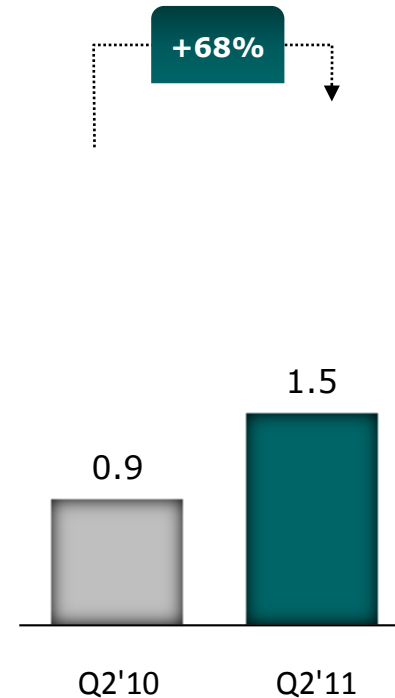


## Verticals

### E-Recruiting in €m



### Advertising (incl. Company Profiles) in €m



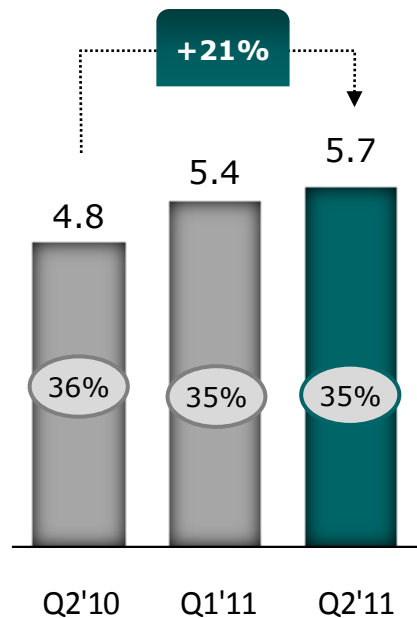
### New Verticals (Events) in €m



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

## Personnel

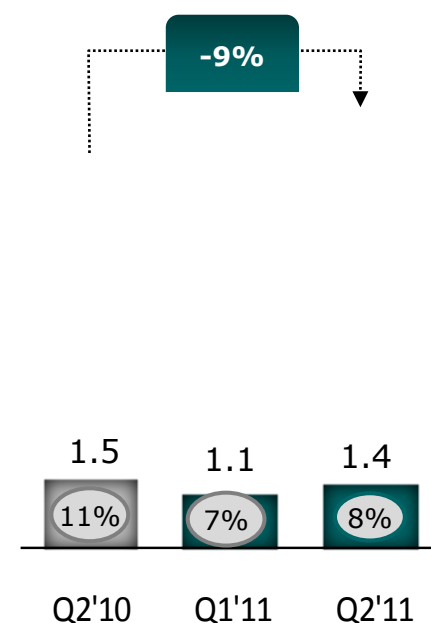
in €m  
in % of total revenue



- Yoy increase due to amianto acquisition

## Marketing

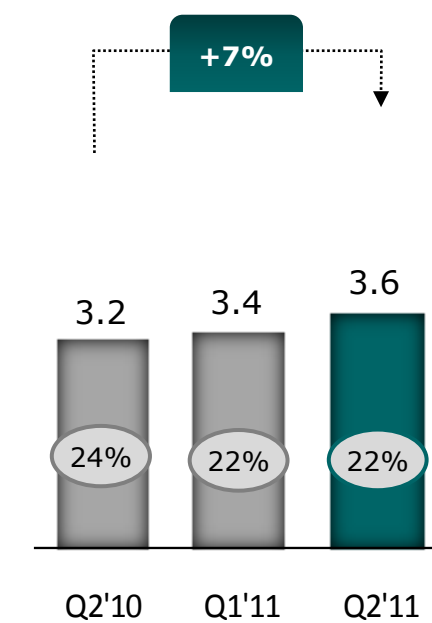
in €m  
in % of total revenue



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

## Other Expenses

in €m  
in % of total revenue



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

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

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



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

**Thank you**  
**for your attention!**

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# XING AG IR stats

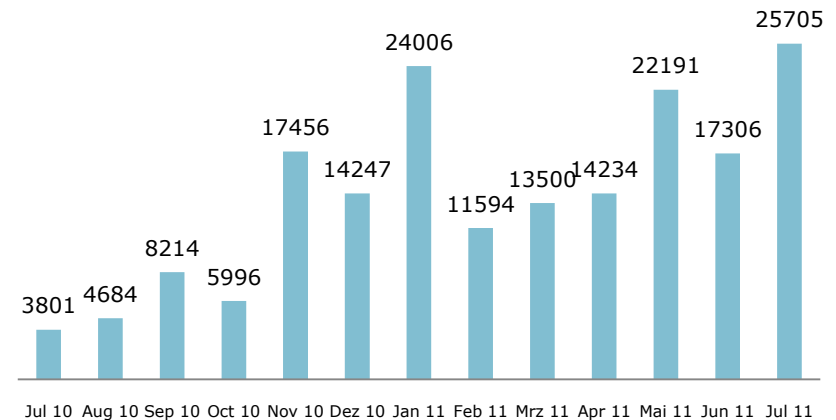
Market cap: ~€240m / ~€63m cash / No debt



Consensus  
(August, 2011)

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

Average Trading Volume per day (XETRA)



## Analyst coverage

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

## Shares

5,394,172

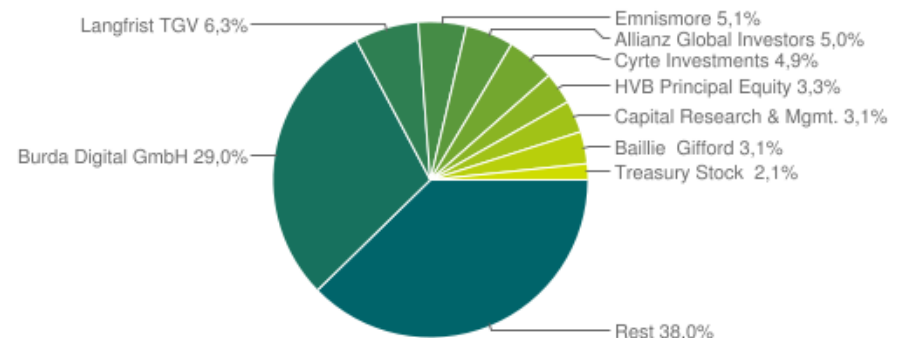
## TecDax ranking end of July 2011

Market Cap.

27

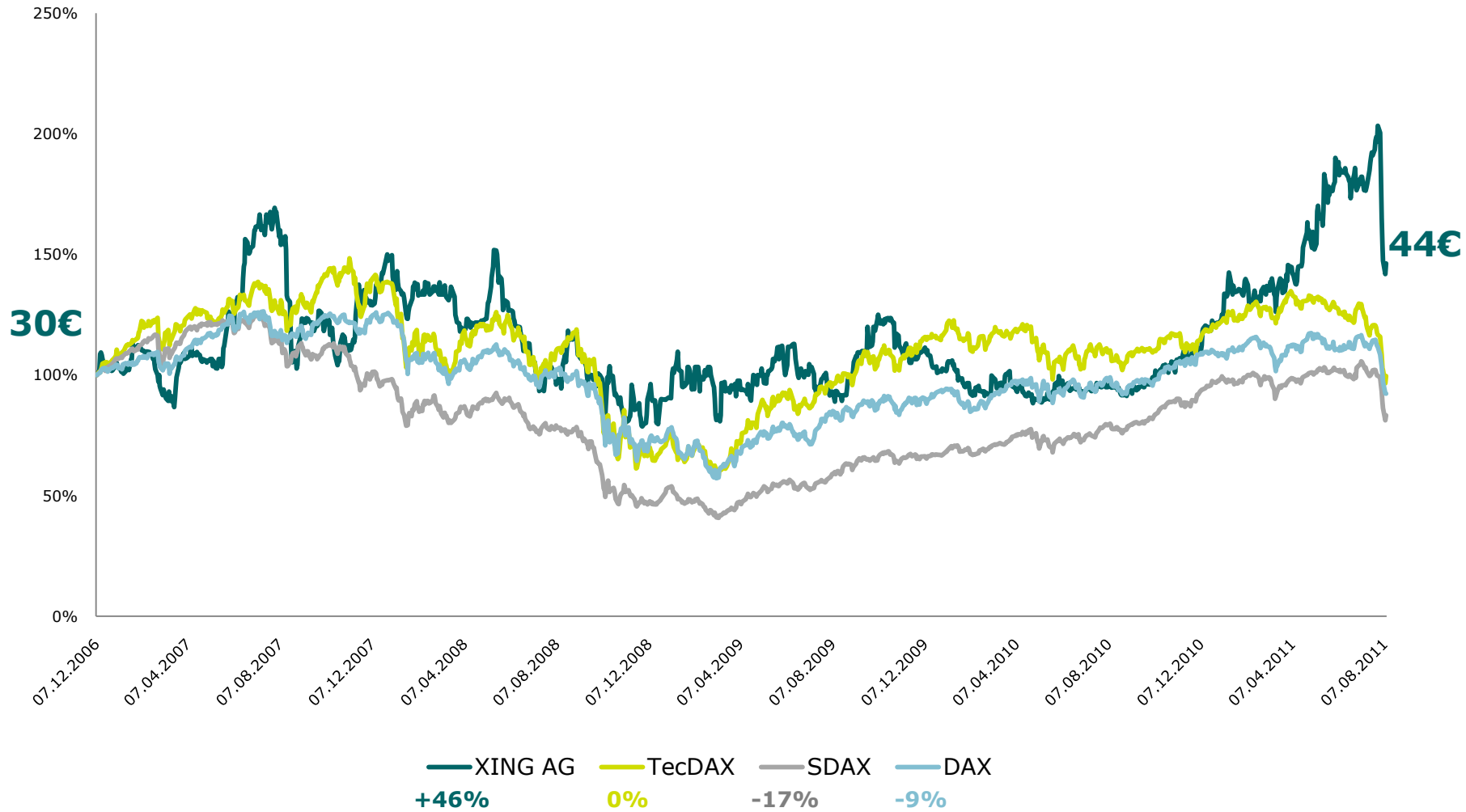
Turnover

31



Free float according to Deutsche Börse: 68.8%

# XING share price since IPO in Dec 2006 (as of August 9, 2011)





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