

Q3'2010
Results Presentation
XING AG

XING 

Dr. Stefan Gross-Selbeck (CEO) & Ingo Chu (CFO)
Hamburg, November 9, 2010

➤ Improved profitability:

- EBITDA: 4.46m (32.4% margin), up 52% yoy

➤ Strong growth of non subscription revenues

E-Recruiting:

- DACH revenues up +84% yoy, (82% yoy globally)
- Continuing path of accelerating growth

Advertising:

- DACH revenues up +51% yoy, (46% yoy globally)

➤ Subscription:

- Stable increase in payer base
- DACH revenues up 13% yoy, (11% yoy globally)

➤ Product:

- Major platform improvements with highly encouraging early results



2010 – The year of profitable growth

01 Overview of Q3'2010 Performance

		Q3'2010	Q3'2009	yoy
Service revenues	€m	13.61	11.37	+20%
Total revenues ¹	€m	13.77	11.66	+18%
EBITDA	€m	4.46	2.92	+52%
EBITDA-Margin	%	32	25	+7pt.
Net-result	€m	2.11	0.34	+513%

¹ Including other operating income

DACH				
	Subscriptions	E-Recruiting	Advertising	International
Revenues	€10.4m	€1.8m	€0.8m	€0.5m
	+13%	+84%	+51%	-11%
Recent Highlights	<ul style="list-style-type: none"> Recent product launches showing positive impact on member growth and activity Strongest member growth since Q2'09 Payer adds flat q0q 	<ul style="list-style-type: none"> another quarter of accelerating growth 2009 investments paying off New coop with No.1 Swiss job portal (Jobs.ch) to cover Swiss market 	<ul style="list-style-type: none"> Boost in eCPM (x4 since Jan 2010) New formats (i.e. wallpaper) 	<ul style="list-style-type: none"> significant member base in core markets (~1m members in Turkey & 1.5m members in Spain) Future focus: driving activity rather than growth
	Market potential	~ 19m people ¹	>€100m	>€2bn

¹ Source: XING analysis of addressable market

02 Significant product launches with promising early impact

Building Blocks

- Strengthen Basics**
 - New Design
 - New features (e.g. „to do list“)
- New services**
 - Messages to contacts for basic members
 - Improved search
 - XING plug in for MS Outlook Social Connector
- Mobile Innovation**
 - Mobile handshake
 - Mobile website
- PR & Marketing Offensive**
 - PR campaign
 - TV spot

Impact as of now

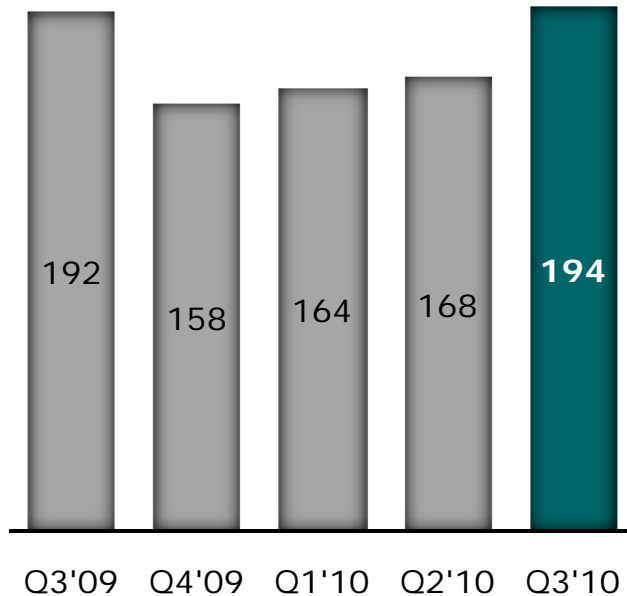
Growth:

- Member gross adds
- Invitations
- Unique inviters

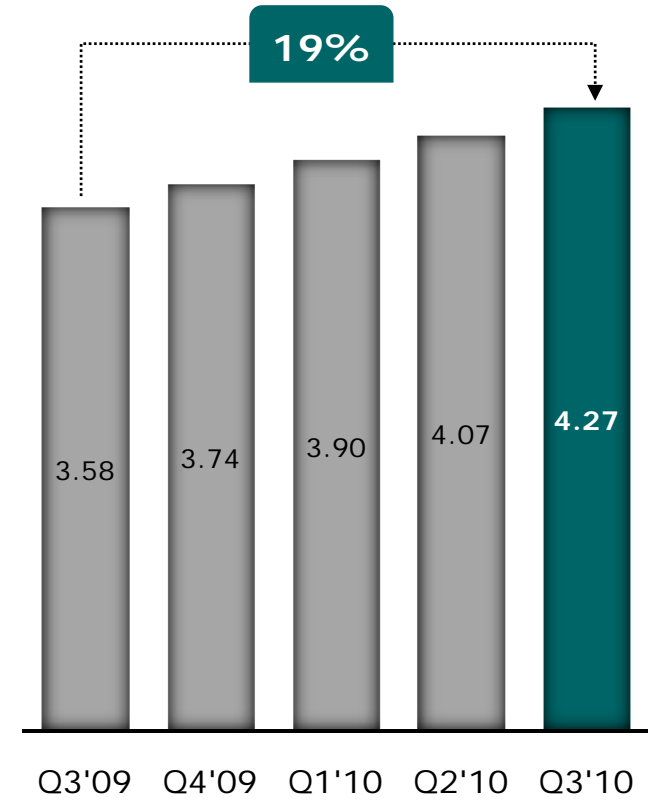
Activity:

- Logins
- Messages sent
- Contact adds
- Status messages

Member net adds
in 000'



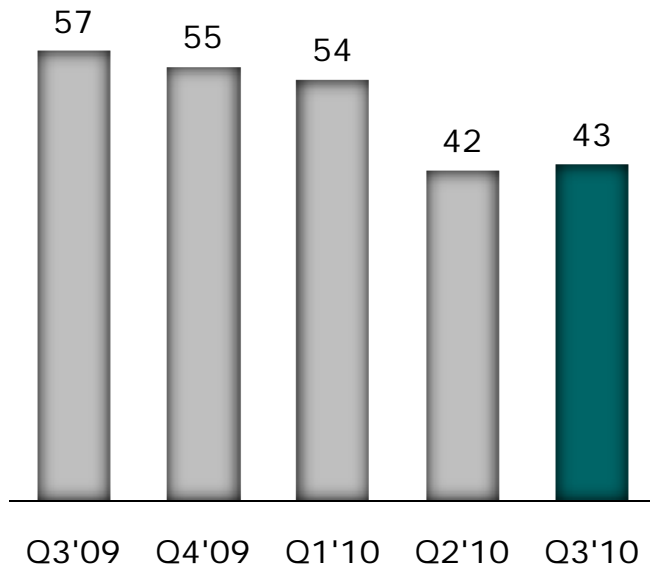
Member base DACH
in m



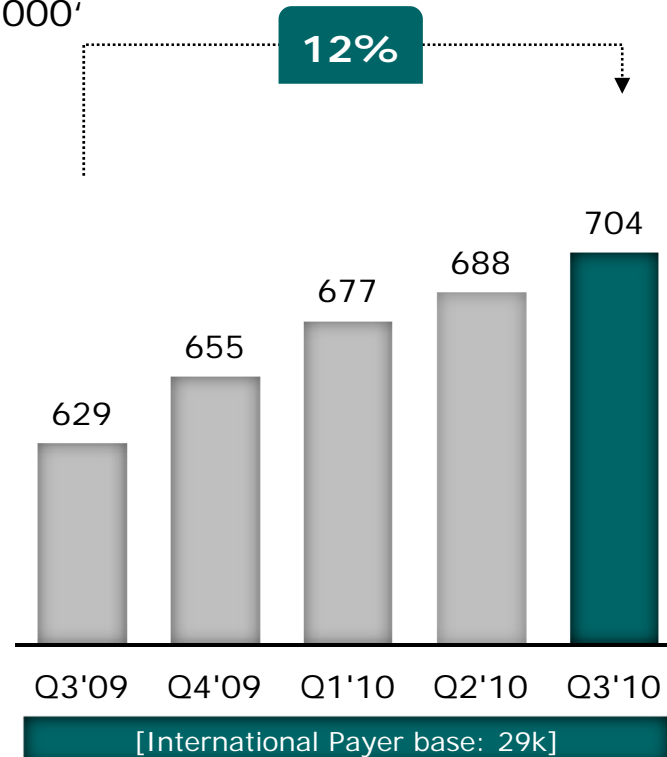
- » Strongest member growth (+194k) since Q2'2009
- » Continuously strong #1 in DACH
- » XING usage 10x higher than next competitor in Germany*

* Source: Comscore August 2010

Payer gross adds
in 000'



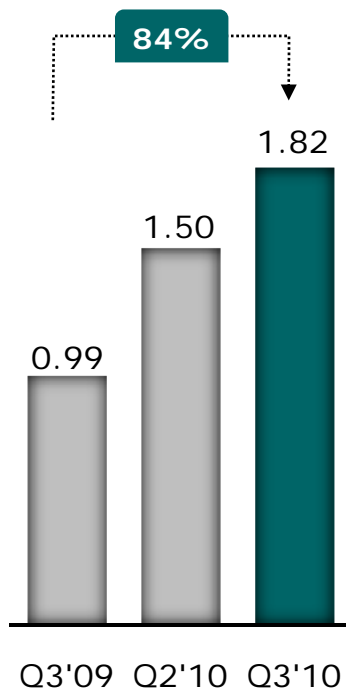
Payer base
in 000'



Q3 net payer adds (16k) up vs. previous quarter (11k)

03 DACH: E-Recruiting: Revenues increase by 84% yoy

“E-Recruiting” revenues in €m

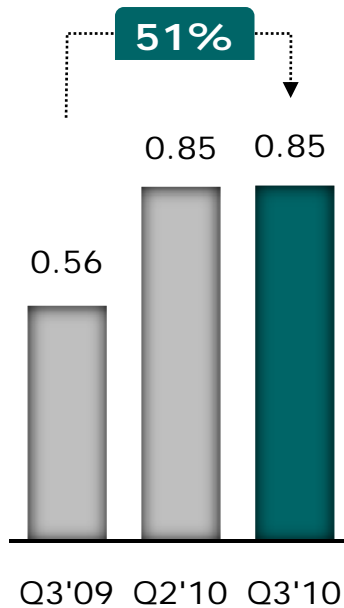


Selection of new customers in Q3'10 More than 300 in total



» Distribution partnership with leading job portal in Switzerland www.jobs.ch

Advertising revenues in m



Comments

- CPM 4x compared to January 2010
- New ad formats
- Total number of company profiles reached 200,000

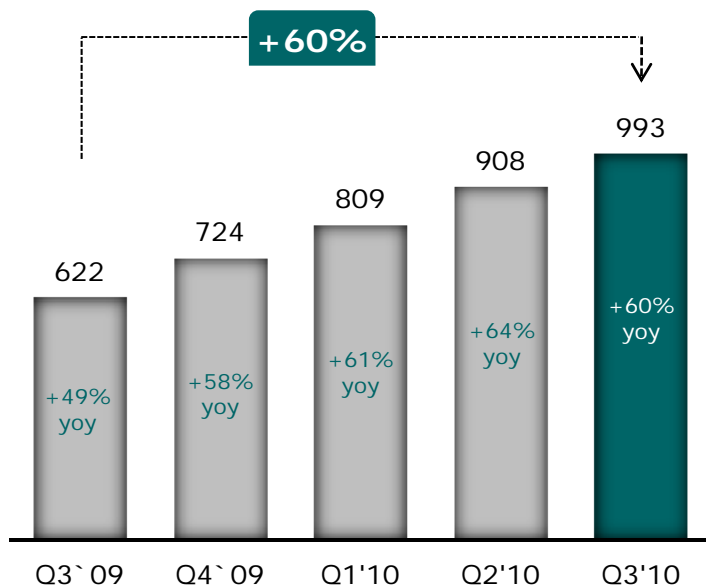


**Q3 display ad revenues impacted by seasonality
Decent qoq increase in Q4 expected**

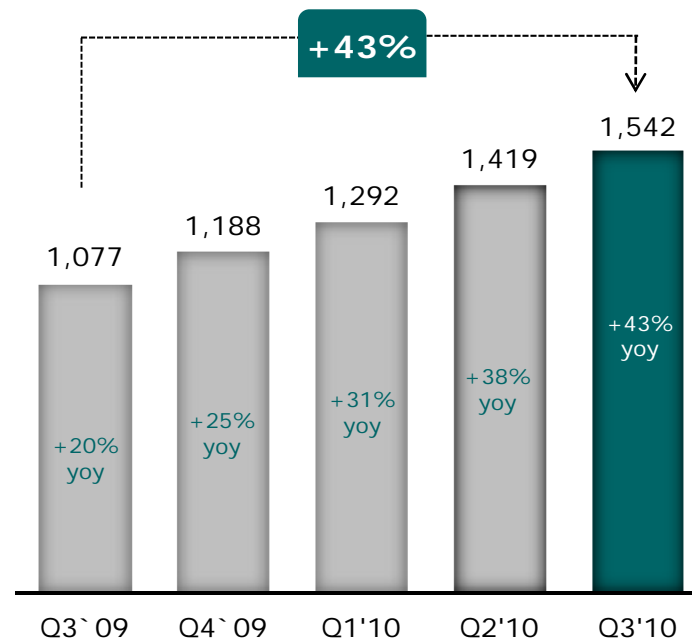
04 International business

Over 1m members in both markets

TURKEY



SPAIN



» Significant member base in both markets
Future focus: driving activity



> Significant increase in operating performance

- Revenues up qoq
- EBITDA up qoq

> EBITDA €4.5m with 32% margin

- Highest quarterly EBITDA for XING ever
- 5th consecutive quarter of increasing EBITDA and margins

> Revenue growth and successful diversification into attractive new markets

- E-recruiting +82% yoy (global)
- Advertising incl. company profiles +46% yoy (global)

> Continuing high cash generation

- Operating cash flow +€4.0m
- Free cash flow +€2.4m

05 Significant increase in operating performance in Q3

	Q3'10	Q2'10	Q3'10 vs. Q2'10	Q3'09	Q3'10 vs. Q3'09
	Abs.	Abs.	Rel.	Abs.	Rel.
Total revenue ¹	13.8	13.3	+4%	11.7	+18%
Costs	-9.3	-9.5	-2%	-8.7	+7%
EBITDA	4.5	3.7	+19%	2.9	+52%
Margin	32%	28%	+4%pt	25%	+7%pt
Depreciation	-1.3	-1.2	6%	-1.5	-11%
Financial Result	-0.0	0.0		0.0	
Taxes	-1.0	-1.2	-15%	-1.1	-10%
Net Result	2.1	1.3	+56%	0.3	+513%

¹ Including other operating income



EBITDA-Margin up 5th consecutive quarter in a row

05 Quarterly revenues continue to grow

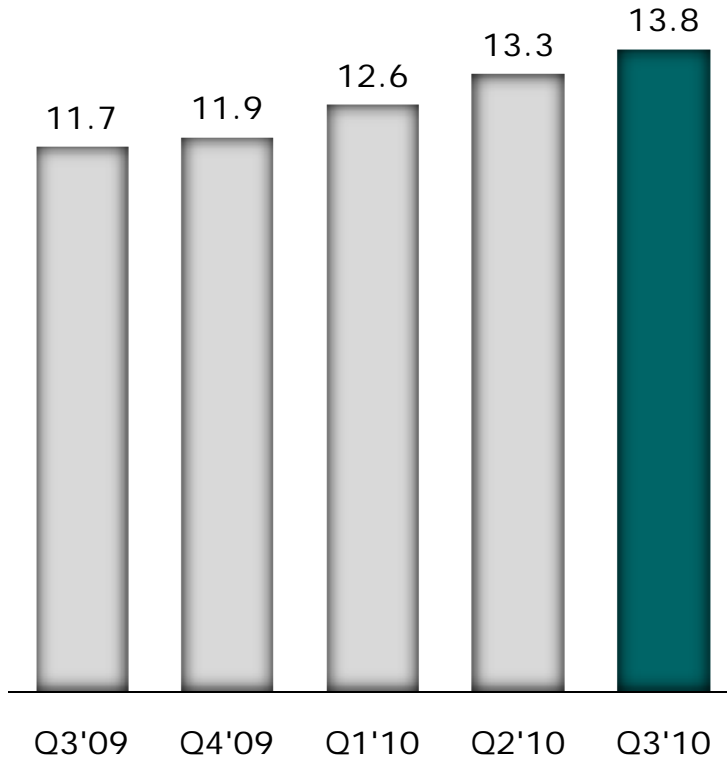
EBITDA €4.5m; margin 32%



- Global figures -

Revenues

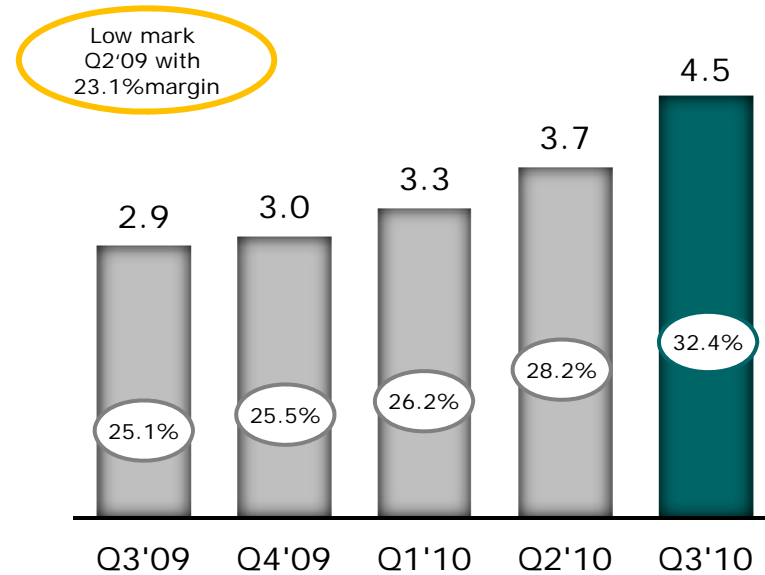
In €m



EBITDA

In €m

In % of total revenue



EBITDA Margin >30% for the first time since Q2'09

05 Continuing strong growth in e-recruiting & advertising

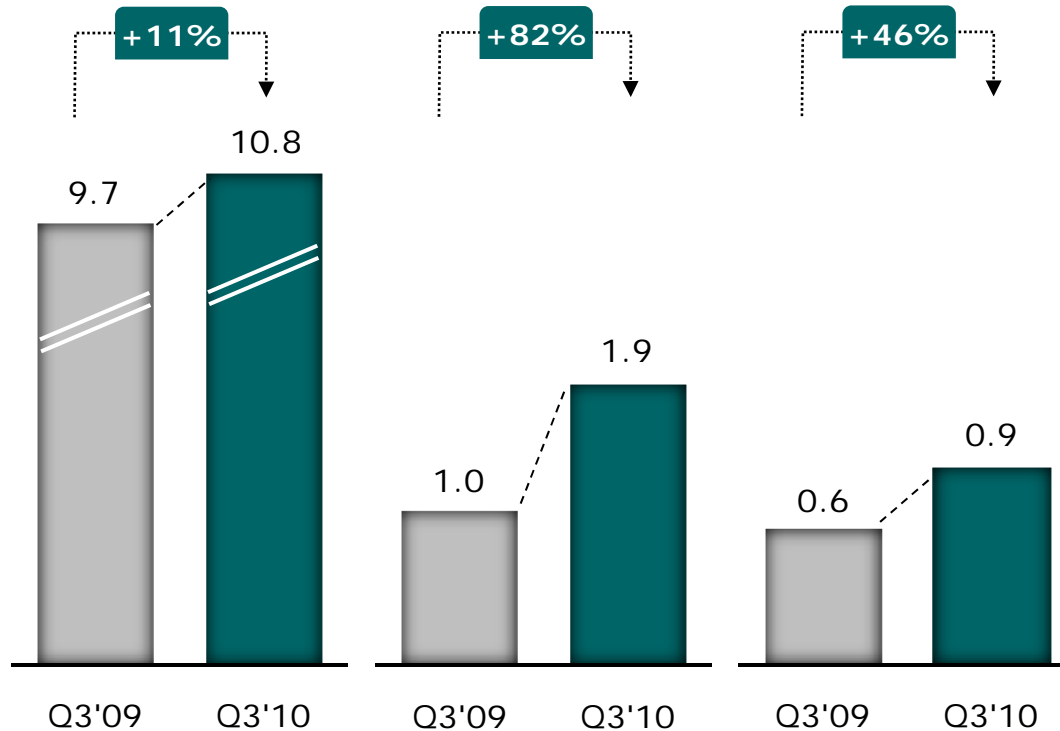


- Global figures -

Subscriptions
In €m

E-Recruiting
In €m

Advertising
In €m



XING community and web 2.0 context powerful assets to enter and exploit adjacent markets

05 Personnel costs Q3'10: €4.4m; 32% of revenues

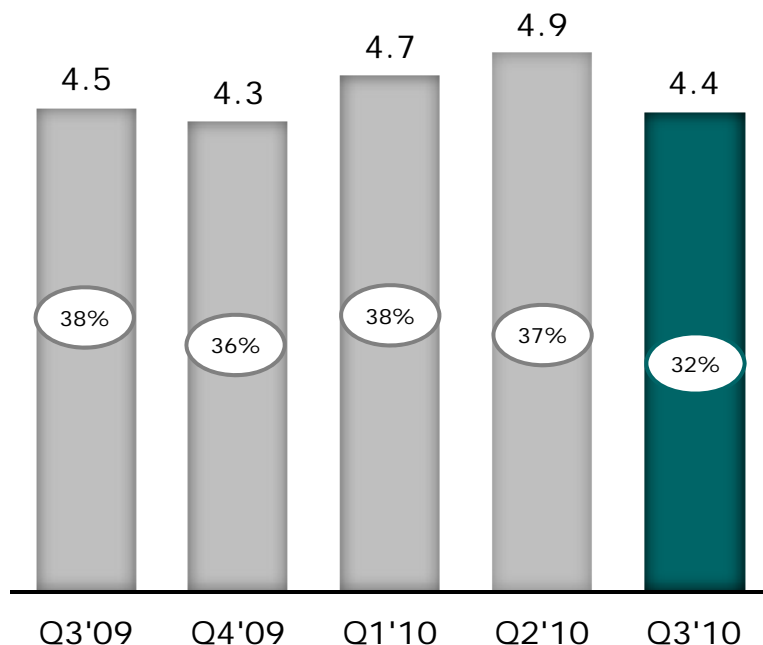
- Global figures -

Personnel

in €m

in % of revenue

Comments



- Q2 impacted by negative one-off from reorg
- Q3 impacted by positive one-off from release of personnel-related accruals
- FTE's qoq flat

05 Marketing expenditures

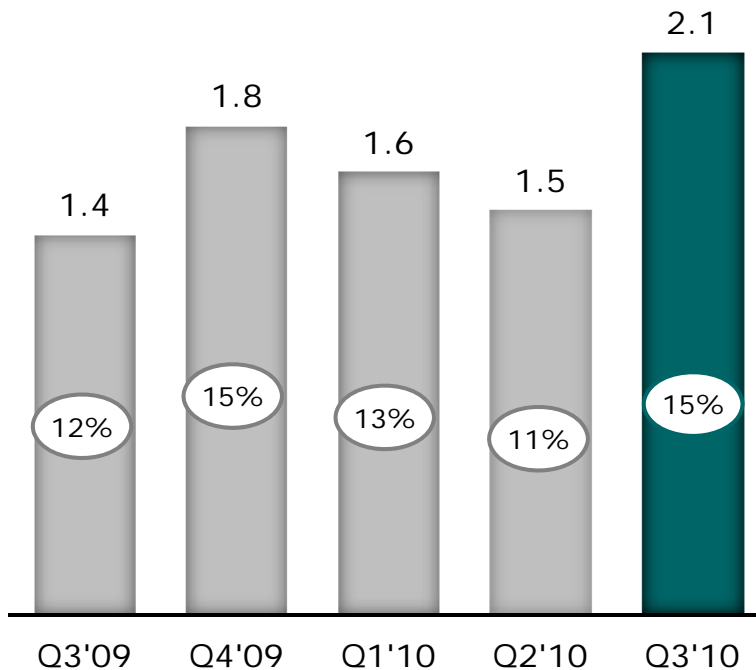
First XING-TV campaign ever started in Sep'2010

- Global figures -

Marketing

in €m

in % of revenue



Comments

- First XING TV Campaign



- SEM
- Display campaigns
- Affiliate programs
- Cooperations

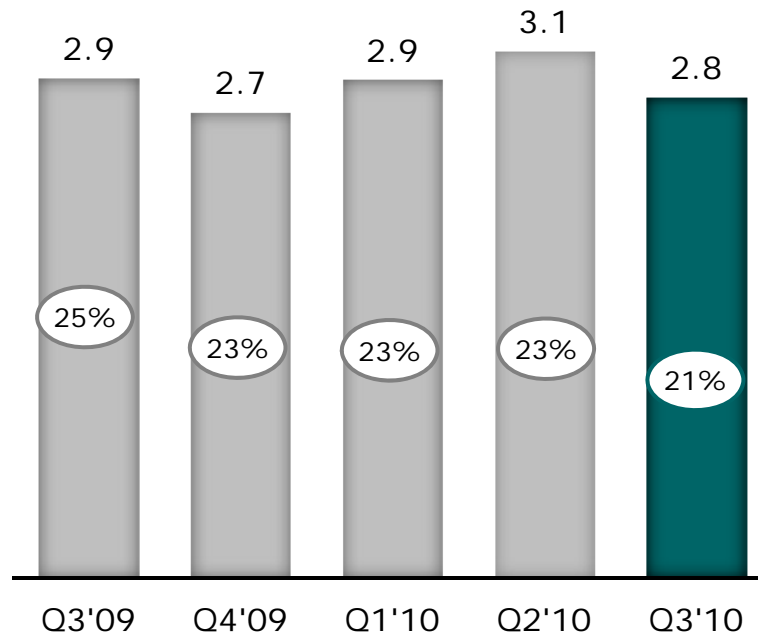
05 Other operating expenses in Q3'10: €2.8m; 21% of revenues

- Global figures -

Other operating expenses

in €m

in % of revenue



Comments

Cost line includes:

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

05 Cash Flow Statement

Operating cash flow €4.0m in Q3'2010

- Global figures -

in €m	2009		2010		Q3'10 Abs.	Q3'10 vs. Q3'09 Abs.	Q3'10 vs. Q2'10 Abs.
	Q3'09	Q4'09	Q1'10	Q2'10			
	Abs.	Abs.	Abs.	Abs.			
EBITDA	2.9	3.0	3.3	3.7	4.5	+1.6	+0.8
Interest/Tax/ESOP	0.0	+0.3	+0.3	+0.1	-1.3	-1.3	-1.4
Δ Net Working Capital	+1.4	+1.1	+5.6	+1.2	+0.8	-0.6	-0.5
Operating Cash flow	+4.3	+4.4	+9.2	+5.0	+4.0	-0.3	-1.0
Investment - Operating	-1.5	-1.1	-1.4	-1.1	-1.2	-0.3	-0.1
Investment - Acquisitions	0.0	0.0	-0.7	0.0	-0.4	-0.4	-0.4
Financing incl. Share Buyback	0.0	1.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Free Cash flow	+2.8	+4.2	+7.1	+4.0	+2.4	-0.4	-1.6



€1.5m tax payments in Q3'2010

Thank you
for your attention!

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Backup

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XING AG IR stats

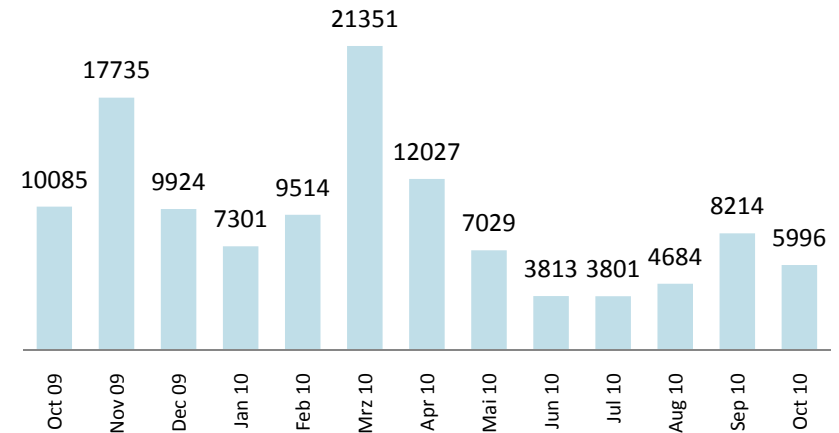
Market Cap: €150m / €56m cash / no debt



Consensus
(Nov 8, 2010)

	2010e	2011e	2012e
Total revenues	54,4	64,9	72,7
EBITDA	16,3	21,4	24,6
<i>Margin</i>	30%	33%	34%
Depreciation	-5,3	-5,8	-6,3
EBIT	11,1	15,6	18,3
<i>Margin</i>	20%	24%	25%
Net income	7,6	11,2	13,1
EPS in €	1,45	2,10	2,48
Free cash flow	11,3	12,2	13,8

Average Trading Volume per day (XETRA)



Analyst coverage

Deutsche Bank,
DZ Bank,
Hauck &
Aufhäuser, HSBC,
LBBW

Shares

5,272,447

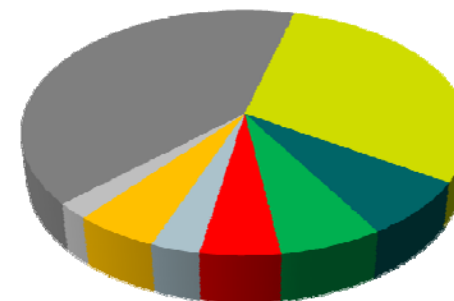
TecDax ranking end of October 2010

Market Cap.

36

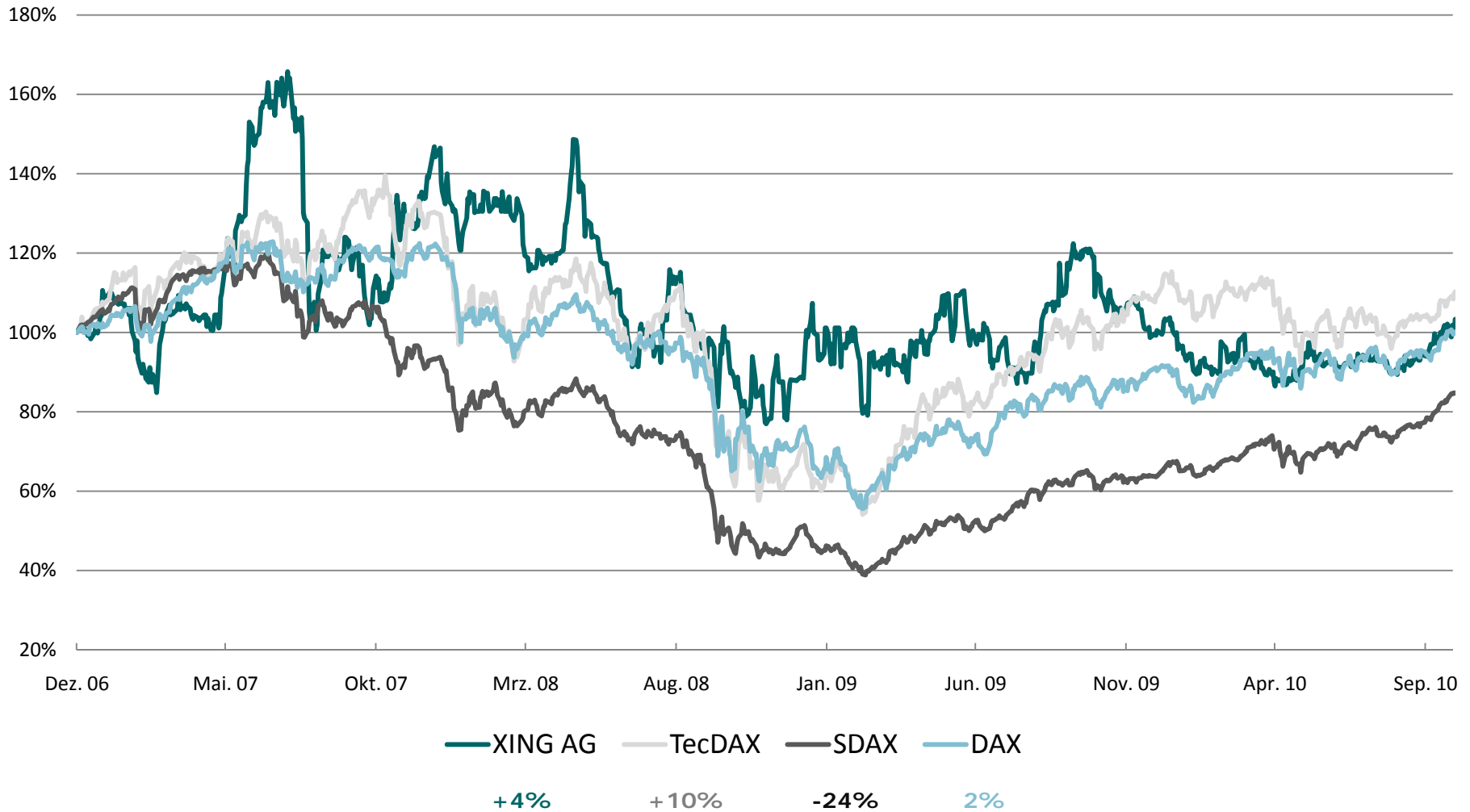
Turnover

46



Free float according to Deutsche Börse: 68.2%

XING share price since IPO in Dec'06 (as of Nov 8, 2010)





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