



**2007 Second Quarter Report on Operations** 

XING AG August 21 2007 01





**Investment Highlights & Market Overview** 

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Consolidated market leadership in the German speaking world



Gained market dominance of Spanish speaking world



**Ground breaking** cooperation for the **English speaking world** 



# 1 Highlights of the second quarter 2007 the growth story continues



2nd Qtr. Highlights 1st Half Highlights

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	Q2 '07	Q2 '06	Y-on-Y ∆ %	H1 '07	H1 '06	Y-on-Y ∆ %
# of Connections (m)	56	23	143%			
Member Base** (m)	3.52	1.17	278%			
Payer Base ('000)	285	154	85%			
Total income (€ m)	4.29	2.17	98%	8.21	3.76	118%
Continuing EBITDA* (€′000)	1,115			1,897		
Continuing EBITDA* margin	26%			24%		
GAAP EBITDA (€'000)	898	-155		1,427	-588	
<b>Continuing Net profit</b> (€′000)	937			1,671		
GAAP Net profit (€′000)	710	-189		1,177	-648	

 $<sup>^{\</sup>star}$   $\,$  Underlying EBITDA from continuing operations (excluding effect of First Tuesday

<sup>\*\*</sup> including eConozco, including Neurona

All financial results according to IFRS results with the exception of continuing EBITDA and continuing Net Profit.

### Increasing productive resources to meet demand rise in technical headcount of 220% over last 12 months



#### Product development / engineering resources (headcount)

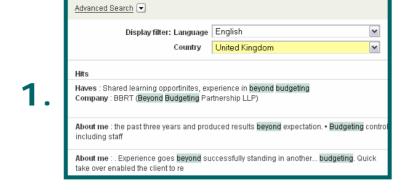


- (a) Excluding local operations in China and Spain
  - Contracted employees Permanent employees
  - Percent of total workforce<sup>a</sup> (permanent and contracted)

### Creating an innovation powerhouse steady additions to an already compelling value proposition



#### Two recent examples of increasing the value proposition





- Increased relevancy of search results
- Filtered by language and by location

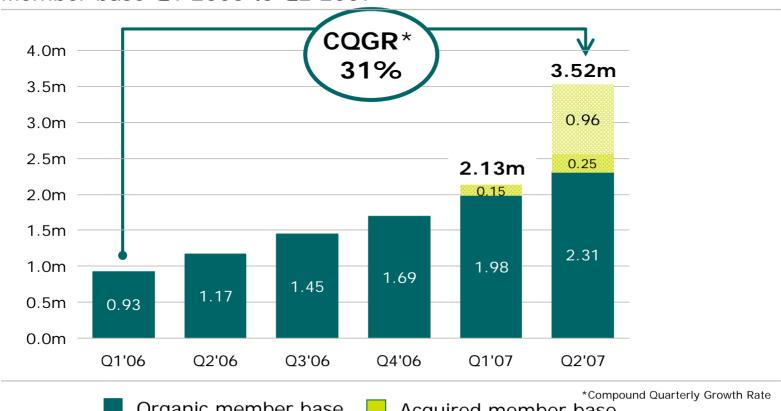


- Increased ratio of invited members
- Leads to lower marketing costs longterm

#### **Member Base Continues Strong Growth** 1.3 million new members added in last twelve months



#### Member base O1 2005 to O2 2007



Organic member base Acquired member base

### Market leader in the Spanish-speaking universe over one million profiles of business people



Worldwide first for social networking - **combining two** active Spanish business communities to one platform with **over one million business profiles** in the Spanish speaking universe







#### Acquired in March 2007

- First acquisition worldwide of a social network by a social network
- Total users as of 31 March 2007: 150'000
- Founders & Management are on-board to support integration
- Thorough and well-planned integration has already started
- Purchase price of approx. EUR 1.2 million (equiv. to USD 10.00 per user)

#### **Acquired in June 2007**

- Critical mass achieved with 2% and 1% of the respective populations of Barcelona and Madrid
- Approximately 40% of all profiles from South America
- Acquisitions almost double new member intake across XING properties
- Penetration of population of Spain now over 1.0%
- Per user purchase price comparable to eConozco acquisition



#### Regional split of total member base (Xing, eConozco and Neurona)



<sup>\*</sup>including members from eConozco and Neurona

Germany International\*

### Semantic web meets social business networking XING Secures Access to 36m ZoomInfo Profiles







- World's premier business information search engine
- 36m Business People Profiles (US, UK, CAN, AUS, NZ)
- Semantic engine that continually crawls the Business Web hundreds of millions of web pages per day
- 3.5m profile updates monthly
- 4.5m monthly unique visitors
- 500,000 new people profiles are added and 3.5 million are updated each month



By joining forces, XING and ZoomInfo are creating a **leading resource for business information** by combining the **most active Business Community** with the most **comprehensive profiles on business people** and companies.





#### **Derived Benefits from Cooperation**

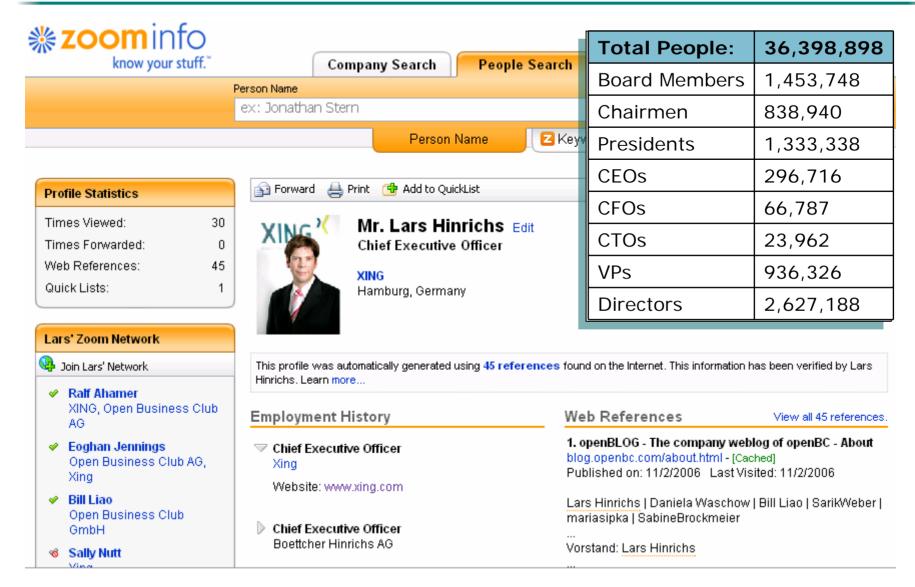
- Co-registration with the fastest growing social network in the US (276% yoy)
- Ability to market to ZoomInfo's entire database
- Access to 36m additional people profiles and 3.5m company profiles
- Significant traffic from US and other English-speaking markets

#### **Derived Benefits from Cooperation**

- Gain profiles from the rank-and-file, all levels of the corporate hierarchy
- Access to fresh, user-generated data
- Drive registrations for users to claim their public digital presence, i.e. Their ZoomInfo profile
- Participation (revenue share) in XING's highly effective monetization engine

#### ZoomInfo People Profiles fresh, comprehensive, objective and easy-to-read

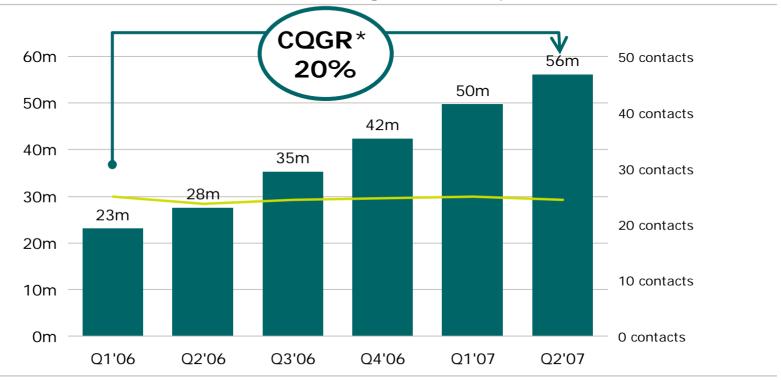




## Connections Between Members Growing average # of contacts per member is constant



#### Confirmed contacts (m) and average contacts per member



<sup>\*</sup>not including members from eConozco and Neurona

■ Total # of Connections — Ave. # of contacts/member

<sup>\*</sup>Compound Quarterly Growth Rate





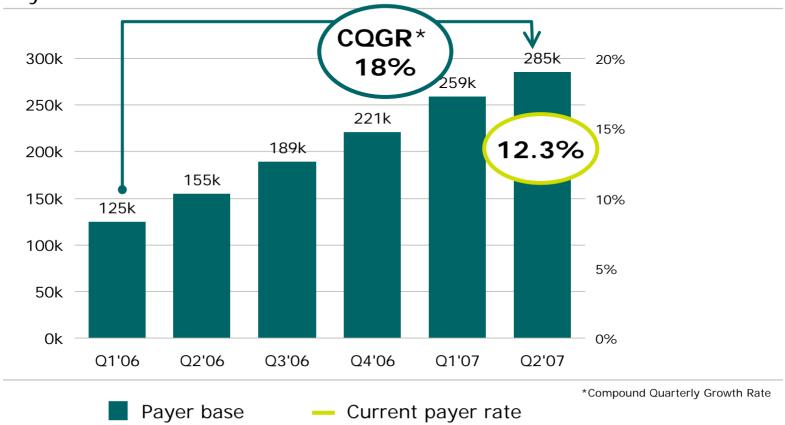
# 2007 Second Quarter Financial Results

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# Payer Base Growing Inline with Member Base 130 thousand new payers added in last twelve months









#### Average cohort payer ratio (a)

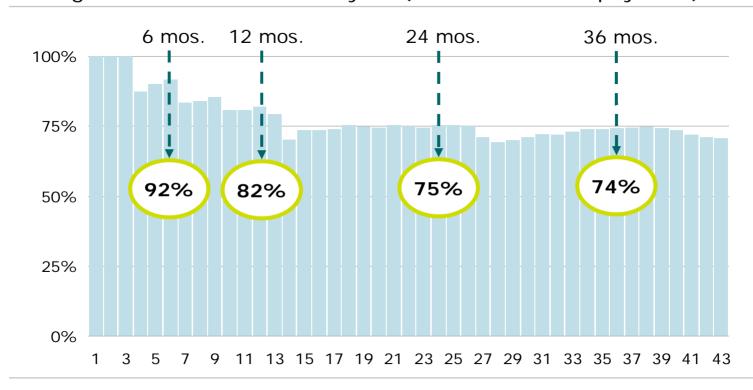


- (a) Among cohorts who have existed for more than 20 months
  - Average Monthly Cohort Payer Ratio Germany
  - Average Monthly Cohort Payer Ratio XING overall

## Paying members continue to pay for value 4 of typical payer cohort is still paying after 3 years



#### Average Percent of Retained Payers (months after 1st payment)

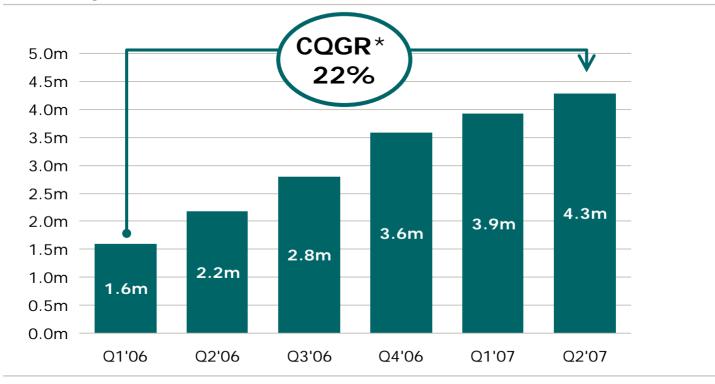


Average Cohort Retention Rate

# O 2 Building a track record of qtrly top line growth quarterly growth in line to deliver revenue expectations



#### Quarterly Net Revenues Q1 2006 to Q2 2007

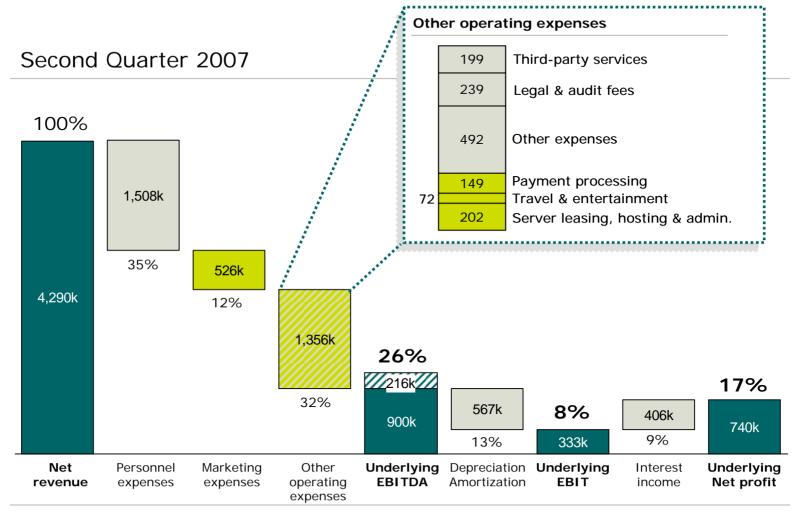


Quarterly Net Revenues

\*Compound Quarterly Growth Rate

### O 2 Scalable business model is driving profitability variable costs at 22% of net revenues





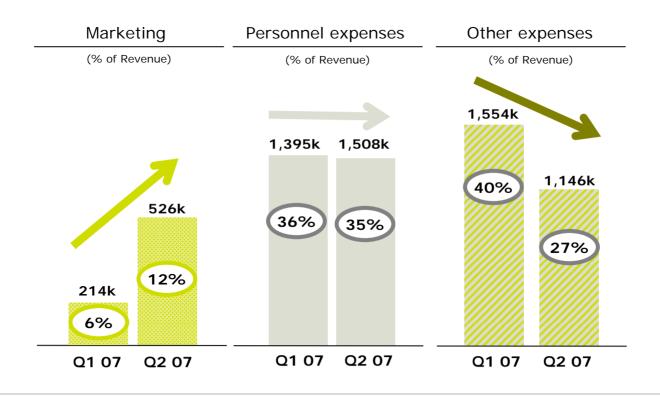
<sup>(</sup>a) From continuing operations before effects of discontinued operations (First Tuesday AG, Zurich)

Proportional Non-proportional Discontinued operations

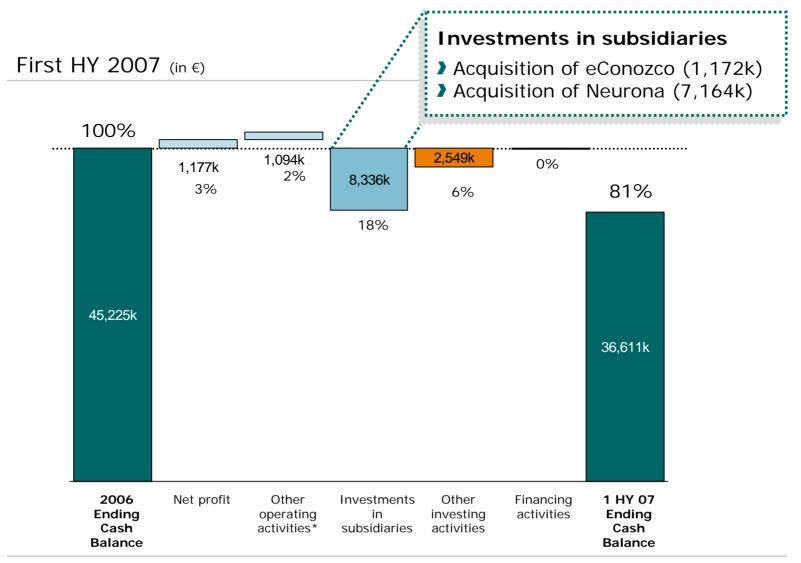
# O2 2007 IFRS – total operating expenses marketing up, personnel stable, other ops decreasing



#### Second Quarter 2007 compared to First Quarter 2007







<sup>\*</sup> Includes depreciation and amortization, stock option plan, changes in accruals, in deferred taxes and in working capital

# Thank you for your kind attention!

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