

Q2'2010
Results Presentation
XING AG



Dr. Stefan Gross-Selbeck (CEO) & Ingo Chu (CFO)
Hamburg, August 11, 2010

- Profit:
 - EBITDA at all time high of 3.74m (+50% yoy)
- Subscription:
 - DACH revenues up 18% yoy, (19% yoy globally)
 - Gross payer adds down 22% qoq...
 - ... medium/long term potential unaffected
- E-Recruiting:
 - DACH revenues up +51% yoy, (51% yoy globally)
 - Continuing path of accelerating growth
- Advertising:
 - DACH revenues up +76% yoy, (68% yoy globally)
 - New premium positioning well accepted by advertisers
- International:
 - 5th consecutive quarter of accelerating member growth

» 2010 – The year of profitable growth

01 Overview of Q2'2010 Performance



		Q2'2010	Q2'2009	yoy
Total revenue ¹	€m	13.26	10.79	+23%
EBITDA	€m	3.74	2.50	+50%
EBITDA-Margin	%	28	23	+5pt.
Net-result	€m	1.35	0.49	+174%

¹ Including other operating income

01 Segment Overview



		DACH			
		Subscriptions	E-Recruiting	Advertising	International
Revenues	Yoy growth in %	€10.2m	€1.5m	€0.8m	€0.5m
		+19%	+51%	+76%	-14%
Recent Highlights		<ul style="list-style-type: none"> Outstanding customer satisfaction Focus on member growth with early success Recent improvements of basic membership resulting in short term conversion drop 	<ul style="list-style-type: none"> Accelerating growth Outgrowing market 2009 investments paying off 	<ul style="list-style-type: none"> Accelerating growth rates Boost in eCPM (x3 since Jan 2010) Key-driver: Re-definition of agency relationships 	<ul style="list-style-type: none"> On track to overachieve targets Accelerating growth rates
	Market potential		~ 19m people ¹	> 100m	€2bn

¹ Source: XING analysis of addressable market

02 2010 strategy of "refocus on core" showing early results

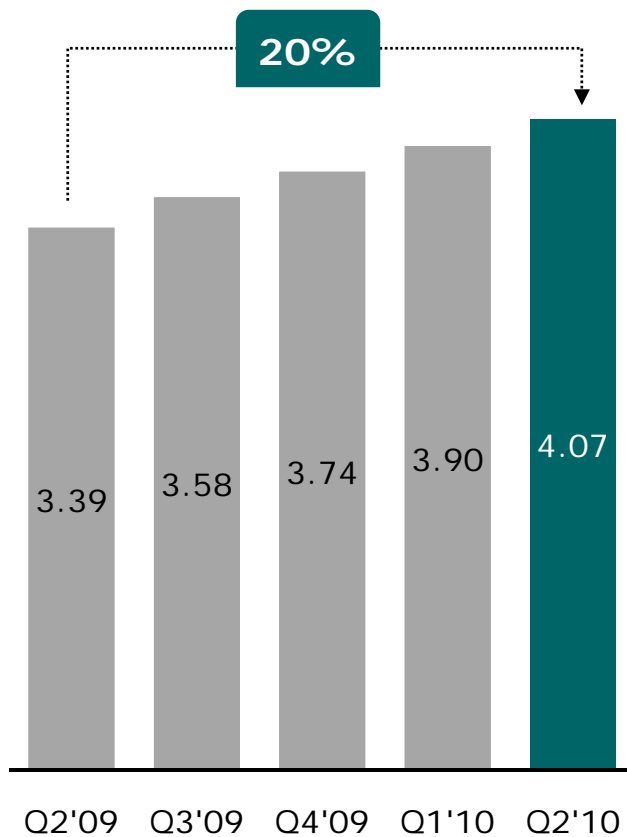


- » Higher member satisfaction
- » Positive impact on member growth
- » Short term negative impact on payer conversions

02 DACH: Continuing to grow the member base



Member base DACH in m

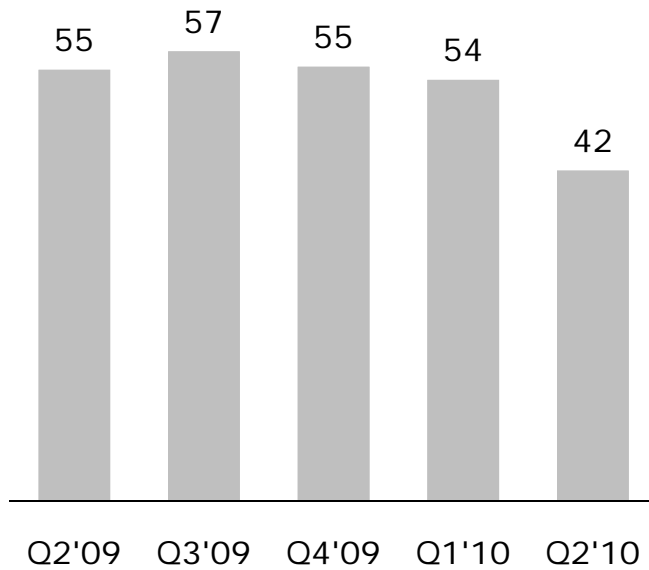


Facts

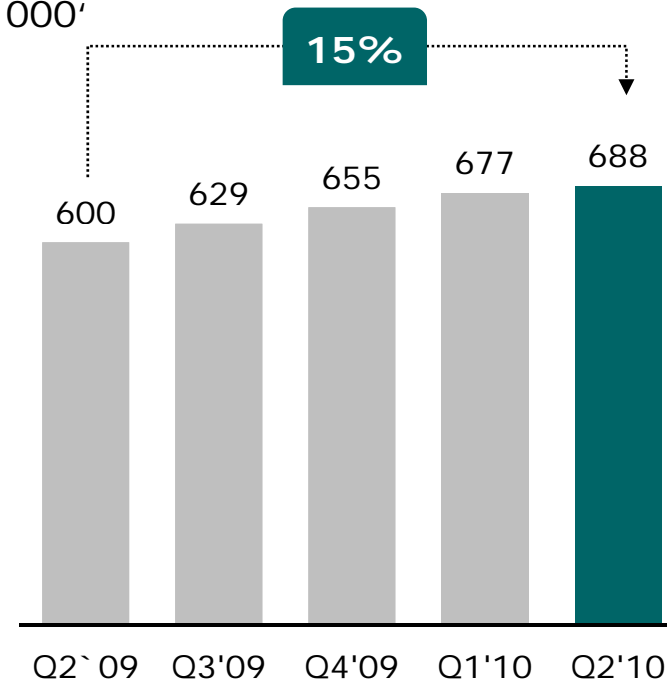
- Added 168k net new members in Q2
- Continuously strong #1 in DACH
- XING usage 7x higher than next competitor in Germany

02 DACH: Payer base up 15%

Payer gross adds
in 000'



Payer base
in 000'

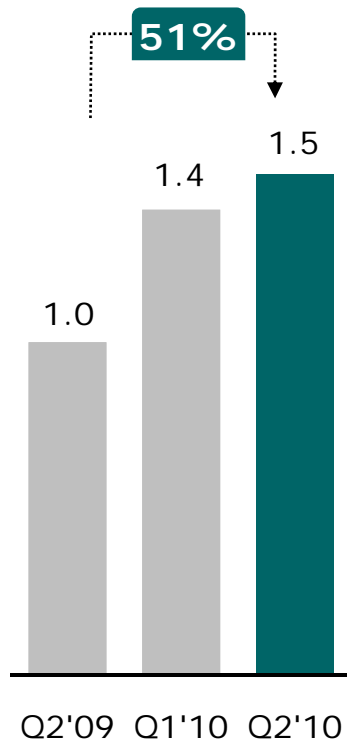


Q2 gross payer adds down 22% qoq
driven largely by improved basic membership

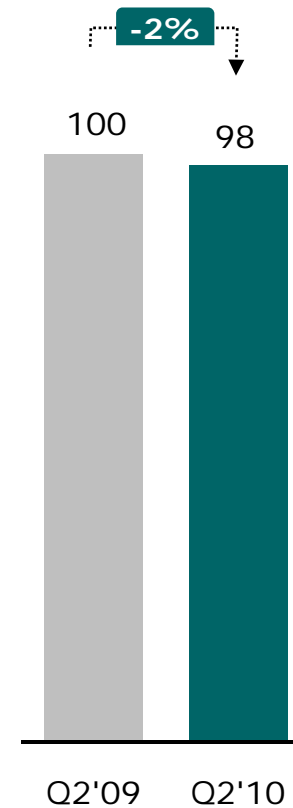
02 DACH: E-Recruiting: Revenues increase by 51% yoy



“E-Recruiting” revenues in €m



E-Recruiting market development in DACH* [Index]



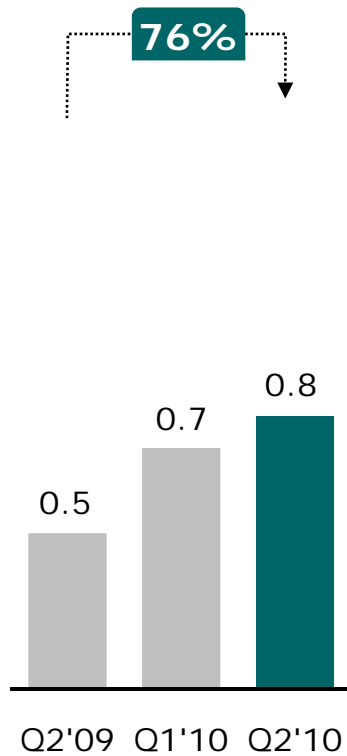
* Source: Anzeigendaten.de

Selected new customers in HY1/2010

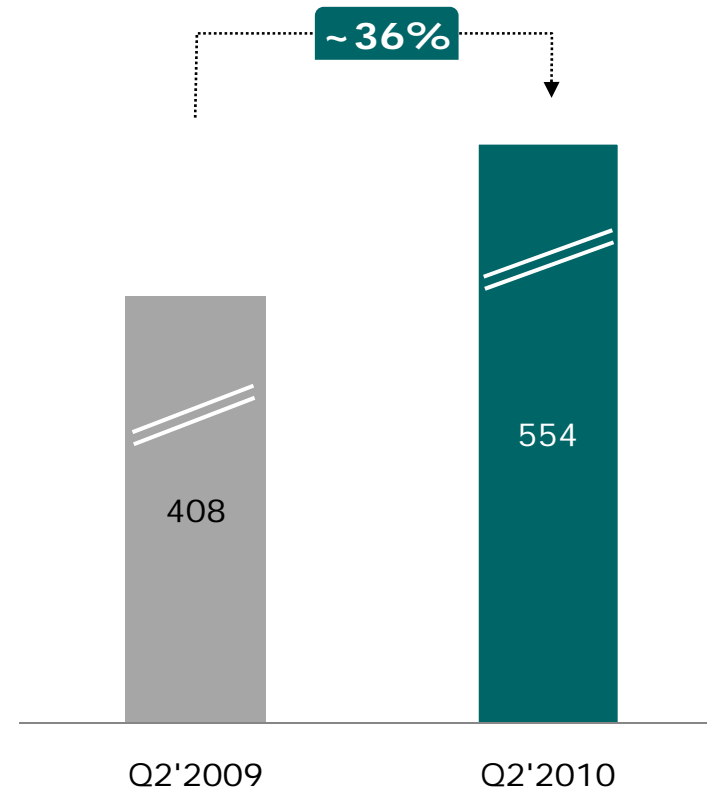
02 DACH: Advertising: YoY growth of 76%



Advertising revenues in m



Display advertising market Germany Q2'2010e in €m*

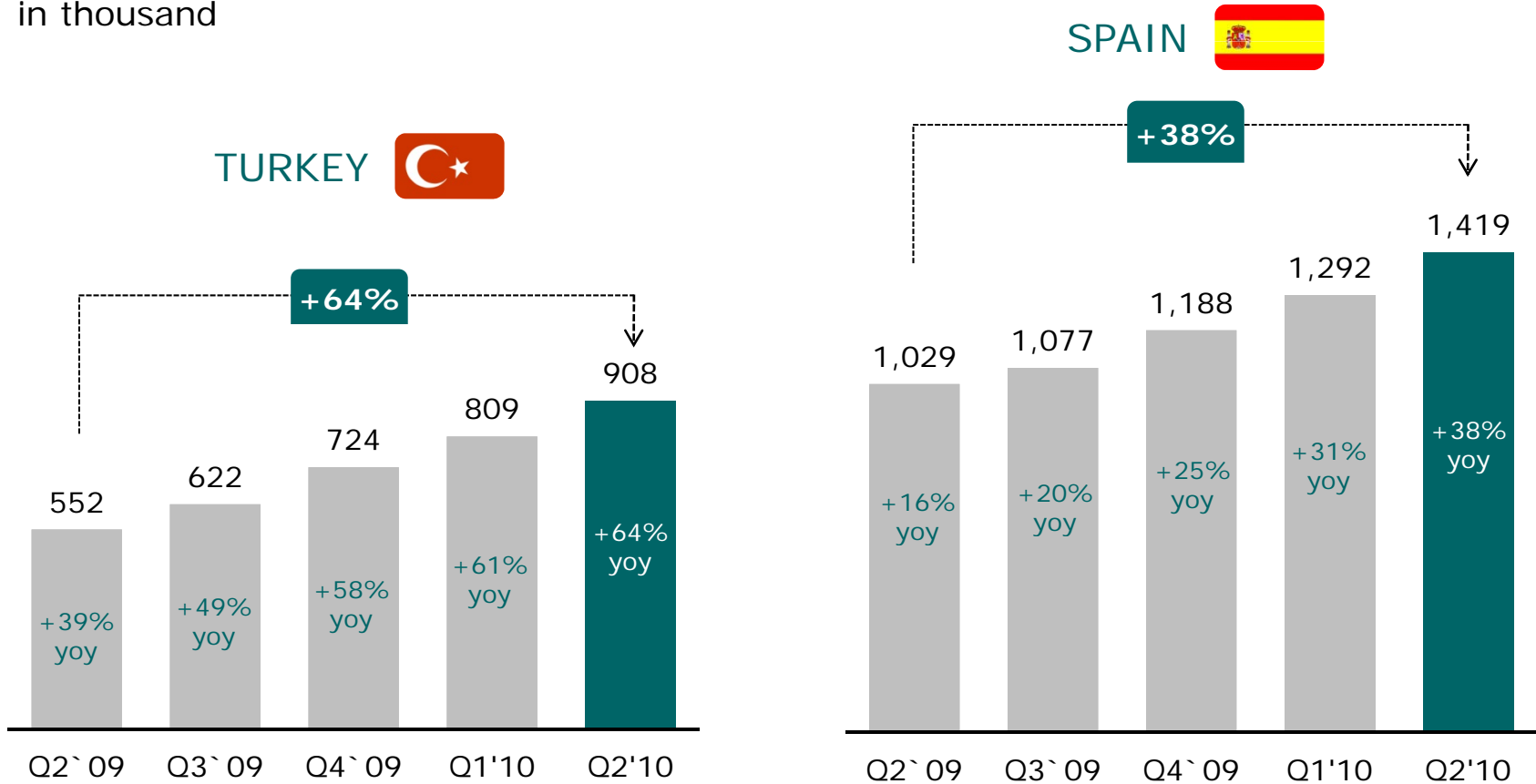


* Source: Nielsen Media Research, Online Werbestatistik Juni 2010

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



Member growth in thousand



» International payer base : 30k



➤ **Strong operating performance despite ongoing investment mode**

- Revenues €13.3m
- EBITDA €3.7m, margin 28%

➤ **Revenue growth and successful diversification into attractive new markets**

- E-recruiting +51% yoy (global)
- Advertising and company profiles + 68% yoy (global)

➤ **EBITDA increased to 3.74m€**

- Highest quarterly EBITDA for XING ever
- 4th consecutive quarter of increasing EBITDA and margins

➤ **Continuing high cash generation**

- Operating cash flow +€5.0m
- Free cash flow +€4.0m

05 Strong operating performance in Q2'2010



	Q2'10	Q1'10	Q2'10 vs. Q1'10	Q2'09	Q2'10 vs. Q2'09
	Abs.	Abs.		Abs.	
Total revenue ¹	13.3	12.6	+5%	10.8	+23%
Costs	(9.5)	(9.3)	+2%	(8.3)	+15%
EBITDA	3.7	3.3	+13%	2.5	+50%
Margin	28%	26%	+2%pt	23%	+5%pt
Depreciation	(1.2)	(1.2)	(2%)	(1.6)	(26%)
Financial Result	0.0	0.0	0%	0.0	0%
Taxes	(1.2)	(0.8)	+45%	(0.4)	+212%
Net Result	1.3	1.3	+7%	0.5	+174%

¹ Including other operating income



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

05 Quarterly revenues continue to grow

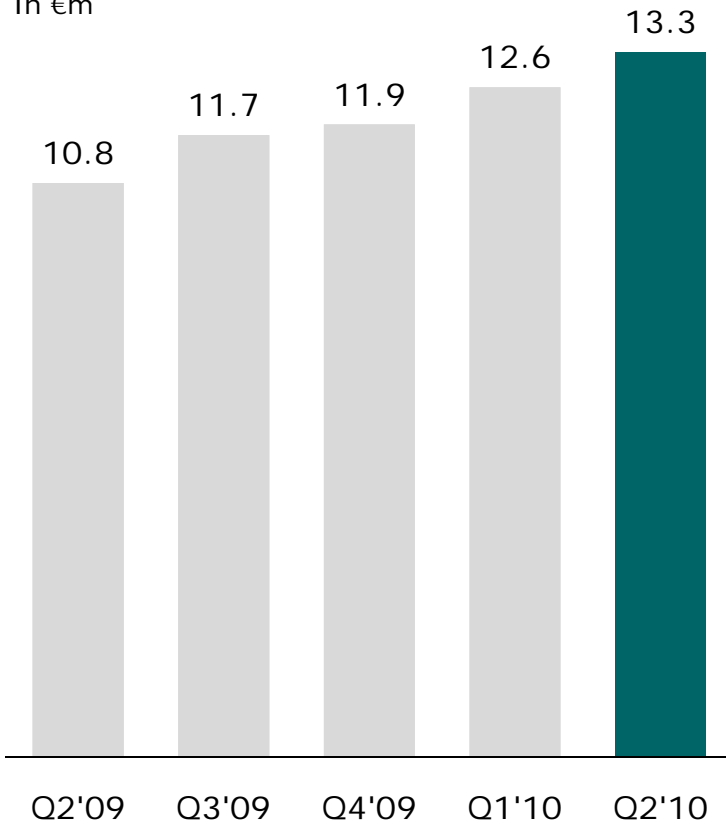
EBITDA and margin increasing quarter by quarter



- Global figures -

Revenues

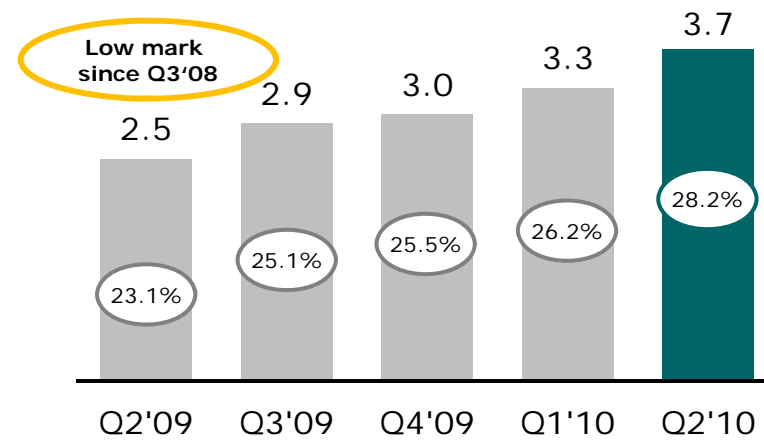
In €m



EBITDA

In €m

In % of total revenue



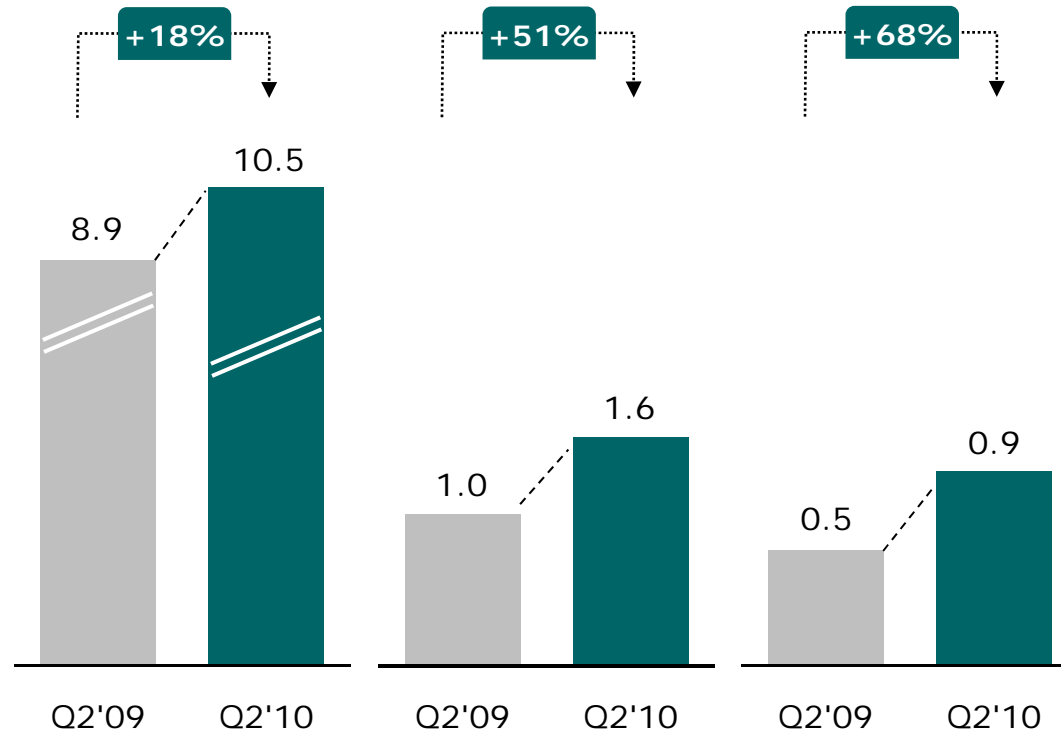
Upward trend in EBITDA since Q3'2009 despite continued investment mode

05 Accelerating 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 new markets such as e-recruiting & advertising

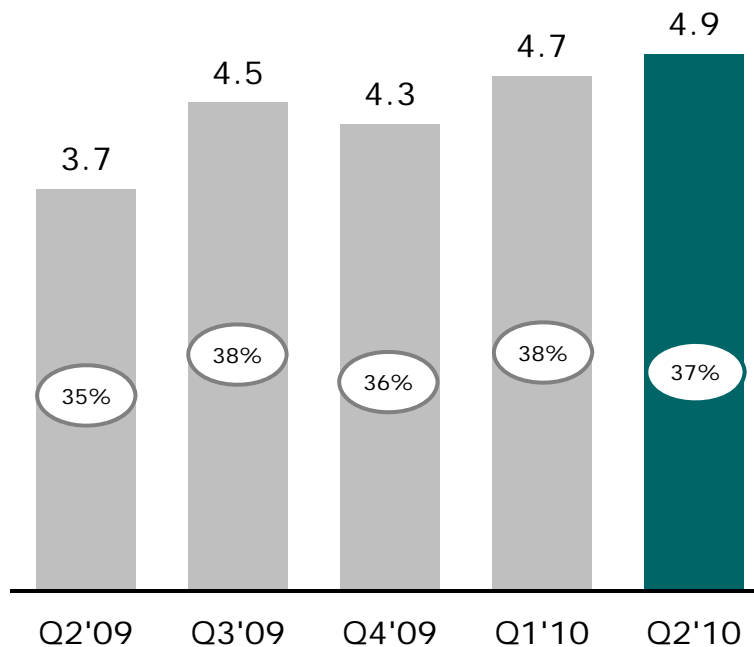
05 Continued investment in personnel to address new business segments e-recruiting/advertising



- 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

One-off due to reorganization of product development process



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

05 Marketing expenditures

€1.5m in Q2'2010

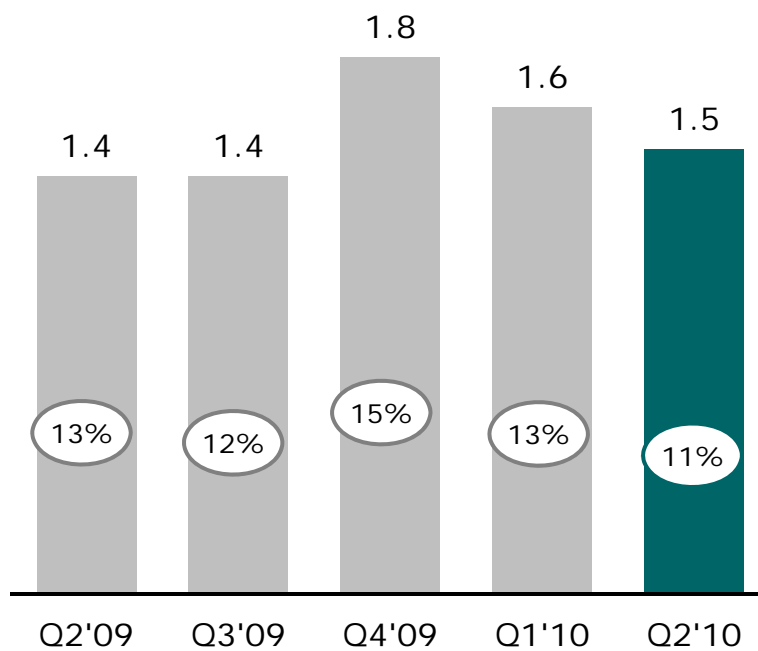


- Global figures -

Marketing

in €m
in % of revenue

Comments



- SEM
- Display campaigns
- Affiliate programs
- Cooperations

05 Other operating expenses

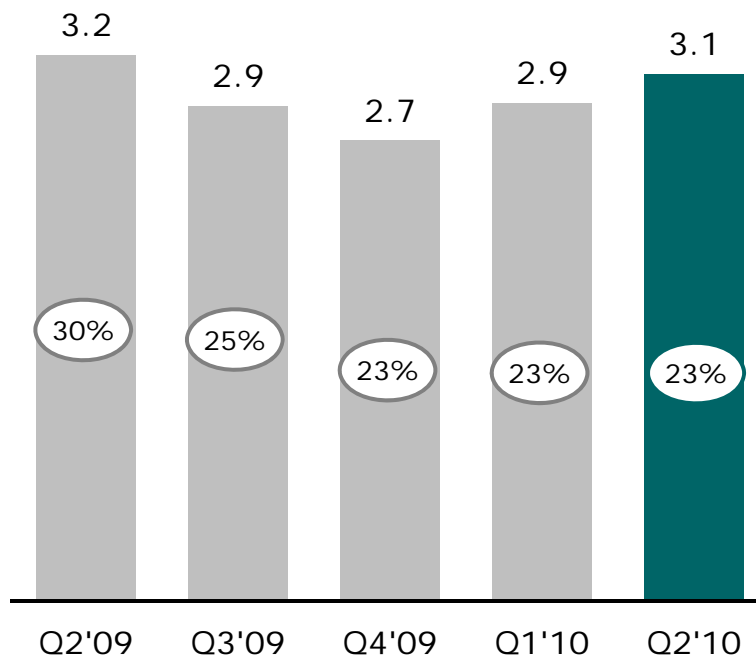
€3.1m in Q2'2010



- 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 €5.0m – free cash flow €4.0m



- Global figures -

in €m	2009			2010			
	Q2'09	Q3'09	Q4'09	Q1'10	Q2'10	Q2'10 vs. Q2'09	Q2'10 vs. Q1'10
	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.
EBITDA	2.5	2.9	3.0	3.3	3.7	+1.2	+0.4
Interest/Tax/ESOP	-1.2	0.0	+0.3	+0.3	+0.1	+1.1	-0.2
Δ Net Working Capital	-0.3	+1.4	+1.1	+5.6	+1.2	+1.5	-4.4
Operating Cash flow	+1.0	+4.3	+4.4	+9.2	+5.0	+4.0	-4.2
Investment - Operating	-2.2	-1.5	-1.1	-1.4	-1.1	+1.1	+0.3
Investment - Acquisitions	0.0	0.0	0.0	-0.7	0.0	0.0	+0.7
Financing incl. Share Buyback	-0.1	0.0	1.0	0.0	0.0	+0.1	0.0
Other	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Free Cash flow	-1.3	+2.8	+4.2	+7.1	+4.0	+5.3	-3.1



Tax payments of app. €4m in H2/2010 expected

Thank you
for your attention!

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Backup

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XING's current revenue streams



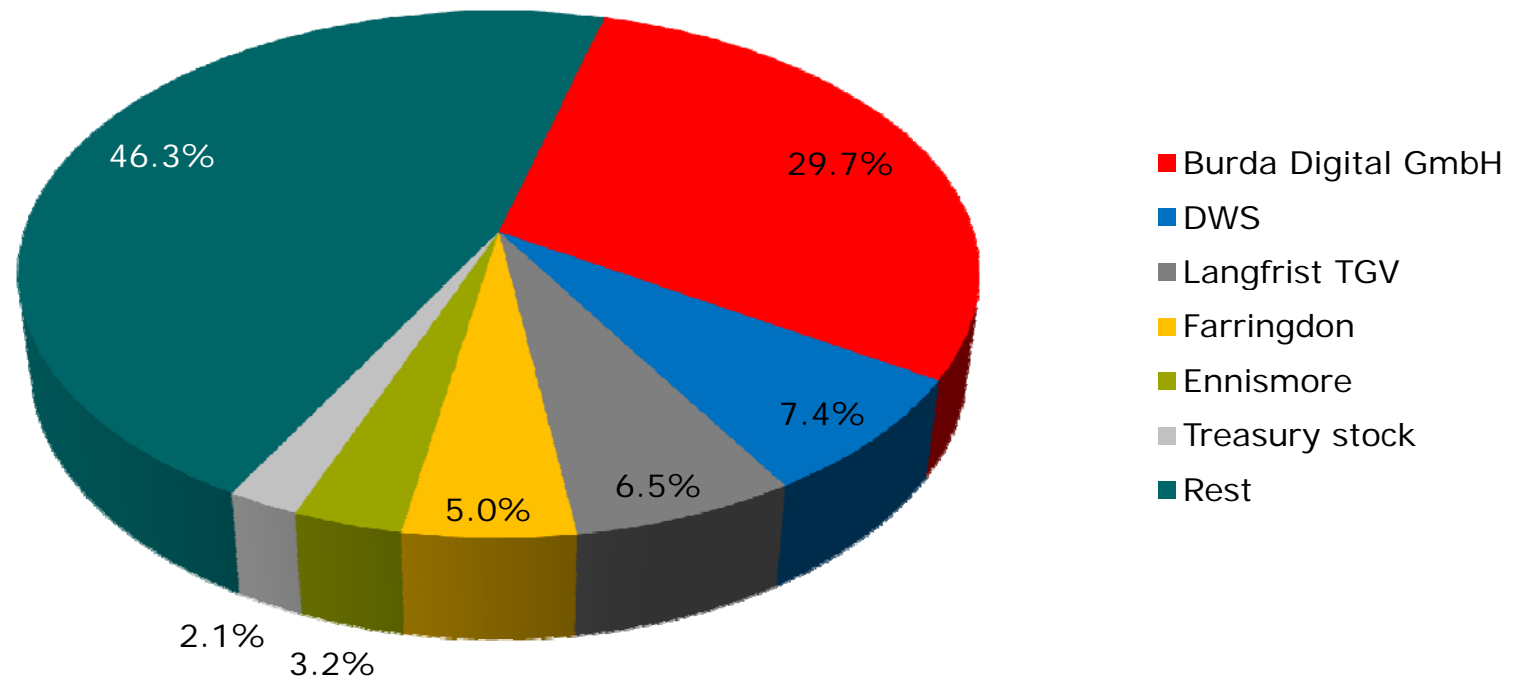
<p>Subscription business</p>	<ul style="list-style-type: none"> ▪ Paid in advance ▪ 718k Payers ▪ >90% activity rate 	<ul style="list-style-type: none"> ▪ 3 months: €6.95* ▪ 12 months: €5.95* ▪ 24 months: €4.95*
<p>E-Recruiting</p>	<ul style="list-style-type: none"> ▪ Recruiter memberships ▪ Click Price 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 ▪ Enterprise Groups ▪ Display Advertising ▪ Company Profiles 	<ul style="list-style-type: none"> ▪ Set up fee & rev. Share ▪ Set up & regular fee ▪ eCPM ▪ €29 (Standard) / €129 (Plus)*
<p>Others</p>	<ul style="list-style-type: none"> ▪ Paid-Events ▪ XING Seminars 	<ul style="list-style-type: none"> ▪ Provision to XING ▪ Provision to XING

* Per month

Share data HY'2010	
Shares	5,272,447
Bloomberg	O1BC
EPS	€0.50
FCF per Share	€2.10
Average 12M volume per day	~12,520
Analysts Coverage	Deutsche Bank, DZ Bank, Hauck & Aufhäuser, HSBC, LBBW

TecDax Ranking end of July 2010	
Measure	Rank
Market Cap.	35
Turnover	38

Shareholder Structure (as of August 11, 2010)



FreeFloat according to Deutsche Börse: 68.2%

Investor Relations

Contact Details



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>

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