Investor Presentation XING AG



Dr. Stefan Gross-Selbeck (CEO) & Ingo Chu (CFO) London, December 14, 2010

Agenda

- Social networking market & XING at a glance
 - 103 XING strategy & market potential
 - O4 Amiando AG acquisition
 - 05 Operational Performance
- Financial Performance



> Strong market position in high growth segment

■ 10.11m members +22% yoy ■ 733,000 payers +11% yoy

> Attractive economics

■ €39.6m [9M'10] revenues +19% yoy

■ 29% EBITDA margin [9M'10]

■ €13.5m [9M'10] free cash flow

> Significant market opportunities

- Further growth of core subscription business
- New revenue streams (Recent acquisition of amiando AG)

Good results of strategic focus

- Outgrowing competition in core market
- Increasing market share in e-recruiting and advertising

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Social networking market & XING at a glance

103 XING strategy & market potential

04 Amiando AG acquisition

Operational Performance

• Financial Performance

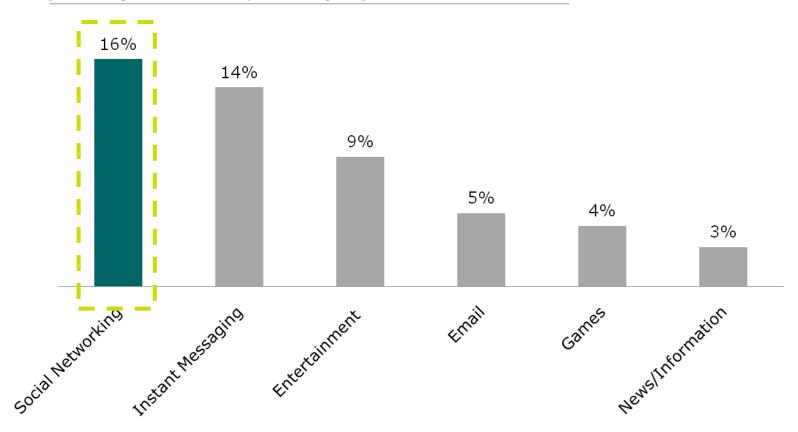
02

Social Networking is Our Business



How Europe uses the web?

[Share of regional minutes on key online categories]





More than 900m people use social networks worldwide so far!

02

Core Use Cases of XING as a Professional Network

HOME

SEARCH

MESSAGES

CONTACTS

GROUPS

EVENTS

JOBS

COMPANIES

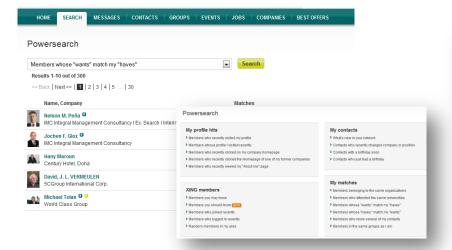
BEST OFFERS

1

Digital Identity Management



Business lead generation



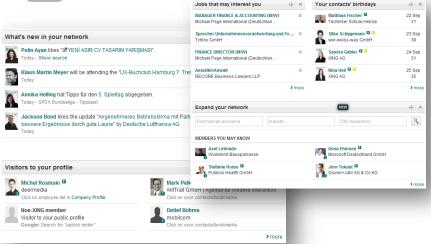
2 Efficient Contact Management

Jobs that may interest you
MANAGER PRIMARCE & ACCOUNTING (MW)

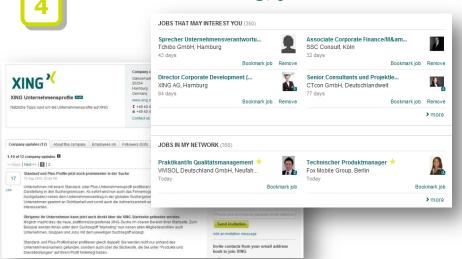
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MANAGER PRIMARCE & ACCOUNTING (MW)

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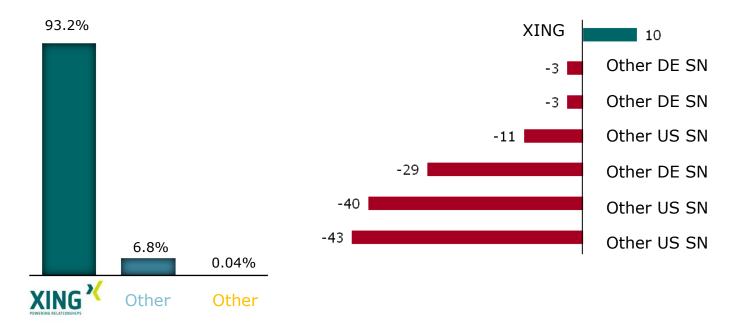
Tool for marketing, jobs & recruitment



Strong DACH market positioning



Distribution of Page Views on relevant business networking sites in Germany¹ Net Promoter Score Social Networks in %²



¹ Source: Comscore media metrics report june 2010, ² TNS study

O2 Segment Overview inc. financial KPIs for Q3′2010 in DACH



		DACH		
	Subscriptions	E-Recruiting	Advertising (incl. Company Profiles)	International
Revenues yoy growth in %	€10.4m +13%	€1.8m +84%	€0.8m +51%	€0.5m -11%
Recent Highlights	 Recent product launches showing positive impact on member growth and activity Strongest member growth since Q2'09 	 another quarter of accelerating growth 2009 investments paying off New coop with No.1 Swiss job portal (Jobs.ch) to cover Swiss market 	 Boost in eCPM (x4 since Jan 2010) New formats (i.e. wallpaper) 	 significant member base in core markets (~1m members in Turkey & 1.5m members in Spain) Future focus: driving activtiy rather than growth
Market potential	~19m people¹	>€200m	>€3bn	~17m people ¹

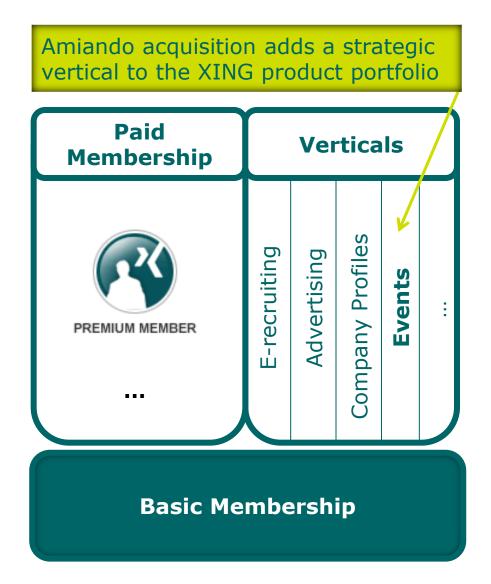
¹ Source: XING analysis of addressable market

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Our strategic approach Invest & expand into new verticals

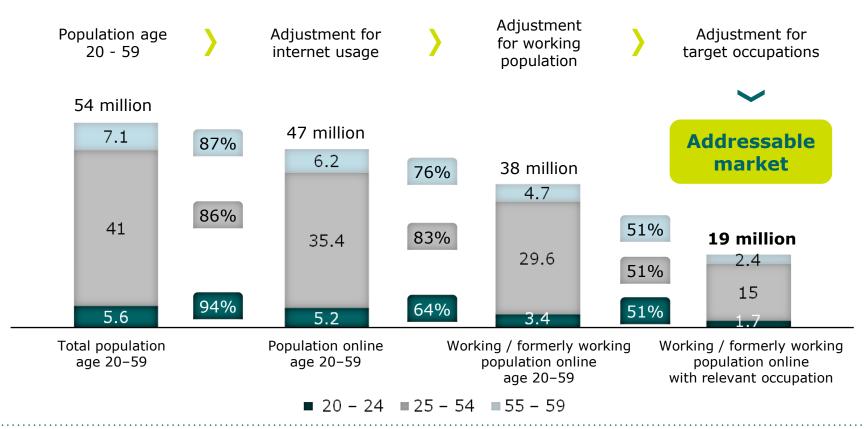




03

Large Potential For Further Member & Payer Growth Addressable Market DACH: Market Size Estimate 2015





Source: United Nations World Population Prospects 2006, United Nations Economic Commission for Europe – Statistical Division, European Commission Long-Term Labour Force Projections 2005, OECD's Committee Information Service, CEDEFOP Future Skill Needs in Europe Forecast 2008, Sal. Oppenheim estimates

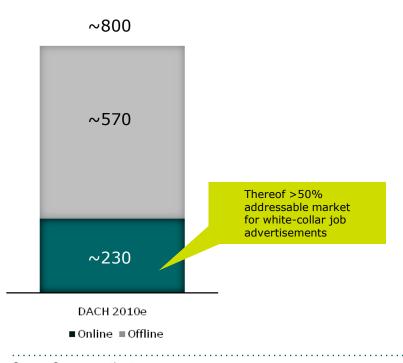


XING's total addressable market in DACH (2015) is estimated at 19 million users



Market volume job boards DACH in €m

Our opportunity to succeed



- Career advancement one core motivation to use XING
- Millions of talents on platform, best profile database in DACH (and ES and TR)
- >75.000 recruiters already on XING
- Reach most attractive "latent seekers" segment through push recommendations

Source: Company estimates



Many HR executives reckon XING to be the Next Big Thing in Recruiting

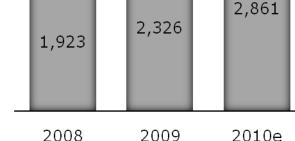
Advertising – Market and Opportunity German Online Display Ads: a ~€3bn market



German speaking online display advertising market 2008-2010e gross-growth estimates

in €m

21%





- Targeting detailed information on customers available
- Quality high-profile community attracts strong brands and quality advertisers
- Real opportunity: Converting advertising into content that users appreciate (exclusive offers, jobs, providers, contextual etc)



Despite market size, only secondary business since other models provide more user value and monetization potential. Limited investments to expand business.

Source: OVK Online Report 2/2010

Overview/segmentation events market



	Professional focus			
	Business Events	Professional Trainings	Networking events	Other events
Description	Bigger business related events, e.g. congresses, fairs, conferences	Organized learning events to gain qualification	Ambassador events, corporate presentations, business breakfast etc.	Leisure-related events, e.g. art & culture
Market size (Germany)	~1m events with 260m participants p.m.	~1m trainings with 40m participants p.a.	Original XING events	n/a
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	~2			
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1. XING AG acquires amiando AG

 Objective: to form a fully integrated service provider for the promotion and fulfillment of business related events

2. amiando AG is Europe's leading platform for event management and ticketing

- 1,600 paying organizers → ~€1.5m revenues in 2010e
- Full service to event hosts (i.e. Reg. forms & ticketing, participant management, payment handling, marketing tools, event data management & CRM, etc.)

3. Events are a key element of the XING platform

- > 150,000 user generated events p.a. (DACH)
- > 750,000 event participants p.a. (DACH)

3. The XING/amiando AG events business is a significant revenue opportunity

- Jointly we can build and market very attractive solutions for organizers and attendees
- Covering the most attractive parts of the value chain (fulfillment, event promotion, post-event)
- Significant market size
- 4. Purchase price: initial payment of app. €5.1m + second payment of up to €5.25m on March 31, 2013 depending on numerous conditions to be met

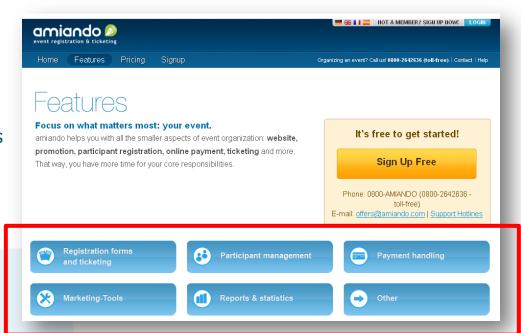
The online event registration and ticketing tool



Founded: 2006

Headquarter: Munich, Germany

Employees: 24 fulltime + 11 interns



Product advantages

- ✓ Sell tickets online
- ✓ Create online event registration forms
- ✓ Promote events and sell more tickets
- ✓ Manage and keep track of attendees
- ✓ Complete payment processing

More than 30,000 happy customers













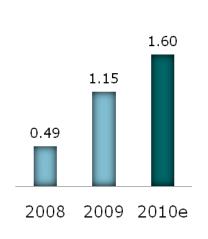




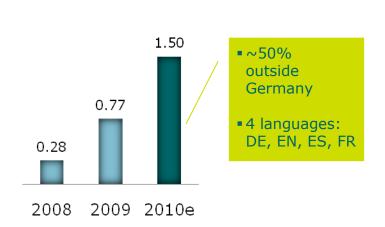


Proven success





Revenues in €m



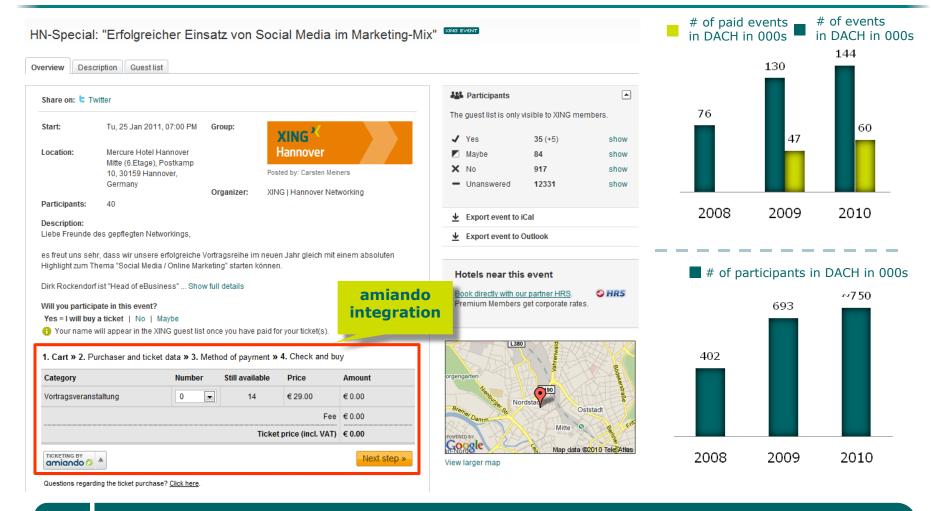
Pricing

- **Ticketing:** 5.9% of attendance fee plus 0.99 Eur fix fee per ticket
- Event management: add-on services such as ticket papers, mailing tool coustomization services for extra charge

XING Events:







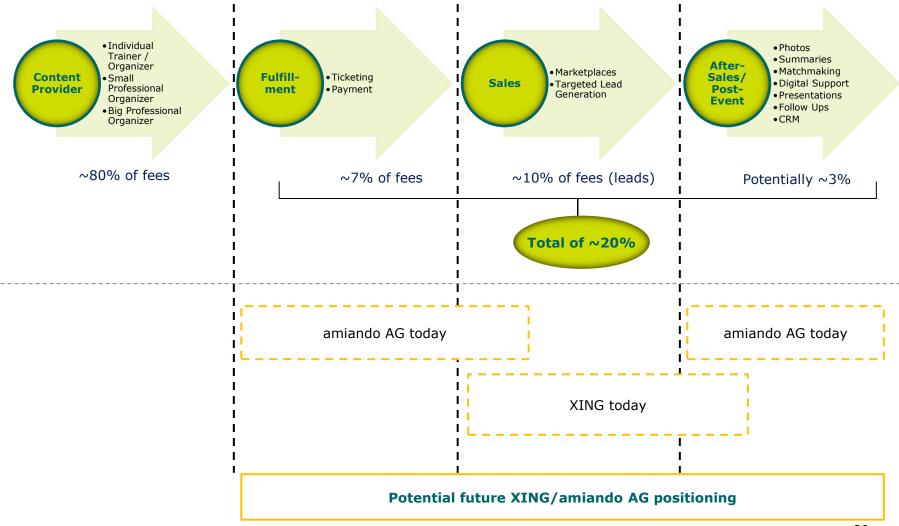


Why events on XING work:

- "Perfect" target group
- Unique targeting capabilities
- High relevance of business graph

XING and amiando AG will cover the most attractive parts of the value chain







1. Acquisition of 100% of the shares of amiando AG

2. Purchase price:

- 1.Payment upon closing: app. €5.1 million
- 2. Second payment of a maximum amount of €5.25m payable by March 31, 2013 if numerous milestones are met including:
 - Current amiando management team (founders) stays on board for at least 18 months after closing
 - The new "events" entity generates revenues of €12m in 2011 &
 2012 (cumulated)
 - The new "events" entity achieves a cumulated positive result in 2011 & 2012

4. Timing

Full Consolidation as of 1st January 2011

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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

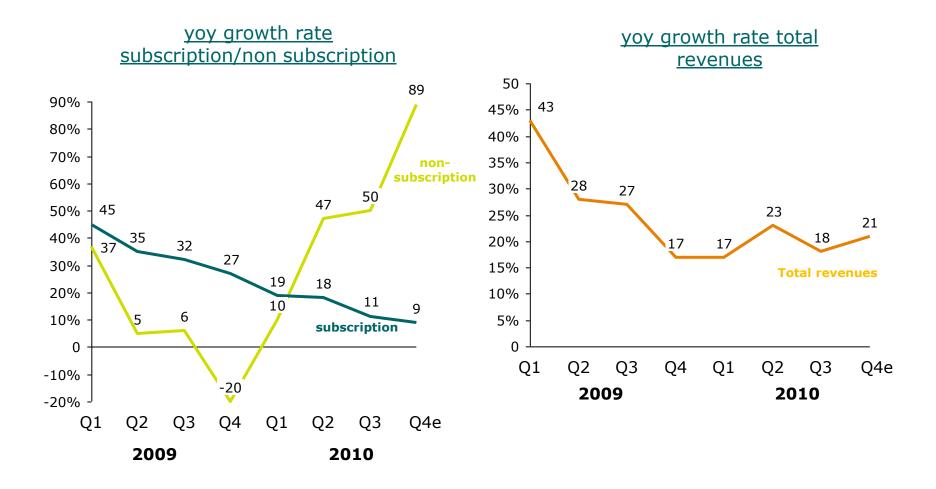
Growth:





O 5 Constant growth for the past 5 quarters despite slowing core



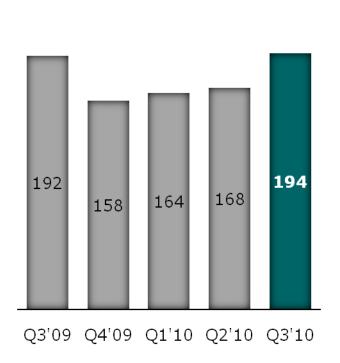


DACH: Promising trend of net member adds



Member net adds

in 000'



19% 3.58 3.74 3.90 4.07 4.27

Member base DACH

Q3'09 Q4'09 Q1'10 Q2'10 Q3'10



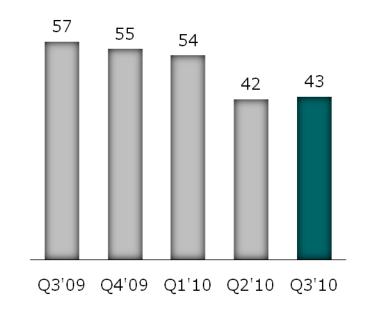
- Strongest member growth (+194k) since Q2'2009
- Continuously strong #1 in DACH
- XING usage 10x higher than next competitor in Germany*

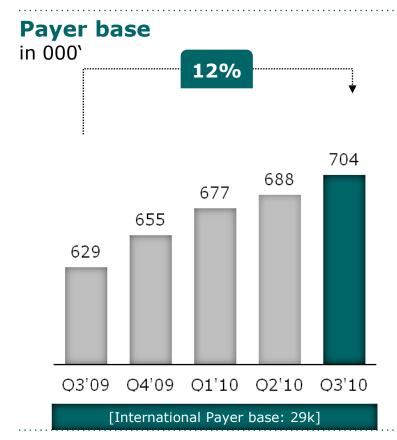






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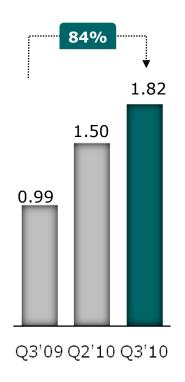


Q3 net payer adds (16k) up vs. previous quarter (11k)

O 5 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



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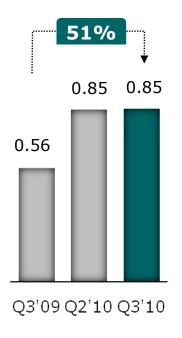
Distribution partnership with leading job portal in Switzerland www.jobs.ch

O 5 DACH: Advertising: YoY growth of 51%



Advertising revenues

in m



Comments

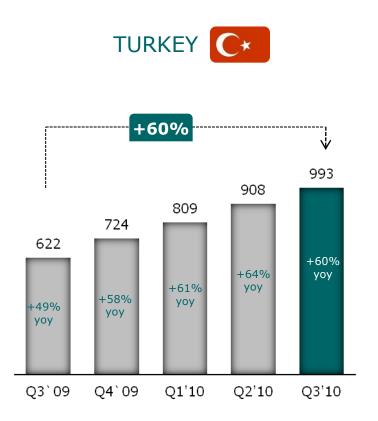
- CPM 4x compared to January 2010
- New ad formats
- Total number of company profiles reached 200,000

>>>

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

Oscillation of the second of t









Significant member base in both markets Future focus: driving activity

Source: company data 29

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O 6 Executive Summary Q3 Highlights



- > 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

Significant increase in operating performance in Q3



	Q3′10	Q2′10	Q3′10 vs. Q2′10	Ø3,09	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

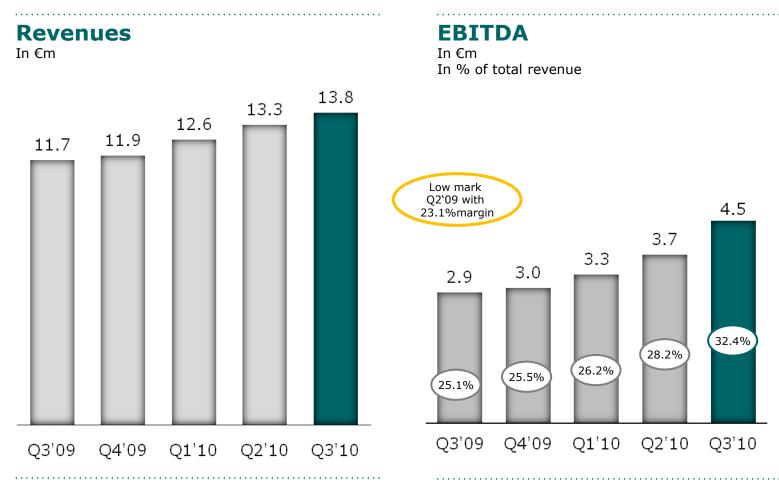


EBITDA-Margin up 5th consecutive quarter in a row

Quarterly revenues continue to grow EBITDA €4.5m; margin 32%



- Global figures -





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

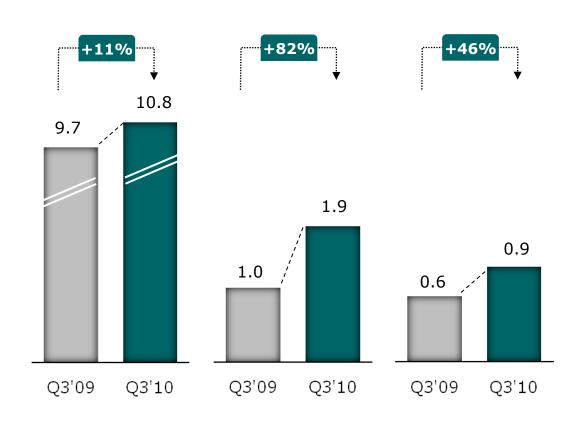


Continuing strong growth in e-recruiting & advertising



- Global figures -





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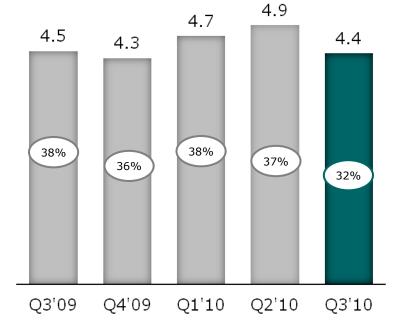
XING community and web 2.0 context powerful assets to enter and exploit adjacent markets



- 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 personnelrelated accruals
- FTE's gog flat

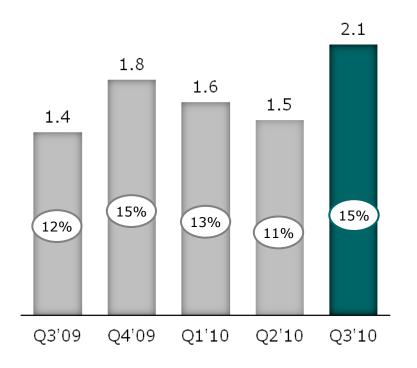
Marketing expenditures First XING-TV campaign ever started in Sep'2010



- Global figures -

Marketing

in €m in % of revenue



Comments

First XING TV Campaign



- SEM
- Display campaigns
- Affiliate programs
- Cooperations

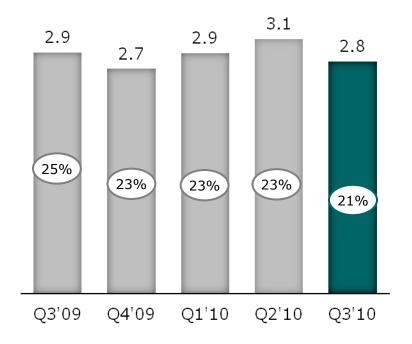
Other operating expenses in Q3'10: €2.8m; 21% of revenues



- 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

.....

Of Cash Flow Statement Operating cash flow €4.0m in Q3′2010



- Global figures -

in €m	200	09		2010			
	Q3'09	Q4`09	Q1'10	Q2`10	Q3′10	Q3′10 vs. Q3′09	Q3′10 vs. Q2′10
	Abs.	Abs.	Abs.	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
△ 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

Balance Sheet Low invested capital!



in €m	2010			2009		
	Q3′10	Q2′10	Q1`10	Q4'09	Q3'09	
	Abs.	Abs.	Abs.	Abs.	Abs.	
Assets	90.8	88.6	84.9	80.7	82.1	
Operating assets	17.1	17.0	17.0	19.6	21.3	
Acquisitions / International	16.9	17.2	17.5	17.9	21.7	
TAX A/R	0.4	0.5	0.5	0.4	0.5	
Cash	56.4	53.9	50.0	42.9	38.6	
Liabilities	90.8	88.6	84.9	80.7	82.1	
Equity	58.3	55.9	54.3	52.7	55.7	
Deferred Income	20.1	19.6	18.7	16.2	14.8	
Liabilities	5.3	5.7	5.8	6.4	6.5	
Tax Liabilities	7.1	7.4	6.2	5.4	5.0	
Other	0.0	0.0	0.0	0.0	0.0	



Negative net working capital

Thank you for your attention!

POWERING RELATIONSHIPS WWW.XING.COM

Backup

POWERING RELATIONSHIPS WWW.XING.COM

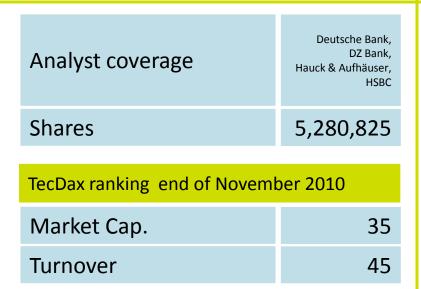
XING AG IR stats Market Cap: ~€190m / €56m cash / no debt

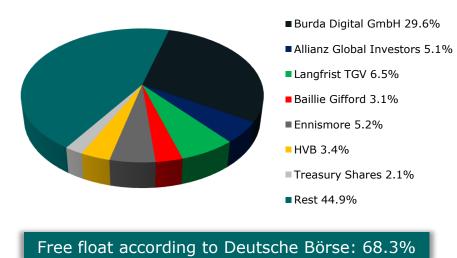


Consensus

_				
	2010e	2011e	2012e	2013e
Total revenues	54.3	64.9	72.8	85.2
EBITDA	16.3	21.3	24.7	29.4
Margin	30%	33%	34%	35%
Depreciation	(5.2)	(5.8)	(6.3)	(8.3)
EBIT	11.1	15.5	18.5	21.1
Margin	20%	24%	25%	25%
Net income	7.5	10.9	13.0	14.6
EPS in €	1.45	2.09	2.50	2.83
Free cash flow	11.8	13.7	15.6	18.4

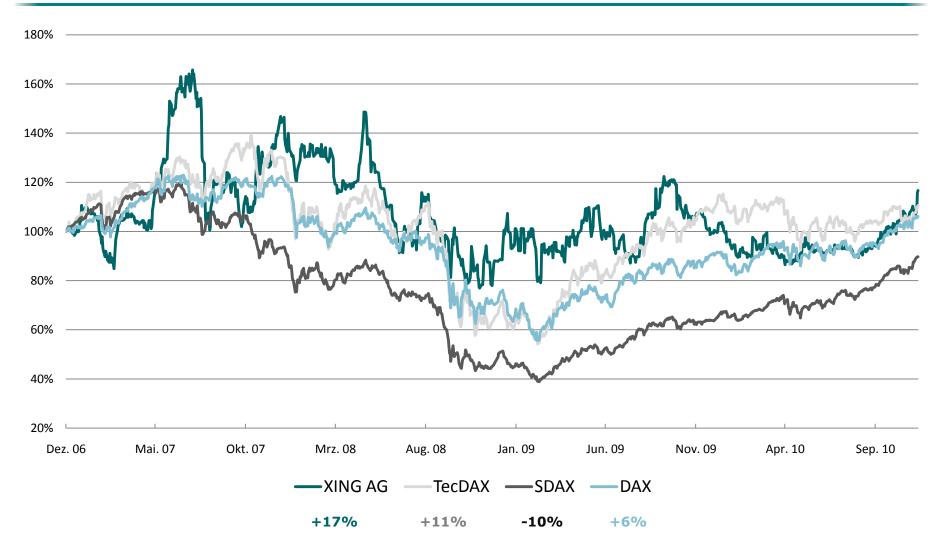
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XING share price since IPO in Dec'06 (as of Dec 10, 2010)





Investor Relations

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



Institutional Investor

2009 Europe's Best Investor Relations

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

XING's current revenue streams



Subscription business

- Paid in advance
- 733k Payers
- >90% activity rate

- 3 months: €6.95*
- 12 months: €5.95*
- 24 months: €4.95*

E-Recruiting

- Recruiter memberships
- Click Price Job Ads
- Fix Price Job Ads

- €49.95/€39.95/€29.95 (3/6/12 months)*
- €0.69 per job click
- LOGO: €395 / DESIGN: €495*

Advertising

- Best Offers
- Enterprise Groups
- Display Advertising
- Company Profiles

- Set up fee & rev. Share
- Set up & regular fee
- eCPM
- €24.90 (Standard) / €129 (Plus)*

Others

- Paid-Events
- XING Seminars

- Provision to XING
- Provision to XING

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