



XING 

Conference Call on Q3'09 Results

Stefan Groß-Selbeck (CEO)
& Ingo Chu (CFO)

November 12, 2009

01 Agenda

XING[®]



- 1) Executive Summary
- 2) Highlights from Q3
- 3) Financials
- 4) Outlook



Q3'09: Good financial results

- 8% Growth in revenues qoq
- 25% EBITDA margin

Management Board is complete

- Dr. Helmut Becker joined as Chief Commercial Officer in September

Strong execution

- Continue Fast Pace Of Innovation
 - *New Premium-Member Benefits*
 - *XING turning into a fully fledged e-recruiting player*
 - *Deepening community relations*

Good early results of strategic focus

- Outgrowing competition in core market
- Increasing market share in job advertising
- Accelerating member growth in international focus markets

Continuing on our path

- Drive penetration in DACH
- Go deep on recruiters
- International expansion in select markets

02 Overview of Q3'09 performance



		Q3'2009	Q3'2008	Chg.
Total Revenues ¹	€m	11.7	9.2	+27%
EBITDA ²	€m	2.9	3.7	-22%
EBITDA-Margin ²	%	25	40	
Operating Cashflow	€m	4.3	3.6	+19%
Result for the period	€m	0.3 ³	1.8	-83%
Member Base	m	8.3	6.5	+28%
DACH	m	3.6	2.7	+33%
International	m	4.7	3.8	+24%
Payer Base Worldwide	000'	662	513	+29%

¹ Including other operating income

² Including non-recurring expenses of €400k (Closure of Italian Office)

³ Includes €1.0m tax provisions resulting from the retroactive tax audit for the fiscal years 2003 to 2007

01 New member of the Management Board

Dr. Helmut Becker joins as CCO



As Chief Commercial Officer, Dr. Helmut Becker is responsible for Marketing, Sales and all business lines.

CV

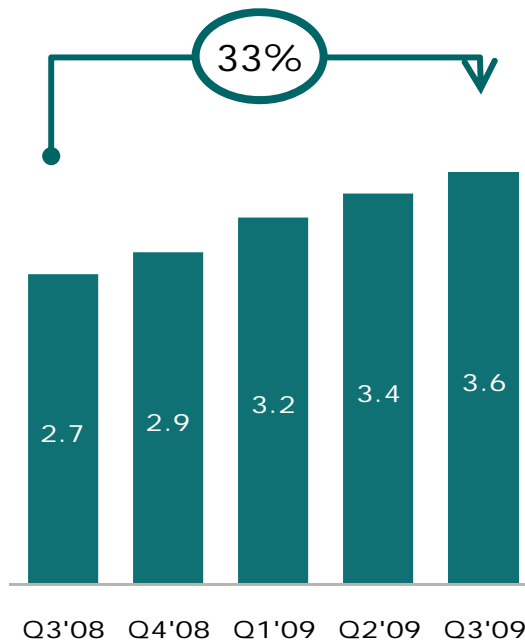
- University of Hamburg/ University of Cambridge, PhD Physics
- McKinsey, Associate Principal
- eBay: Director Corp Dev, Managing Director Shopping.com, Sr. Director New Business, Sr. Director Advertising & Internetmarketing

02 Driving penetration in core "DACH" markets

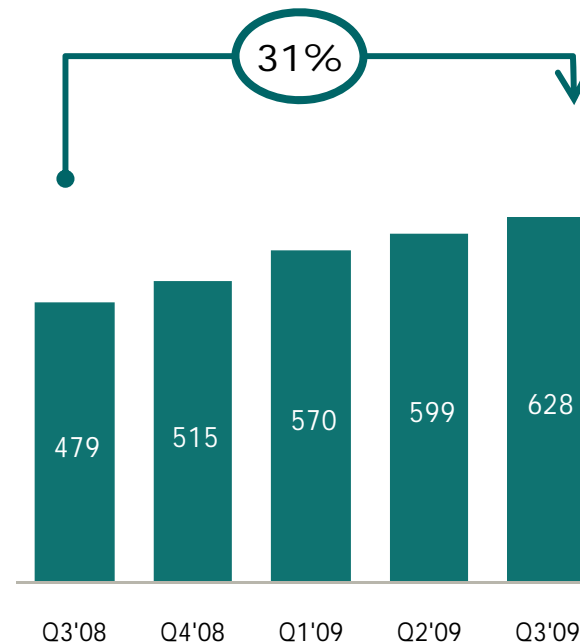
Continuing growth in member & payer base



Member base in m



Payer base in 000'



- very solid member growth
- payer growth reflects slightly longer time to convert with continuously high retention rate

02 New Premium Member Benefits

Strengthening active usage



References & awards

References [Request and manage references](#)

Document upload ✕

You can upload up to 3 files (A maximum of 2 MB each in PDF, JPG or PNG format).

File description* File*

File visible to:

All XING members Only my contacts

Awards You haven't yet listed any awards.

Features we shipped

- Profile Attachments (Premium Only)
- Email Birthday Reminders (Premium Only)
- XING References (Premium Only)

XING ✕ Birthday reminder

Dear Steve,

Here's a XING birthday reminder with a list of your contacts' upcoming birthdays:

Don't forget the following birthdays:

	Sarah Casey <input type="checkbox"/> Surface Media AG	26 Oct 1978 Age: turning 31	Send birthday message
	Robert Wessel <input type="checkbox"/> HBS Communications Group	26 Oct 1974 Age: turning 35	Send birthday message

Please click [here](#) if you would prefer not to receive birthday reminder mails in future, or would rather receive a plain text email. This newsletter was sent to you because you're a XING Premium Member.

© 2009 XING AG | [About this site](#)

My References My Contacts' References Alerts

[Preview my references](#) [FAQs](#)

Marketing, Mantopol S.A. (Mar 2009 - Present)

Show: **References (1)** | Open requests (0)

Silvio Miller
Consultant
Superflow Enterprises

Letter of recommendation:
"I worked together with Mariella Miester back in October last year and was immediately impressed by her organized way of working and structured thought processes. She brought so much to the table, proved 100% reliable and was a real pleasure to work with. Shrewd, hard-working and always professional – I would highly recommend her to any prospective partners." 14 Oct 2009

[Hide reference](#) - [Delete reference](#) - [Become a reference](#)

Impact

- >150k users of „XING-References“ within the first days
- >40k files have been uploaded by Premium members within a few weeks

02 XING now offering fully fledged e-Recruiting services (I) Launched XING recruiter membership



Search results

Keywords: java, CSS

Results 1-10 out of 1000 (total: 1.310)

Filter your search results

Selected search criteria:
 java, CSS
 internet

Please further narrow your results:

- Career level**
 - Entry Level (83)
 - Professional (467)
 - Manager (59)
 - Executive (77)
 - Senior Executive (160)
- By status**
 - Entrepreneur (240)
 - Freelancer (283)
 - Employee (705)
 - Executive (53)
 - Self-employed (40)
- Professional experience** (calculated)
 - <1 year (83)
 - 1-2 years (84)
 - 2-5 years (225)
 - 5-10 years (445)
 - >10 years (218)
- Years at current position**
 - <1 year (251)
 - 1-2 years (273)
 - 2-5 years (209)
 - 5-10 years (162)
 - >10 years (146)
- Industry**
 - Computer Software (58)
 - Information Technology & Serv... (100)
 - Internet (97)
 - Marketing & Advertising (15)
 - Online Media (14)
- Postal code** (Germany)
 - Zip code 1 (125)
 - Zip code 2 (147)
 - Zip code 5 (107)
 - Zip code 7 (107)
 - Zip code 8 (95)
- Company size**
 - 1-10 employees (248)
 - 11-50 employees (285)
 - 51-200 employees (160)

Your fast track to finding the right candidate!



Do you want to find suitable candidates fast?

Use the XING Recruiter Membership to track down the right candidates in half the time.

Pull ahead of the competition for less than €0.99 a day.

Advantages of a Recruiter Membership:

- Find candidates fast** - get a list of top talents in under 10 seconds
- Get key profile information** - directly in the search results
- Improved contact management** - makes it quicker and easier to contact candidates
- Everything you need** - all XING Premium functions included

¹ Automatically extended after the end of the selected period. Net prices plus VAT, if applicable

Get Recruiter Membership now

Not a XING member? [Sign up](#) now!

More information

See how the new recruiter membership works!

[Watch now](#)

Get the Recruiter Membership for less than €0.99 a day!

- 3 months: €49.95¹ a month
- 6 months: €39.95² a month
- 12 months: €29.95³ a month

Your job ads on XING

On XING Jobs you can also find candidates by posting job ads.

[More information](#)

What's new:

- New benefits for recruiters
 - Find candidates fast – get a list of top talents in under 10 seconds
 - Get key profile information – directly in the search result
 - Improved contact management – makes it quicker and easier to contact candidates
- Target Group: Headhunters, HR Professionals

a) Source: Company estimates, RW Baird estimates (2008), Monster.com research

02 XING now a fully fledged e-Recruiting service (II)

Launched Professional job advertisement on XING



<p>TEXT ad Priced per click</p> <ul style="list-style-type: none"> No basic fee, no minimum charges Click limit for complete cost management <p>More information</p> <p>0,59 €/click¹</p> <p>Create job ad</p>	<p>LOGO ad Monthly price, including logo + PDF</p> <ul style="list-style-type: none"> Includes company logo and your ad as a PDF attachment Ad text can be formatted 30-day posting period <p>More information</p> <p>395,00 €²</p> <p>Create job ad</p>
<p>DESIGN ad Monthly price, customized</p> <ul style="list-style-type: none"> Fully formatted ad with your design Express posting or service posting <p>More information</p> <p>Starting at 495,00 €³</p> <p>Please contact our Sales team at +49 40 41 91 31-575.</p>	<p>Individual solutions Contracts + packages</p> <ul style="list-style-type: none"> Customized packages Bulk discounts for large volumes Custom solutions for your requirements <p>More information</p> <p>Price upon request</p> <p>Please contact our Sales team at +49 40 41 91 31-575.</p>

Das sagen unsere Mitarbeiter*:

98% sehen die **Zukunft** unseres Unternehmens **positiv**.

99% haben **Spaß** bei der Arbeit.

99% genießen die große **Kollegialität** in unserem Unternehmen.



Und das sagen wir über unsere Mitarbeiter:

100% der Menschen, die bei uns arbeiten sind sehr begeisterungsfähig und kommunizieren. Tische, Hierarchien, Dinge selbst und etwas bewegen zu können – ohne Persönlichkeit auf der Strecke zu lassen.

Account Manager (m/w)
Standorte: Düsseldorf und München

QlikTech

Praktikum (m/w) Marketing

Michael Page international

BERTELSMANN
media worldwide

Create your own career

Veiljurist (m/w)
in Corporate Center bei Bertelsmann AG (Stuttgart)

What's new:

- Upgrading existing job-board
 - Displayed / designed ads
 - Fixed price offering
- Target group: Long-tail, SME, Corporates & big corporations

^{a)} Source: Company estimates, RW Baird estimates (2008), Monster.com research

02 Deepening community relations



XING ambassador program

- 215 regional ambassadors managing 950k group members
- > 900 ambassador events in 9M'09 with > 65k participants
- NEW:** Launch of „Xpert“ ambassador program
 - industry related expertise
 - Meet experts online & offline

Groups in the category "XING Xpert Ambassador Groups"

Search for: Search

Groups in the category "XING Xpert Ambassador Groups"

Groups 1-10 out of 15 Language: (all) Sort by: members (descending)

Group	Category	Language	Members
Gründer und Selbständige	XING Xpert Ambassador Groups	German	73,650
The Selling Group	XING Xpert Ambassador Groups	German	66,633
BANKINGCLUB - ONLINE	XING Xpert Ambassador Groups	German	48,188
IT-Connection	XING Xpert Ambassador Groups	German	27,104
Controlling	XING Xpert Ambassador Groups	German	13,454
Media & Publishing	XING Xpert Ambassador Groups	German	11,709
Calidad y Excelencia	XING Xpert Ambassador Groups	Spanish	10,191

XING „Events“ tool

- Key element of XING value proposition
- >100k events in 9M'09 → +93%
- >500k participants → +74%
- NEW:** integrated billing & ticketing solution for ambassadors

XING live Networking im Lindner Park-Hotel

Overview Description Guest list

Share on: [Twitter](#)

Start: Tu, 20 Oct 2009, 06:30 PM Organizer: XING Live Hamburg
 End time: Tu, 20 Oct 2009, 10:00 PM
 Location: Lindner Park Hotel Hagenbeck, Hagenbeckstraße 190, 22927, Hamburg, Germany
 Admission fee: 49,95 EUR
 Participants: 144

Description: ***** EINTRITT NUR GEGEN VORLAGE EINES VORAB GEKAUFTEN TICKETS. *****
 ***** DER STATUS "JA" KANN NUR MITTELS TICKETKAUF GESETZT WERDEN! *****
 ***** Im Preis von 26,00 Euro sind die konsumierten Getränke des Abends enthalten! *****

Will you participate in this event?
 Yes = I will buy a ticket | No | Maybe

1. Warenkorb » 2. Käufer- und Ticketdaten » 3. Zahlungsart » 4. Überprüfen und kaufen

Kategorie	Anzahl	Noch verfügbar	Preis	Summe
Normal	<input type="text" value="0"/>	40	€ 26,00	€ 0,00

Ticketpreis (inkl. USt.) € 4,95

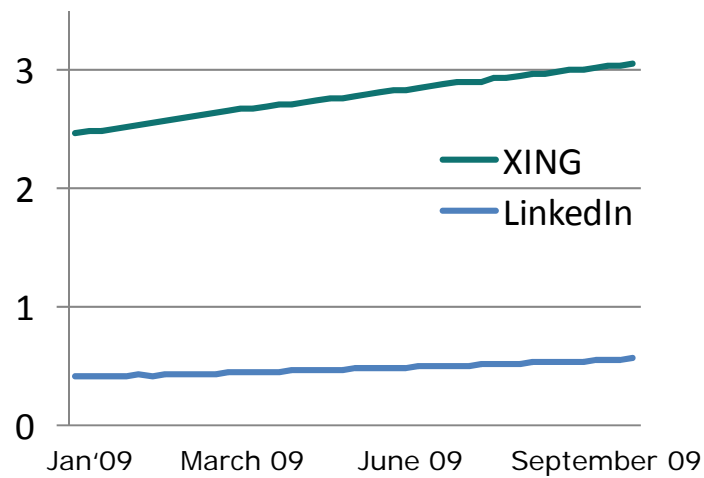
Participants: The guest list is only visible to XING members.
 Yes: 129 (1-04) show
 Maybe: 311 show
 No: 2791 show
 Unanswered: 41972 show

Map:

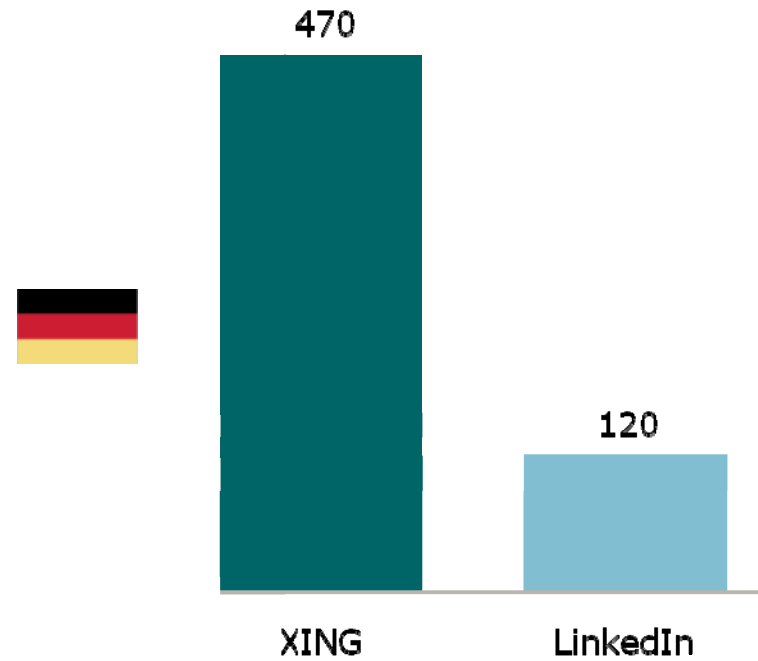
02 XING continues to outperform competition in core market



Member Base in m



Member Adds Jan'09 – Sep'09 (000)

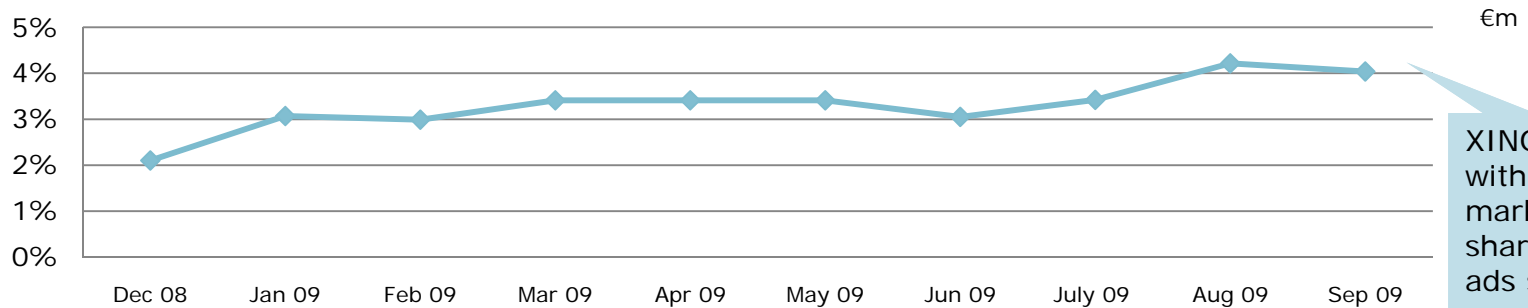


02 XING "Jobs" board – increasing market share

Modest growth rates despite crisis in job market

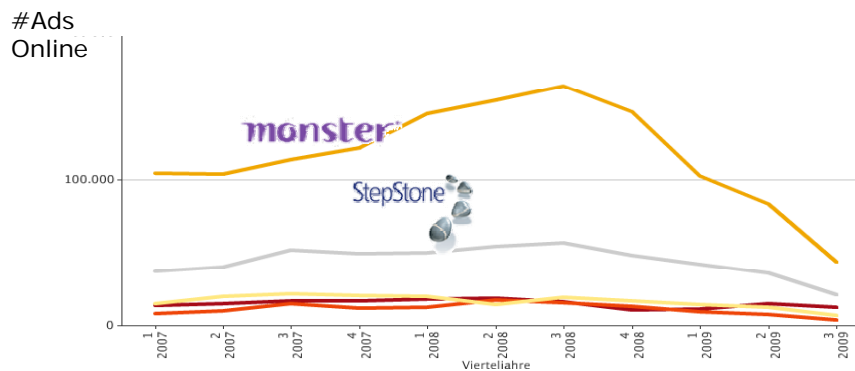


XING market share ads online

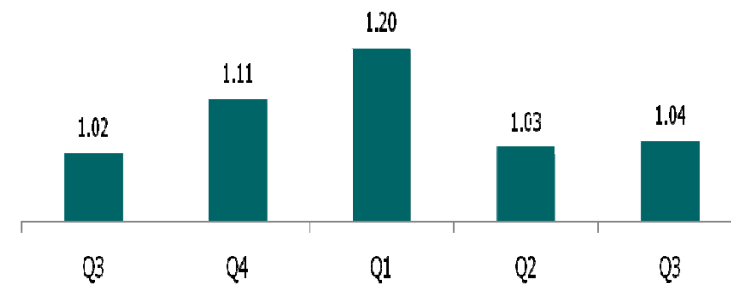


XING now with 4.0% market share of all ads sold

Job ad volume in market



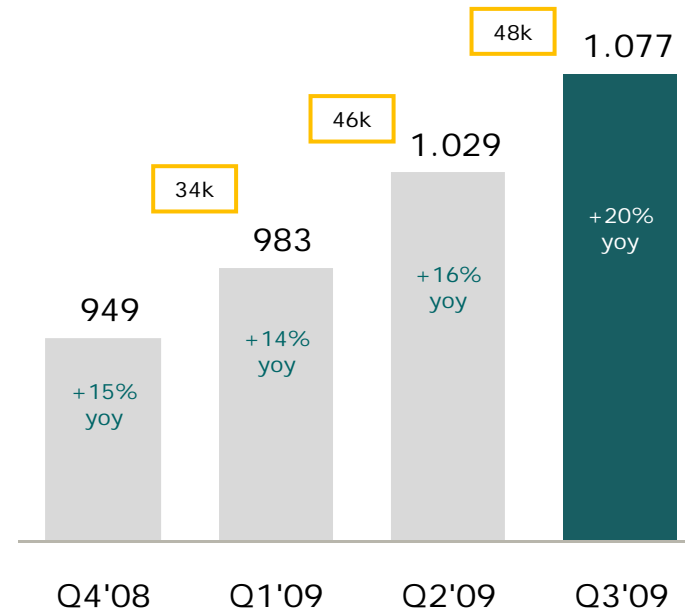
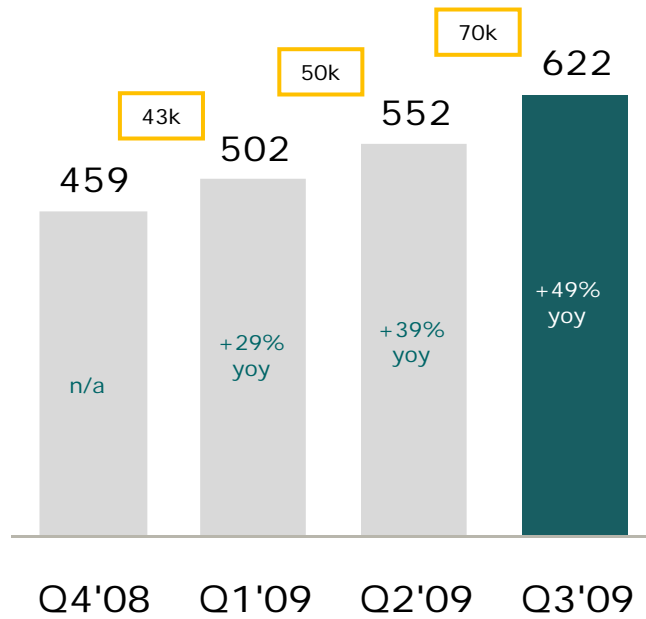
Revenue development job market



XING was able to increase market share from 2 to 4.0%.

Source: anzeigenmarkt.de, own calculations

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



02 In the pipeline: "Company Profiles" – market and opportunity

"Social Yellow Pages"; part of the business graph and a €334m business



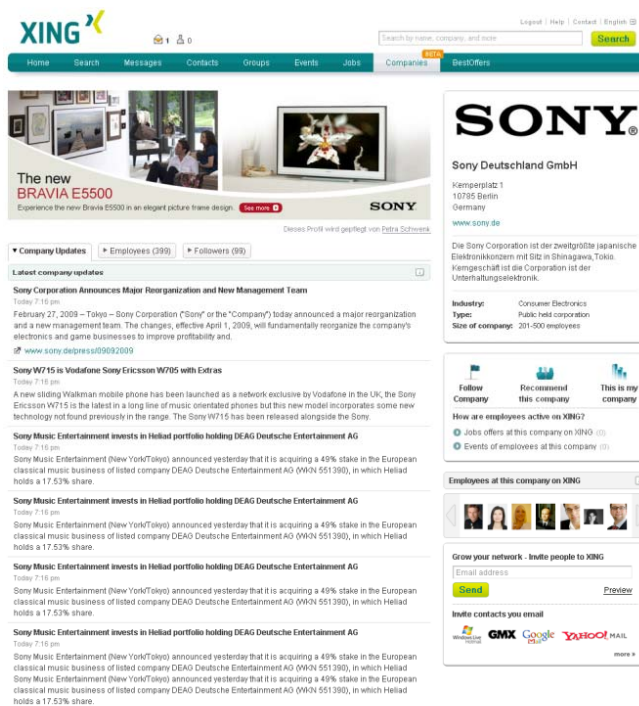
Yellow page ads market

- Total market in Europe 2010: €7.85b (33% online)
- Germany market size >€330m



Our opportunity to succeed

- **Demand-side:** Massive reach to decision-makers who already use XING to identify experts, providers, suppliers
- **Supply-side:** XING members already represent >100.000 companies
- **Relationships and references** from community members
- **Matching** of providers to user's wants



What we will launch this quarter

- First version of editable company profiles
 - Customizable company details
 - incl. Logo and Banner area
 - Employee/Follower list
 - Company Updates

- **(1) Drive penetration in core DACH markets**
Objectives: Further increase activity & drive member growth
 - Innovation to drive value

- **(2) Improve offering for recruiters & pursue new revenue opportunities**
 - Leverage on existing 70k recruiters on XING
 - Build value adding products & features

- **(3) Continue international expansion**
 - Continue to invest in active member growth
 - Focus on select countries
 - Drive organic growth
 - Consider acquisitions opportunistically



Q3'09: Good financial results despite continued investment mode and one-offs

- Revenues, EBITDA, Free Cash Flows are up

Quarterly Revenues grow to 11.7 m€

- Q3 revenues up 27% yoy
- Q3 revenues up 8% qoq

Quarterly EBITDA grows to 2.9 m€

- Q3 EBITDA up 17% qoq
- Impacted by continued investment mode and one-offs

Quarterly Free Cash Flows amount to 2.8 m€

03 XING Quarterly P&L

Upward trend in revenues, EBITDA and margin in Q3



[In €m]										Q3'09 Q3'08 Δ		Q3'09 Q2'09 Δ		
	Q3'08		Q4'08		Q1'09		Q2'09		Q3'09		Abs.	in %	Abs.	in %
	Abs.	in % of rev.	Abs.	in % of rev.	Abs.	in % of rev.	Abs.	in % of rev.	Abs.	in % of rev.				
Revenues	9.2	100%	10.2	100%	10.8	100%	10.8	100%	11.7	100%	+2.5	+27%	+0.9	+8%
Material Costs	0.0	0%	-0.0	-0%	-0.0	-0%	-0.0	-0%	0.0	0%	0.0	0%	0.0	0%
Personnel Exp.	-1.9	-21%	-2.7	-27%	-3.3	-31%	-3.8	-35%	-4.5	-38%	-2.6	+137%	-0.7	+19%
Marketing Exp.	-1.3	-15%	-1.1	-11%	-0.8	-7%	-1.4	-13%	-1.4	-12%	-0.0	+2%	-0.0	+1%
Oth. Operat. Exp.	-2.2	-24%	-2.9	-29%	-3.3	-30%	-3.2	-29%	-2.9	-25%	-0.7	+29%	+0.3	-8%
Total	-5.5	-60%	-6.7	-66%	-7.4	-68%	-8.3	-77%	-8.7	-75%	-3.3	+60%	-0.5	+5%
EBITDA	3.7	40%	3.5	34%	3.4	32%	2.5	23%	2.9	25%	-0.8	-21%	+0.4	+17%
Depreciation	-1.2	-13%	-0.3	-3%	-1.1	-10%	-1.6	-15%	-1.5	-12%	-0.3	+24%	+0.2	-11%
EBIT	2.5	28%	3.2	31%	2.3	21%	0.9	8%	1.5	13%	-1.1	-42%	+0.6	+69%
Financial Result	0.4	4%	0.1	1%	0.2	2%	0.0	0%	0.0	0%	-0.4	-100%	0.0	0%
Taxes	-1.2	-13%	-0.7	-7%	-0.8	4%	-0.4	-4%	-1.1	-9%	+0.1	-8%	-0.7	+175%
Net Result	1.8	20%	2.6	25%	1.7	16%	0.5	5%	0.3	3%	-1.5	-83%	-0.2	-40%



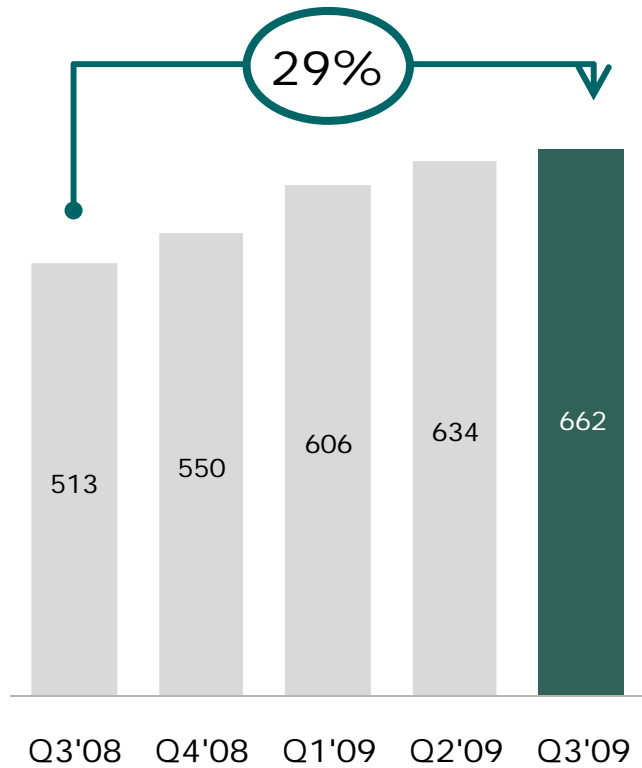
EBITDA Q3'09 impacted by one-offs & continued investment mode
 Net result impacted by xo tax provision due to tax audit of years 2003-2007

03 Business Line: Subscriptions

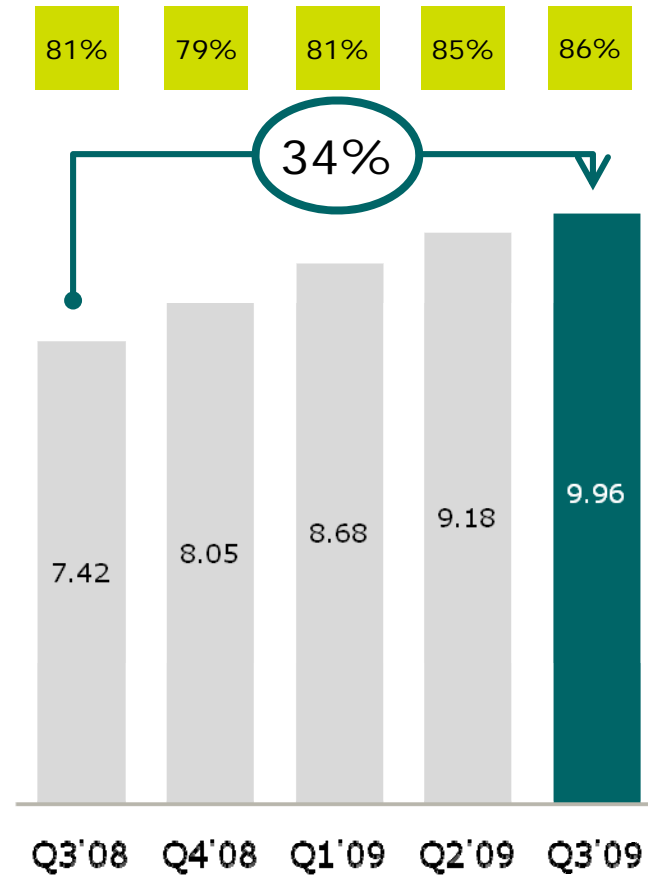
Solid growth



Payer base in 000'



Subscription Revenues in €000'



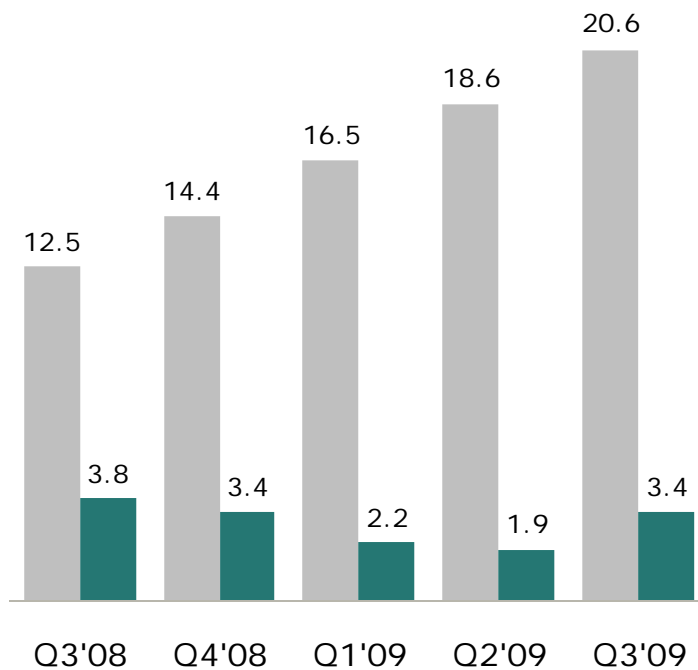
As percentage of total revenue

03 XING "Jobs" section

Increasing number of customers and postings

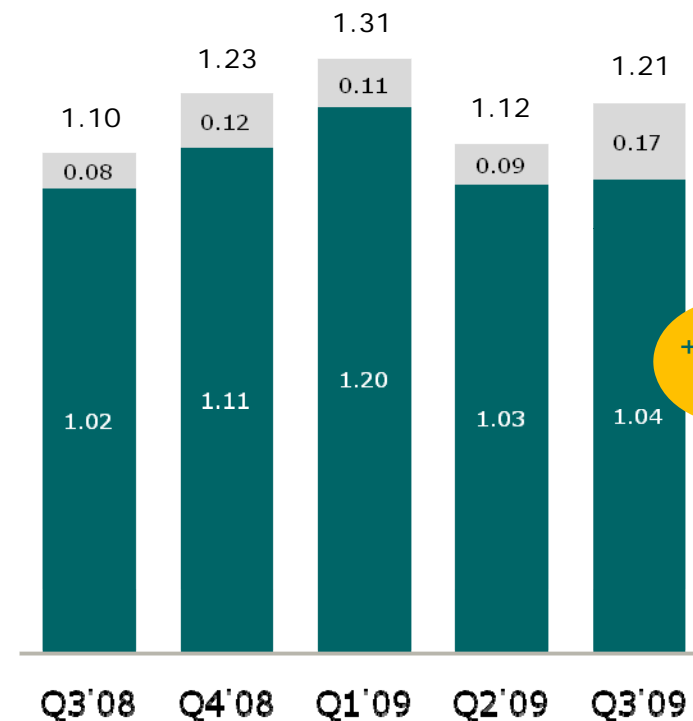


Job postings & customers



■ Avg. Daily Active Postings visible in '000s Monthly
■ # of direct B2B relationships in '000s

"Jobs" & "Best Offers"
Revenue in €m



■ „Jobs“
■ „Best Offers“

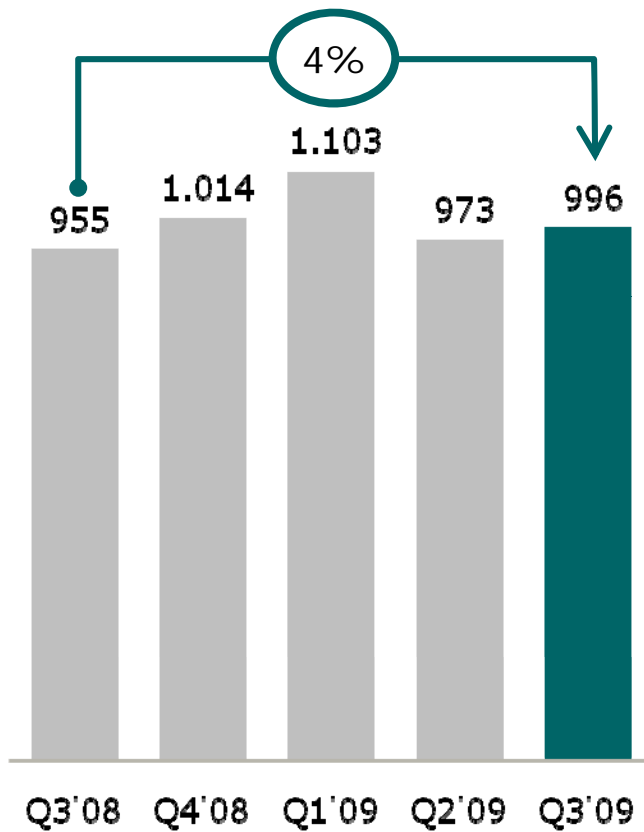
+2% vs. Q3'08

03 Advertising

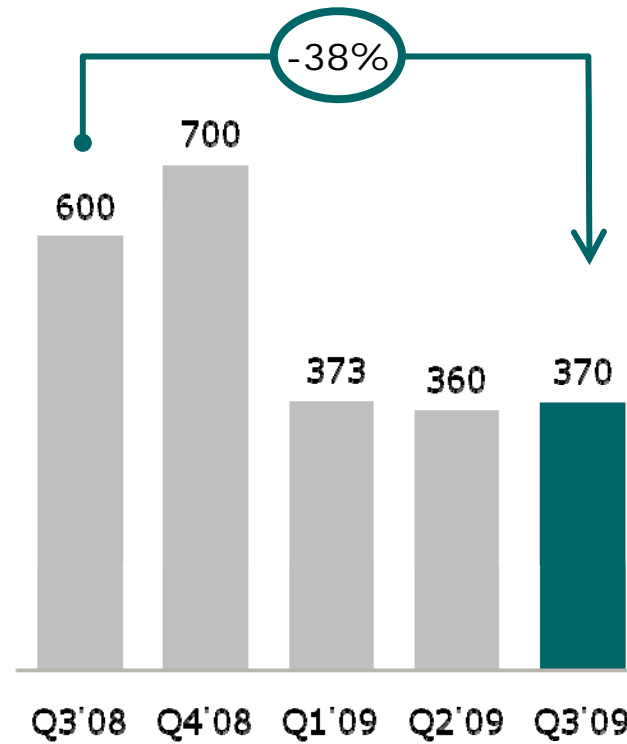
Yoy decline in revenues driven by lower guarantee payment



Page views in m

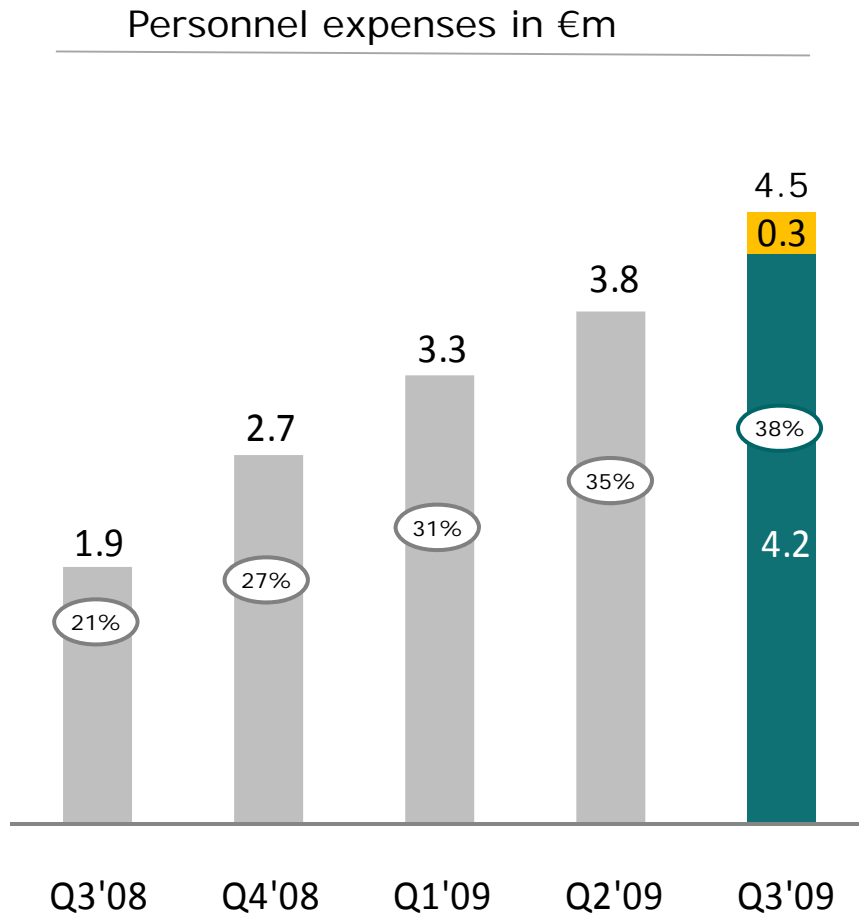


Advertising revenue in € 000'



03 Personnel - IFRS cost base

Personnel expenses driven by investments in growth & one offs



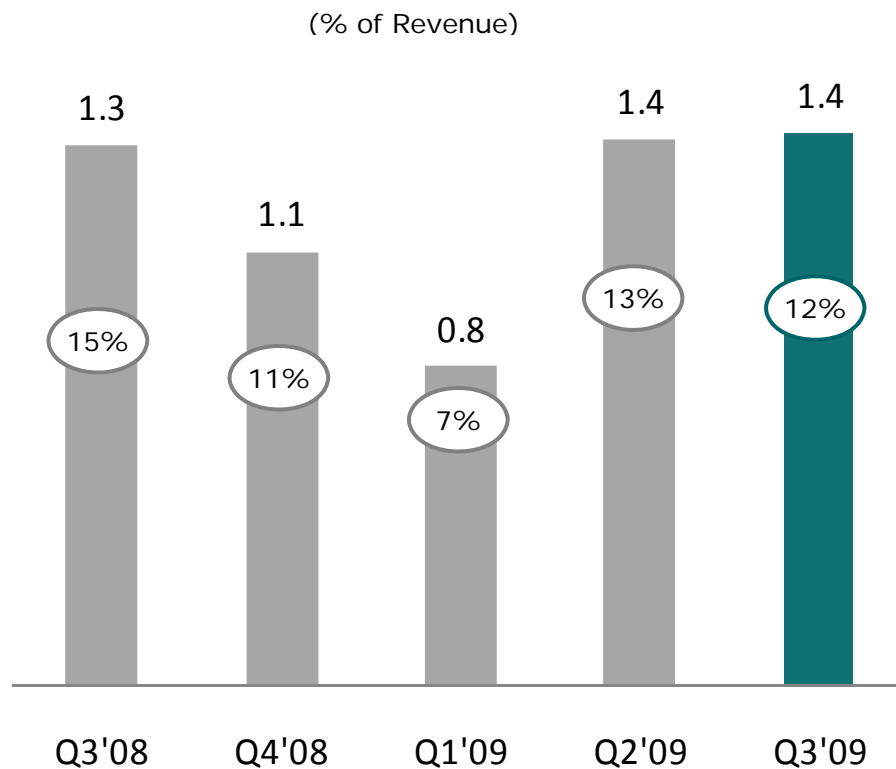
- Comments
- €0.3m non recurring expenses due to close-down Italy
 - €0.2m increase in vacation accruals
 - yoy ~ 90 new employees, especially
 - product/engineering
 - sales
 - marketing/customer care
 - qoq ~ 20 new employees, especially
 - product/engineering

03 Marketing - IFRS cost base

Continued investments in DACH and international markets



Marketing in €m

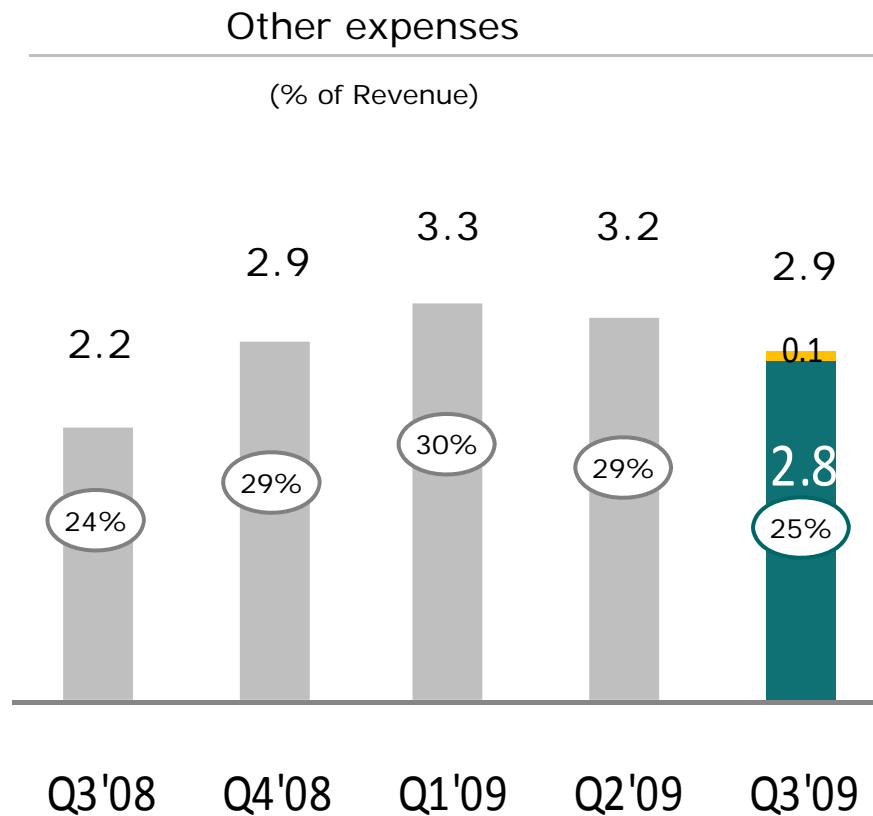


Comments

- DACH: €0.9m in Q3'09
 - SEM
 - Display ads
 - Affiliate program
 - Cooperations
- Intl.: €0.5m in Q3'09
 - SEM Campaign
 - Display Ad Campaign

03 Other operating expenses - IFRS cost base

Other operating expenses decreased



- Comments
- Cost types include
 - External services (especially development freelancers)
 - Legal, audit, consulting fees
 - Payment processing
 - Server hosting
 - Rent & Other Costs
 - €0.1m non-recurring cost due to close-down Italy
 - yoy increase due to
 - rent
 - payment
 - qoq increase due to
 - lower freelancer cost
 - lower legal, audit, consulting expenses

03 Balance Sheet

Operating assets amount to €21m



[In €m]	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q3'09 Q3'08	Q3'09 Q2'09
	Abs.	Abs.	Abs.	Abs.	Abs.	Δ Abs.	Δ Abs.
Assets	74.9	74.9	80.1	79.2	82.1	+7.2	+2.8
Operating assets	15.9	15.5	20.2	21.0	21.3	+5.4	+0.3
Acquisitions / International	15.6	15.9	22.3	22.0	21.7	+6.1	-0.3
TAX A/R	0.8	0.5	0.4	0.4	0.5	-0.3	+0.1
Cash	42.5	42.9	37.2	35.8	38.6	-3.9	+2.8
Liabilities	74.9	74.9	80.1	79.2	82.1	+7.2	+2.8
Equity	51.5	52.3	54.3	55.1	55.7	+4.2	+0.6
Deferred Income	9.7	10.3	12.8	13.9	14.8	+5.1	+0.9
Liabilities	9.3	7.6	7.6	6.1	6.5	-2.7	+0.5
Tax Liabilities	4.2	4.6	5.3	4.1	5.0	+0.8	+0.9
Other	0.2	0.1	0.1	0.0	0.0	-0.2	0.0



Negative net working capital

03 Cash Flow

Free cash flows increase yoy and qoq



[In €m]	Q3'08	Q4'08	Q1'09	Q2'09	Q3'09	Q3'09 Q3'08 Δ	Q3'09 Q2'09 Δ
	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.	Abs.
	EBITDA	3.7	3.5	3.4	2.5	2.9	-0.8
Interest/ Tax/ ESOP	+0.7	+0.5	+0.3	-1.3	0.0	-0.7	+1.3
Δ Net Working Capital	-0.8	+2.3	+1.7	-0.3	+1.4	+2.2	+1.7
Operating Cashflow	+3.6	+6.3	+5.4	+0.9	+4.3	+0.7	+3.4
Investment - Operating	-2.0	-2.8	-2.4	-2.2	-1.5	+0.5	+0.7
Investment - Acquisitions	0.0	-0.9	-7.7	0.0	0.0	0.0	0.0
Financing excl. Share Buyback	0.0	-2.3	-1.0	-0.1	0.0	0.0	+0.1
Free Cash Flow	+1.6	+0.3	-5.7	-1.4	+2.8	+1.2	+4.2

- **We continue to execute our strategy**
 - Drive penetration in core “DACH” markets
 - Improve offering for recruiters – important milestones achieved
 - Continue international expansion in select markets

- **We continue to invest into our product**
 - Creating value for users to drive activity and growth

- **We continue to launch new revenue streams!**
 - 1) Recruiter account ✓
 - 2) Professional job advertisement ✓
 - 3) 1st version of paid “Company Profiles” **Coming Soon**

Thank you
for your kind attention!

POWERING RELATIONSHIPS
WWW.XING.COM

Share data HY'09	
Shares	5,271,773
Bloomberg	O1BC
EPS 9M'09	€0.42
Op. CF per Share 9M'09	€2.00
Average trading volume per day	~10,275
Analysts Coverage	Deutsche Bank, DZ Bank, HSBC, Sal. Oppenheim

TecDax Ranking end of Oktober	
Measure	Rank
Market Cap.	33
Turnover	33



Patrick Möller

Director Investor Relations

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Gaensemarkt 43

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