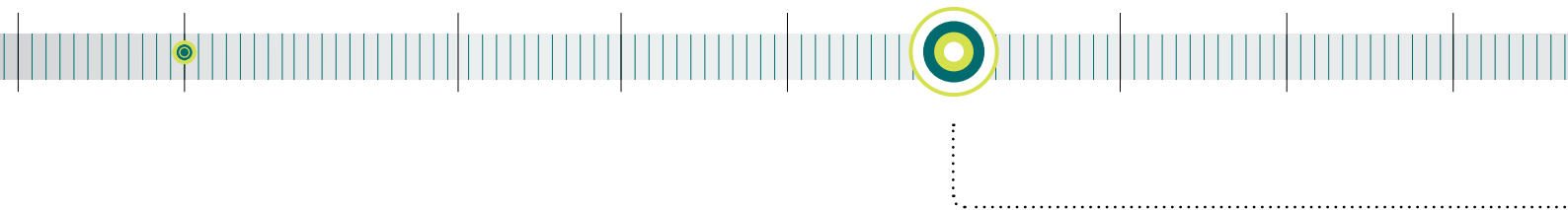




**Q3**

**INTERIM REPORT**

for the period from  
1 January to  
30 September 2013



## KEY FIGURES

		9M 2013	9M 2012	Q3 2013	Q3 2012	Q2 2013
Total revenues <sup>1)</sup>	in € million	62.06	54.23	21.58	18.33	20.89
Revenues from services	in € million	61.00	53.42	21.14	18.08	20.60
Premium Club revenues	in € million	40.08	37.96	13.65	12.71	13.56
e-Recruiting revenues	in € million	17.06	12.24	6.19	4.34	5.62
Events revenues	in € million	3.69	2.98	1.25	0.95	1.36
Network revenues	in € million	0.18	0.24	0.05	0.08	0.07
EBITDA	in € million	17.37	15.41	6.21	5.52	5.86
EBITDA margin	in %	28	28	29	30	28
Earnings for the period	in € million	7.41	6.25	2.72	2.20	2.69
Operating cash flow	in € million	17.76	15.10	4.41	4.74	6.95
Earnings per share (undiluted)	in €	1.33	1.14	0.49	0.40	0.48
Equity	in € million	58.27	48.50	58.27	48.50	55.14
Liquid assets	in € million	62.60	55.05	62.60	55.05	60.67
Members worldwide	in millions	13.76	12.65	13.76	12.65	13.46
thereof Premium members (worldwide)	in thousands	829	795	829	795	825
Members in D-A-CH	in millions	6.72	5.91	6.72	5.91	6.51
thereof Premium members (D-A-CH)	in thousands	805	770	805	770	801
Employees		560	524	560	524	552

<sup>1)</sup> Including other operating income.

## ABOUT XING

Ten years of XING. In the German-speaking world (D-A-CH), XING stands like no other company for the phenomenon of professional networking. During the past ten years, XING has been the place where a constantly increasing number of members meets, establishes contacts and networks by exchanging experience, discussing current affairs, obtaining information or even finding a new job. Even after ten years, the potential for further growth is immense, particularly in times of a severe shortage of specialists with companies desperately searching for new talent. For them, XING is the largest talent network in the D-A-CH region. For our members, it is the platform that provides them with everything they need to realise their career goals.

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# EXECUTIVE BOARD LETTER

## Dear shareholders,

The previous quarter was highly eventful here at XING as we rolled out several new products within our two core business divisions. These products are key steps on the path towards achieving our growth targets. In keeping with this, we are very happy to report that last year's realignment is already proving successful with products launched just a few months ago already having a positive impact on our revenues and profits. We are therefore extremely happy with these interim results as the growth rate for Q3 accelerated again compared to the respective previous year's quarters. Total revenues grew by 11 per cent in Q1 and 15 per cent in Q2, but both of these figures were topped in Q3 where we saw growth of 18 per cent, taking total revenues to €21.58 million (Q3/2012: €18.33 million).

Our growth is based on three divisions:

### 1. Premium Club

The Premium Club is our largest revenue source and accounts for 63 per cent of revenues. During the third quarter, revenues in this division grew by seven per cent to €13.65 million. The net number of new Premium members in Q3 grew by around 4,000, thus taking total Premium membership for the D-A-CH region to over 805,000. Since the start of 2013, net Premium membership figures grew by around 22,000. We already have a lot of projects in development for our core business, and will be rolling out the "New Premium" during the fourth quarter of the year which will offer more Premium features, an entirely new product experience, and genuine offline added value including free access to the Design Offices co-working areas. We will continue to expand these offerings over the coming months in order to lend our Premium members a helping hand during their working day. All of these measures will help us pave the way toward further growth in our core business.

### 2. e-Recruiting

XING's current main growth driver is the e-Recruiting division which reported a 43 per cent rise in revenues to €6.19 million for Q3/2013 (Q3/2012: €4.34 million). Here we made two key changes over the last few months. In July we added social components to our job ad offerings and have succeeded in growing within a shrinking market. Just a few months later we presented the latest version of the XING Talent Manager (XTM) at Germany's largest human resources trade fair, *Zukunft Personal*. We are very proud that we sold more than 3,000 XTM licenses as of the end of September and also entered into an active candidate sourcing partnership with Deutsche Telekom who started using XING in its recruiting work at a very early stage. Deutsche Telekom's HR department started using XTM at the start of this year and has measured its experience with the tool. The impact on the company's recruiting work was impressive with the cost to hire dropping by over 80 per cent thanks to XTM, and the time to hire was also drastically improved as well.

External studies also underline XING's market-leading position on the German social recruiting scene with a survey carried out by the Institute for Competitive Recruiting (ICR) showing that 69 per cent of the HR managers queried stating that XING provides the best active candidate sourcing results. Based on these encouraging signs, we will continue to invest in this area and build upon our market-leading position over the coming years.

### 3. Events

Our newest and currently unprofitable Events division reported positive Q3 growth of 32 per cent, taking revenues for that division to €1.25 million (Q3/2012: €0.95 million). amando, also known as XING Events, will increasingly become a digital business partner for ambitious event organisers rather than a self-service platform for ticketing technology. Future publications will cover all of our next steps in realigning our Events division.

All in all, after deducting costs our EBITDA grew by 12 per cent in Q3 to €6.21 million. Net profit for Q3 was €2.72 million compared to €2.20 million in Q3/2012, meaning that we are well on course for meeting our goals for 2013.

Our strategy and achieved milestones have also had a positive impact on XING AG's stock price. We are very happy about this development and would like to thank you for your trust and confidence in XING.

Dr. Thomas Vollmoeller  
CEO  
XING AG

Ingo Chu  
CFO  
XING AG

Timm Richter  
CPO  
XING AG

Jens Pape  
CTO  
XING AG

# XING SHARE

## Basic data about the XING share

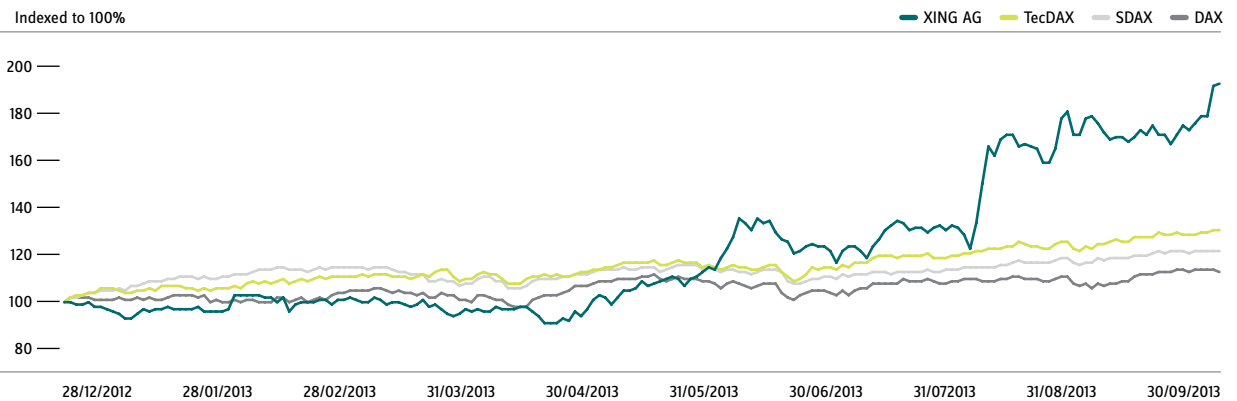
<b>Number of shares as of 30 September 2013</b>	5,592,137
<b>Share capital in €</b>	5,592,137.00
<b>Share type</b>	Registered shares
<b>IPO</b>	7 December 2006
<b>WKN / ISIN</b>	XNG888 / DE000XNG8888
<b>Bloomberg</b>	O1BC
<b>Reuters</b>	OBCGn.DE
<b>Transparency level</b>	Prime Standard
<b>Index</b>	TecDAX
<b>Sector</b>	Software

## Key data on the XING share

	9M 2013	9M 2012
XETRA closing price on 30 September in €	81.27	37.86
High in €	81.27	58.50
Low in €	38.00	33.51
Market capitalisation at end of period in € million	454.5	207.4
Average trading volume per trading day (XETRA)	9,239	18,570
TecDAX ranking		
based on order book turnover	28	30
based on free-float market capitalisation	31	22
Earnings per share (undiluted) in €	1.33	1.14

XING share

**XING share price development vs. indices from 28 December 2012 to 30 September 2013**  
in %



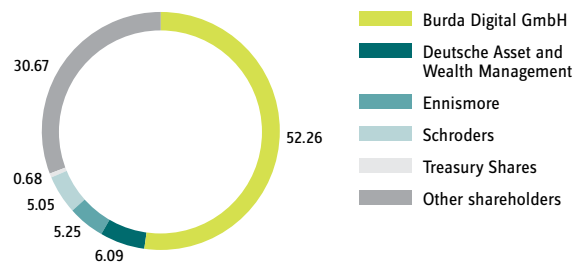
Share price of XING shares on 28 December 2012, €41.87 = 100%.

**XING share price development vs. indices**  
in %

9M 2013

XING share	+94
TecDAX	+31
DAX	+13
SDAX	+22

**Shareholder structure as of 6 November 2013**  
in %



**Analyst recommendations for the XING share as of 6 November 2013**

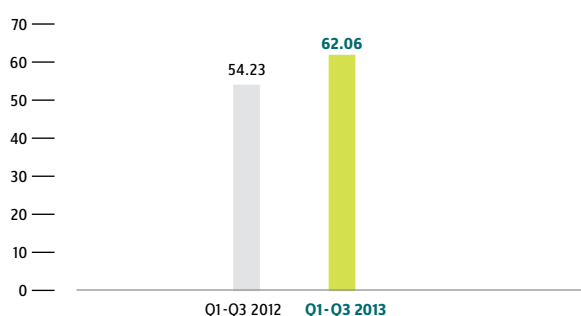
Broker	Analyst	Recommendation	Price target
Berenberg Bank	Sarah Simon	Buy	€82.00
Close Brothers	Marcus Silbe	Buy	€60.00
Commerzbank	Heike Pauls	Buy	€78.00
Deutsche Bank	Benjamin Kohnke	Hold	€73.00
Hauck & Aufhäuser	Sascha Berresch	Sell	€60.00
HSBC	Christopher Johnen	Underweight	€36.00
Jefferies	David Reynolds	Underperform	€32.00
J.P. Morgan Cazenove	Nicolas J. Dubourg	Hold	€46.00
Montega	Alexander Braun	Sell	€36.50
Warburg Research	Jochen Reichert	Hold	€65.00

# INTERIM GROUP MANAGEMENT REPORT

for the period from 1 January to 30 September 2013

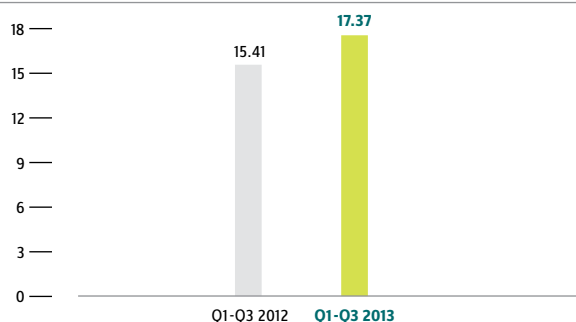
## Group revenues

in € million



## EBITDA

in € million



## Business development

### Result of operations within the XING Group

XING has continued to significantly grow its revenues and profits over the first nine months of the year with total revenues (including other operating income) rising by 13 per cent from €54.23 million in Q1-Q3 2012 to €62.06 million in Q1-Q3 2013. If we focus on the third quarter, we can see a successive rise in growth rates compared to Q1 and Q2 2013 with total revenues for the third quarter growing by 18 per cent from €18.33 million in Q3/2012 to €21.58 million in Q3/2013 (Q1/2013: 11 per cent; Q2/2013: 15 per cent).

As previously announced, our marketing expenses rose in order to support in particular the marketing of our new e-recruiting offers. Our marketing expenditure of €1.80 million in Q3/2013 was 50 per cent higher than in Q2/2012, but when viewed over the whole nine-month period, these expenses remained the same as the first nine months of 2012 (€4.31 million). HR costs of €25.74 million, which equate to 41 per cent of total revenues, were around 15 per cent higher than the same period in 2012 (Q1-Q3 2012: €22.46 million). This is largely attributable to the kununu GmbH acquisition in Q1/2013 and the increased number of employees resulting from the acquisition. As a result of renting new office space and server capacity as well as an increase

in IT and product development costs, our other operating expenses rose from €11.84 million in Q1-Q3 2012 to €14.64 million in Q1-Q3 2013.

In keeping with this, the XING Group's EBITDA improved by 13 per cent from €15.41 million in Q1-Q3 2012 to €17.37 million in Q1-Q3 2013. Despite investing in future growth, the EBITDA margin on total revenues including other operating income remained at 28 per cent, the same level as in Q1-Q3 2012.

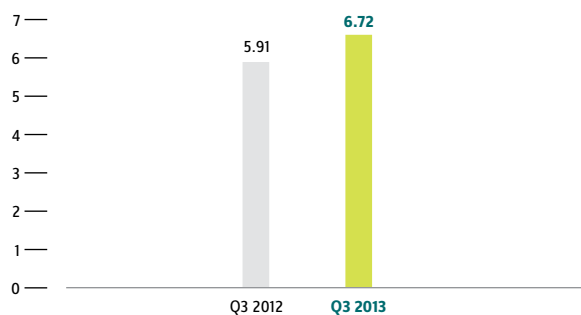
Planned depreciation during the first nine months of 2013 amount to €6.26 million (Q1-Q3 2012: €6.02 million) and contain around €0.94 in depreciation for assets of the acquired companies amiendo GmbH and kununu GmbH identified within the scope of the purchase price allocation.

As a result, XING's EBIT for the current financial year comes to €11.11 million (Q1-Q3 2012: €9.38 million), which equates to an 18 per cent margin on total revenues (including other operating income). The margin for the same period in 2012 came to 17 per cent. After deducting €3.79 million in taxes (tax rate: 33.9 per cent), the consolidated net profit amounted to €7.41 million, an increase of 19 per cent compared to Q1-Q3 2012 (€6.24 million). Earnings per share for the first nine months of 2013 were €1.33 compared to €1.14 in Q1-Q3 2012.



## Members in D-A-CH region

in millions



## Network and member growth

XING's accelerating revenue and profit growth over the previous quarters and the newly launched products - particularly in the e-Recruiting division - were also attributable to the continually growing XING platform. The more employees, freelancers and students who have a profile on [www.xing.com](http://www.xing.com), the more appealing our platform is to companies looking to win the battle for talent by using social media.

214,000 people signed up to XING in the D-A-CH region during Q3, which is almost 10 per cent more than in Q3/2012. As a result, membership grew quarter for quarter in 2013, despite the general seasonal trends. XING membership for the D-A-CH region came to over 6.7 million as of the end of September, while worldwide membership reached the 13.8 million mark.

At the start of July we launched a new version of our profile and also focused on mobile after Apple unveiled its new operating system version at the WWDC conference in San Francisco on 10 June. We were positively surprised at the extent to which Apple had changed the design with the skeuomorphic user interface blending into the background to focus more on content. A lot of the user controls have been replaced by smart animations, while typography is also a main focus.

**Neuigkeiten**

Mitglieder, die Sie kennen könnten

Tara Anken empfiehlt folgenden Link:  
**How to improve your mobile testing skills**  
Vor 10 Minuten  
1 findet das interessant | 1 Kommentar

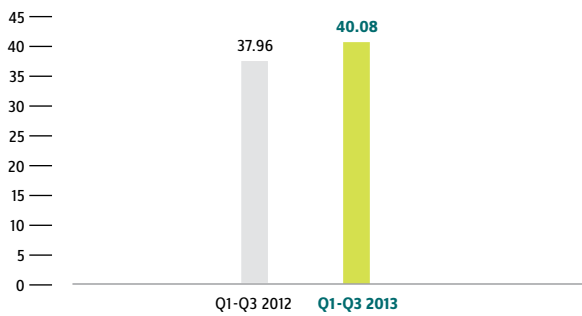
Victor Altmann hat jetzt Michael Groth als neuen Kontakt.  
Vor 48 Minuten

## iOS 7-ready in a few weeks

After having set ourselves the ambitious goal of releasing the XING iPhone app at the same time as the official iOS 7 launch, we only had a few weeks to make our app iOS 7-ready. This means changing the design and enabling support for new features such as downloading new data in the background or dynamic new system-wide font size changes allowing iOS 7 users to adjust the font for all of their apps.

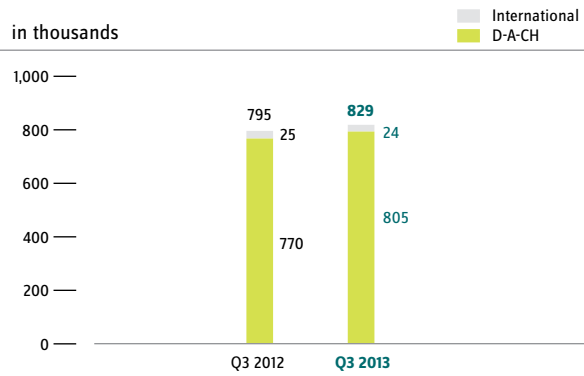
Premium Club revenues

in € million



Paid members

in thousands



Premium Club

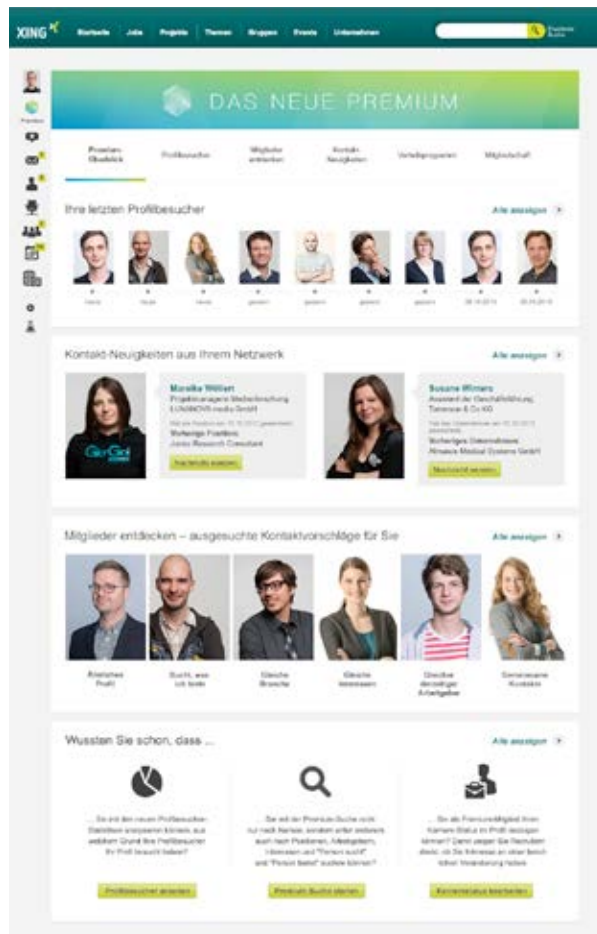
The intentional focus on our basic membership over the last few years led to a lack of incentives for members to upgrade to Premium. This meant that Premium membership growth rates slowed somewhat, but still heralds major potential as we are currently working to expand our Premium Club and drive growth rates. Over the last few quarters we have been working hard in preparation for our Premium membership relaunch. This involved a lot of changes we have been beta testing among a select group since the start of October.

What changes does the New Premium section have to offer?

We consider it very important to boost loyalty levels among our active paid XING users and improve their satisfaction after having focussed heavily on basic member growth over the last few years.

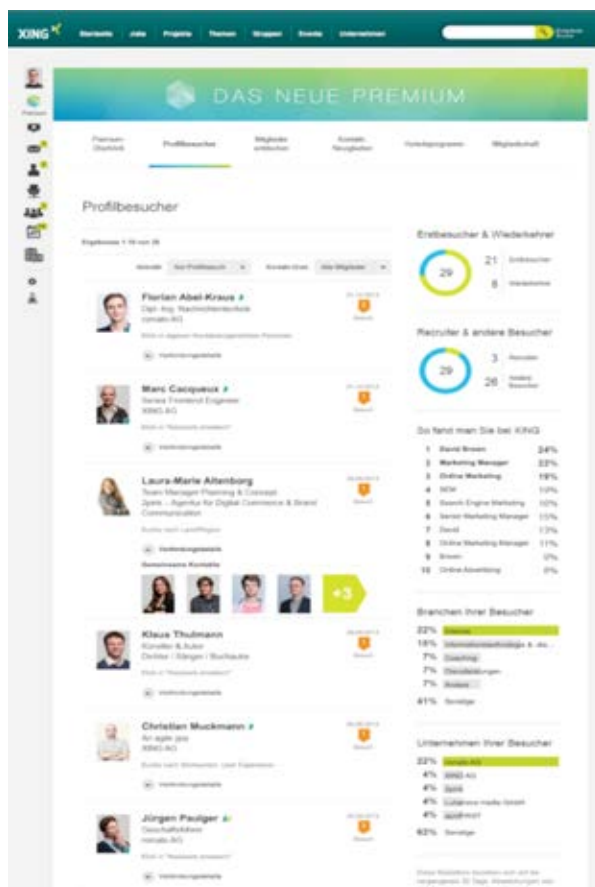
1. Premium overview

The new Premium overview provides Premium users with key information surrounding their advanced features and allows them to navigate all of these features from a single page.



**2. Profile visitors**

The extremely popular profile visitors overview will be expanded so that Premium members not only see who visited their profile, but also often that person paid a visit, which search terms they used, and which industry or company that person is at. This provides Premium members with an even more systematic way to optimise their profile and make sure they get found. Now Premium members can also see which items of their profile visitors viewed, such as their portfolio. Job-seekers and people thinking about switching jobs can also see if any recruiters visited their profile.



**3. Find members**

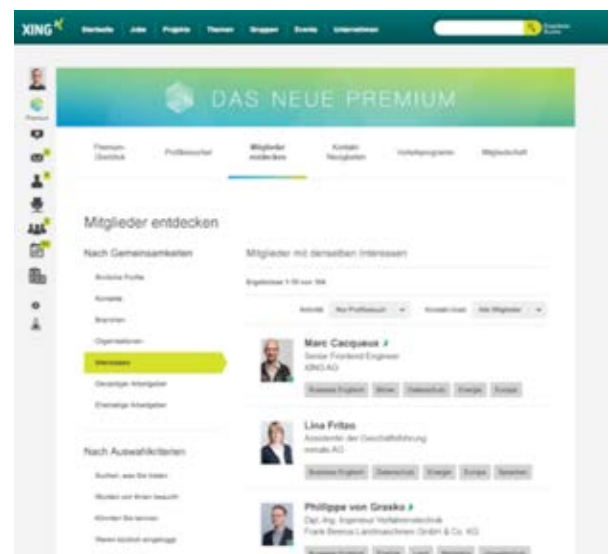
This feature is specifically designed to help members expand their personal network. Paid members have the following options:

**1. By commonality**

- Similar profiles: members with similar profiles
- Contacts: shared contacts
- Industries: work in the same industry
- Organisations: active in the same organisations
- Interests: common interests
- Current employer: colleagues
- Former employer: used to work at the same company together

**2. By other criteria**

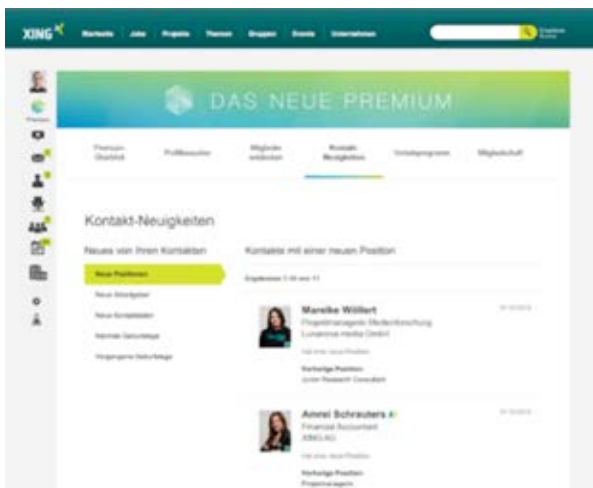
- Want what I have
- Visited
- May know
- Recently logged in
- New to XING



#### 4. Contact updates

The contact updates section gives Premium members a clear overview of updates in their contact network so they can keep track of things. The following contact updates are available:

- New jobs
- New employers
- New contact details
- Upcoming birthdays
- Past birthdays



#### 5. Premium Perks

The New Premium will also provide paid members with third-party offers and deals to help them with their daily working life. At the launch of the New Premium, paid members will receive access to Design Offices public co-working spaces and 12-month free access to the Blinkist app's entire non-fiction library.



We will continue to expand these offerings over the coming months.

#### Excellent initial user feedback

During the introductory phase we asked our New Premium beta testers to send us their feedback. The feedback was excellent with more than 90 per cent of participants saying that the New Premium is either good or very good.

#### Growth stable before relaunch

Growth remained stable in the period leading up to the New Premium launch with 22,000 people going Premium in the D-A-CH region between January and September 2013 (Q1-Q3 2012: 11,898). This took the total number of Premium members to around 805,000 in D-A-CH and approximately 829,000 worldwide as of the end of September 2013. During the period under review, the Premium Club consisting of membership fees and, to a small extent, revenues from advertising space on the XING platform, generated revenues of €40.08 million (Q1-Q3 2012: €37.96 million).

## e-Recruiting

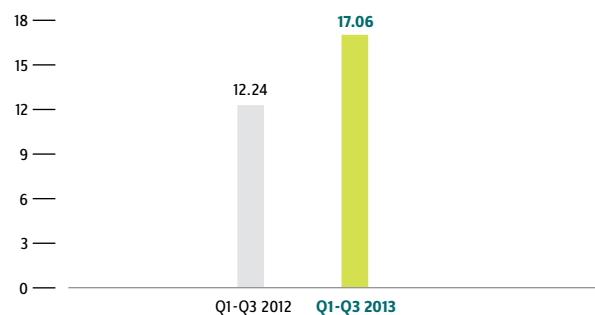
Our e-Recruiting division has made good progress during the first nine months of the current financial year. At the start of 2013 we acquired the leading employer review portal in German-speaking countries and swiftly integrated it into the XING family. We were the world's first social network to socialise job ads and presented the new XING Talent Manager for active recruiting at Germany's largest human resources trade fair, *Zukunft Personal*.

### But what are the reasons for the sustained strong growth of recruiting solutions on social networks such as XING?

The labour market will be driven by three main factors over the coming years, and all of them will have a major impact on recruiting work: **A lack of experts, demographic change, and the change in today's employee expectations.** Fewer and fewer employees are entering the labour market, meaning that the number of highly qualified workers is in decline. These workers, in turn, are fully aware of this and have high expectations of employers so expensive careers websites and high salaries are not enough to entice them. Experts who today can pick and choose between companies won't work for the business that offers a company car, the promise of running a department at some point down the line, or annual pay rises. They will choose a company providing childcare support, a sensible work-life balance, and transparent working structures. And this is where employer branding and employer reviews (kunu.com) come into play. Active candidate sourcing is also growing in importance as experts simply don't trawl online job boards any more. Companies therefore need to go out in search of suitable candidates.

### e-Recruiting revenues

in € million



With over 6.7 million members in the D-A-CH region, XING is ideally suited to this purpose. This can also be backed up by a recent ICR (Institute for Competitive Recruiting) study where 69 per cent of the HR managers surveyed said that XING is their favourite active candidate sourcing tool.

In order to achieve this market position we have been working at full speed on a new version of our Talent Manager. This versatile tool offers advanced search, filter and candidate management features and is a simple way for recruiters to look for and get in touch with interesting candidates via the XING platform.

We presented the latest version of the XING Talent Manager (XTM) at Germany's largest human resources trade fair, *Zukunft Personal*.

**XING TALENTMANAGER**

Eigene Projekte > Key account manager > Kandidaten Projekt details bearbeiten Kandidaten suchen

**Key account manager - XING AG** In Bearbeitung

Hamburg, Germany In Bearbeitung

**Kandidaten** Empfehlungen Details Alle Statusangaben Neueste zuerst

<p><b>Mathew Reynolds</b> Key account manager Netzer Ltd</p> <p>Hamburg, Germany</p> <p>3 Jahre in derzeitiger Position</p> <p>Interessiert</p> <p>1 5 2</p> <p>Hinzuflügelt von Francisco Staak 10 September um 10:46</p>	<p><b>Janusz Kowalski</b> Account manager Boss GmbH</p> <p>Berlin, Germany</p> <p>7 Monate in derzeitiger Position</p> <p>Kontaktiert</p> <p>2 1 2</p> <p>Hinzuflügelt von Francisco Staak 10 September um 12:30</p>	<p><b>Daniel McHunt</b> Verkaufleiter Quitt AG</p> <p>Hannover, Germany</p> <p>1 Jahr in derzeitiger Position</p> <p>Auf eine Rückmeldung warten</p> <p>1 1 3</p> <p>Hinzuflügelt von Francisco Staak 10 September um 11:09</p>	<p><b>Klaus Schmidt</b> Key account manager LIBAS S.A</p> <p>München, Germany</p> <p>5 Jahre in derzeitiger Position</p> <p>Interessiert</p> <p>5 2 2</p> <p>Hinzuflügelt von Francisco Staak 10 September um 10:13</p>
<p><b>Hannah Müller</b> Key account manager Dondalations</p> <p>Hamburg, Germany</p> <p>6 Jahre in derzeitiger Position</p> <p>Kontaktiert</p>	<p><b>Jonas Petersson</b> Verkaufleiter Trama Deutschland GmbH</p> <p>Köln, Germany</p> <p>5 Jahre in derzeitiger Position</p> <p>Interessiert</p>	<p><b>Rachel Schultz</b> Verkaufleiter Limon, Ltd</p> <p>Münster, Germany</p> <p>4 Jahre in derzeitiger Position</p> <p>Interessiert</p>	<p><b>Lotte Arendt</b> Verkaufleiter Sanfra AG</p> <p>Bremen, Germany</p> <p>1 Jahr in derzeitiger Position</p> <p>Auf eine Rückmeldung warten</p>

XING AG ©

Our aim is to quickly and easily bring companies and candidates together who are well suited to one another. The Talent Manager does not just offer a modern, intuitive design, it also boasts a number of new features. We have built a tool that makes it easier than ever for recruiters to find the right candidates. Easy is the operative word here as XTM should take recruiters to ideal candidates with just a few simple steps. Recruiters can even upload their job ads in Word or PDF format. These files are then read out and used to create a project folder. XTM then suggests suitable candidates based on the information in this folder. Members can also enter more delicate information such as their salary expectations and preferred place of work in their profile for recruiters to see.

The new XTM was presented at Deutsche Telekom AG's premises by Marc-Stefan Brodbeck, Vice President Recruiting & Talent Acquisition at Deutsche Telekom AG (DTAG) and Dr. Thomas Vollmoeller, CEO at XING AG. DTAG acted as a showcase for the new XTM and started using XING in its recruiting work at a very early stage. Deutsche Telekom's HR department started using XTM at the start of this year and has measured its experience with the tool. The impact on the company's recruiting work was impressive with the cost to hire dropping by over 80 per cent thanks to XTM, and the time to hire was also drastically improved as well. We sold more than 3,000 XTM licenses to corporate customers as of the end of September.

Jeder Recruiting-Erfolg hat eine Story.  
Active Sourcing mit dem XING Talentmanager.

„Das Investment für den Talentmanager hat sich für uns gelohnt.“

Das große Story auf [www.xing.com/talentmanager](http://www.xing.com/talentmanager)

NEXT LEVEL RECRUITING XING

Wolfgang Brickwedde from the Institute for Competitive Recruiting (ICR) described the XING Talent Manager as follows: “The new XING Talent Manager is a mid-range car that isn't fully loaded with gadgets, but sets the standard in terms of usability. This car is always ready to roll and even makes suggestions about where to go because it knows the places the driver likes to go.”

### Socialised job ads

When jobseekers look for a new position, they want to have access to real information that has not been manipulated in any way. Unfortunately this has not always been the case as expensive careers sites, corporate brochures and jobs ads always do their best to portray their company in the best-possible light. But just how genuine is the information found there? Does this information really entice applicants? According to a XING survey carried out among 532 employees in German-speaking countries, 90 per cent said that the information and opinions of people who actually work there are more important when looking for a job than the company's own careers site.

This is a clear-cut statement and evidence that today's experts fail to fall under the trance of expensive careers sites and glossy brochures as they want to know what the company is really like by taking a look behind the scenes before submitting an application. The best way to gain transparency on the labour market is through honest employee opinions, and that is why we have reinvented the job ad. In the past, vacancies contained official company statements, but now jobseekers on XING can gain first-hand insights as they can see which of their contacts work at the company that posted the ad. If they do not have any contacts working there, they may still have a contact who knows someone who works there. Jobseekers can then get in touch with these second-level or third-level contacts to find out more about the company.

Bitten Sie Silke Zielhofer, den Kontakt zu einem Mitarbeiter herzustellen.



Jobseekers can now also see any reviews about the company posted on kununu, the largest employer review platform in German-speaking countries. Current and former employees can also rate the company on a scale of 1 to 5 in various categories such as working atmosphere, leadership behaviour and work-life balance, which in turn gives jobseekers access to key information about life as an employee at the company. They can then decide whether or not to submit an application.

#### How much does a job ad on XING cost?

We offer a range of different job ad models, all of which boast the new social features. Smaller companies who only occasionally look for new staff can take advantage of the TEXT ad which is billed on a per-click basis (85 cents per click) with no fixed term. While an ad is live, companies can see the ad's current click statistics. In addition, they can also deactivate the ad at any time, meaning that they only pay for the actual number of clicks the ad received. Companies can also upload ads to XING that they designed themselves as a PDF file which is automatically formatted and then published online. These DESIGN ads

costs €595 and come with a 30-day term; the number of clicks the ad receives is irrelevant. XING also offers a LOGO ad, which costs €395 and also comes with a 30-day term. With this ad type, companies can add a logo to their ad to incorporate their brand. Finally, companies looking to hire works students, interns and graduands can post free TEXT ads.

During these barren times on the labour market, businesses simply cannot afford to ignore the opinions of their employees in the public domain. Unfortunately a lot of companies still think that they can win the battle for talent by spending a lot of money on a careers site or brochure. Social media now means that people have far more contacts and access to insider information than in the past, and companies need to embrace this change and use their employees as part of a modern employer branding strategy. At the end of the day, nobody is going to choose to work at a company that only receives negative reviews. This is a clear statement that something needs to be done.



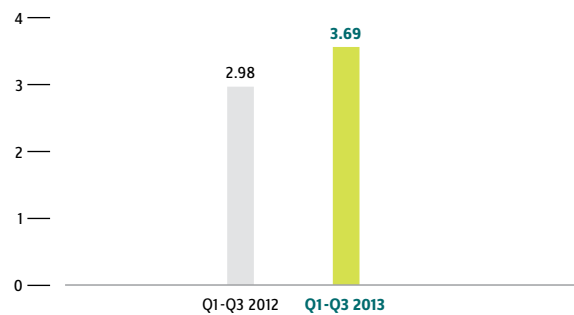
## Events

After a slight downturn in growth during Q1, our **Events** division gathered speed again as of the middle of the year and grew by 32 per cent during Q3/2013. Revenues saw a 24 per cent increase to €3.67 million in the first nine months of the current financial year. Our strategic realignment of the Events division is still well underway. amianto, also known as XING Events, will increasingly become a digital business partner for ambitious event organisers rather than a self-service platform for ticketing technology. Future publications will cover all of our next steps in realigning our Events division.

We already took a major step by relaunching the amianto website:

### Events revenues

in € million



The screenshot shows the amianto website interface. At the top, the logo 'amianto ein XING Unternehmen' is visible, along with navigation links: Home, Funktionen, Preise, Registrieren, and Anmelden. The main content area features a large image of a crowded event with the headline 'Eventmanagement leicht gemacht'. Overlaid on this image is a registration form titled 'Kostenlosen Account erstellen' with a text input field for 'Ihre E-Mail-Adresse' and a green button labeled 'Jetzt kostenlos anmelden!'. At the bottom, a green banner contains a testimonial: 'Wir vertrauen seit Jahren in die Zusammenarbeit mit amianto & werden dies auch zukünftig tun.' followed by 'Lesen Sie hier amianto'.

In September we launched a new version of the amiando website containing optimisations from content, design and technical perspectives. The message conveyed by the relaunch is that amiando is the business event expert and ideal partner for organisers. As an events expert, amiando offers event management software for online event registration and ticketing as well as advice for organisers when it comes to participant management and even marketing.

In order to achieve this realignment, the website was modernised from the ground up and given a fresh and clear design.

The aim of the relaunch is to meet the website visitors' needs and foster customer relations.

The new website boasts interactive elements, an intuitive design, appealing imagery, and has also been optimised for mobile end devices. The menu has been trimmed, thus making it easier to navigate around the site, while feature optimisations and target-group-specific information provide site visitors with quick and easy access to what they're looking for in 4 languages. The site also focuses more on business customers and provides further insights into amiando as a company while also prominently featuring its mobile offerings.

amiando's new design draws heavily on XING as amiando's customers can also automatically post their events on XING and benefit from the viral power of the leading business network in German-speaking countries.

### **Social Media & Events Report 2013: How does the events industry use social networks?**

In August, amiando released the third edition of its Social Media & Events Report.

Over the last couple of years this report has become a permanent fixture for event organisers and is considered to be a key source of information about social media for the events industry. The previous two reports were each downloaded over 10,000 times.

Main points covered by the report include the latest social media trends and developments in the events industry as well as a comparison of the 2012 and 2013 survey results. Here are a few of the key facts we gleaned from the results of the survey:

#### **Fact 1: Social media is still a key marketing tool**

Organisers continue to use social media to advertise their events. This can be backed up by the fact that over 80 per cent of organisers intend to step up their social media activities during the course of 2013.

#### **Fact 2: Great confidence in social media marketing**

Confidence in the potential of social media marketing has grown again during 2013. In 2012, around 75 per cent of event organisers planned to expand their social media activities, while in 2013 this figure has now risen to over 80 per cent. The majority of organisers who used social media last year were happy with the results.

#### **Fact 3: Event promotion remains the main goal**

Event and brand promotion are still the main objectives of social media activities. Almost half (44 per cent) of event organisers who used social media for these purposes achieved their goals; this equates to 76 per cent of all organisers with these objectives.

The report is available for downloading here: <http://info.amiando.com/social-media-report-2013>

## Risk report

Permanent monitoring and management of risks are key tasks of a listed company. For this purpose, the Company has implemented the early risk-recognition system required in accordance with Section 91 (2) AktG and continuously develops it within the context of current market and company developments.

Each individual employee is called on to actively look for and prevent potential damages to the Company. Their task is to immediately remove all risks in their own area of responsibility, and to immediately notify the responsible parties in the event of any indications of existing risks that may arise. An essential requirement for such a task is knowledge of the risk management system and maximum risk awareness of each individual employee. For this reason, XING familiarises its employees with the risk management system in regular introductory events and also with the aid of information material, and draws their attention to the significance of risk management.

Potential risks are continually identified and analysed. Identified risks are then systematically evaluated as to their probability of occurrence and the expected potential damage. The persons with risk responsibility and senior executives are questioned with regard to the status of existing risks and the identification of new risks in the course of quarterly risk inventories and status queries.

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the period from 1 January to 30 September 2013

## Consolidated income statement

for the period from 1 January to 30 September 2013

in € thousand	01/01/2013 - 30/09/2013	01/01/2012 - 30/09/2012	01/07/2013 - 30/09/2013	01/07/2012 - 30/09/2012
Service revenues	61,000	53,419	21,142	18,081
Other operating income	1,060	806	440	252
<b>Total revenues</b>	<b>62,060</b>	<b>54,225</b>	<b>21,582</b>	<b>18,333</b>
Personnel expenses	(25,742)	(22,462)	(8,345)	(7,687)
Marketing expenses	(4,309)	(4,515)	(1,789)	(1,158)
Other operating expenses	(14,641)	(11,843)	(5,243)	(3,970)
<b>EBITDA</b>	<b>17,368</b>	<b>15,405</b>	<b>6,205</b>	<b>5,518</b>
Depreciation and amortisation	(6,262)	(6,021)	(2,056)	(2,122)
<b>EBIT</b>	<b>11,106</b>	<b>9,384</b>	<b>4,149</b>	<b>3,396</b>
Interest income	100	311	37	68
Interest expenses	0	(10)	0	(2)
<b>EBT</b>	<b>11,206</b>	<b>9,685</b>	<b>4,186</b>	<b>3,462</b>
Taxes on income	(3,793)	(3,438)	(1,464)	(1,263)
<b>Net profit</b>	<b>7,413</b>	<b>6,247</b>	<b>2,722</b>	<b>2,199</b>
Earnings per share (undiluted) in €	1.33	1.14	0.49	0.40
Earnings per share (diluted) in €	1.33	1.12	0.48	0.39

## Statement of comprehensive income

for the period from 1 January to 30 September 2013

in € thousand	01/01/2013 - 30/09/2013	01/01/2012 - 30/09/2012	01/07/2013 - 30/09/2013	01/07/2012 - 30/09/2012
Net profit	7,413	6,247	2,722	2,199
Currency translation adjustment	0	3	1	3
<b>Other result</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>3</b>
Total result for the period	<b>7,413</b>	<b>6,250</b>	<b>2,723</b>	<b>2,202</b>

## Consolidated balance sheet

as of 30 September 2013

Assets in € thousand	30/09/2013	31/12/2012
<b>Non-current assets</b>		
Intangible assets		
Software and licenses	3,406	2,876
Internally generated software	8,488	7,044
Goodwill	12,498	5,574
Other intangible assets	3,572	1,582
Property, plant and equipment		
Tenant improvements	555	547
Other plant and machinery	5,088	4,574
Financial assets		
Equity participations	51	51
Other financial assets	40	23
Deferred tax assets	1,059	797
	<b>34,757</b>	<b>23,068</b>
<b>Current assets</b>		
Receivables and other assets		
Receivables attributable to services	7,189	7,322
Tax refund assets	255	388
Other assets	3,086	2,660
Cash and cash equivalents and other short-term deposits		
Cash and other current deposits	62,597	56,159
Third-party cash and cash equivalents	5,251	2,614
	<b>78,378</b>	<b>69,143</b>
	<b>113,135</b>	<b>92,211</b>

Liabilities in € thousand	30/09/2013	31/12/2012
<b>Shareholders' equity</b>		
Subscribed capital	5,592	5,554
Treasury shares	(1,055)	(2,039)
Capital reserves	18,506	17,393
Other reserves	16,354	16,302
Retained earnings	18,876	14,552
	<b>58,273</b>	<b>51,762</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	3,513	2,507
Deferred income	1,522	1,270
	<b>5,035</b>	<b>3,777</b>
<b>Current liabilities</b>		
Trade accounts payable	861	1,429
Deferred income	28,633	23,842
Other liabilities	20,333	11,401
	<b>49,827</b>	<b>36,672</b>
	<b>113,135</b>	<b>92,211</b>

## Consolidated cash flow statement

for the period from 1 January to 30 September 2013

in € thousand	01/01/2013 - 30/09/2013	01/01/2012 - 30/09/2012
Earnings before taxes	11,206	9,664
Amortisation on capitalised development costs	1,795	1,857
Depreciation and amortisation	4,467	4,165
Personnel expenses, stock option programme	52	781
Interest income	(100)	(311)
Interest received	145	418
Interest expenses	0	10
Taxes paid	(3,498)	(3,601)
Non-capitalisable payments for the acquisition of consolidated companies	372	0
Change in receivables and other assets	(355)	(389)
Change in liabilities	2,703	2,799
Non cash changes from changes in scope of consolidation	(1,431)	0
Change in deferred income	5,043	2,412
Elimination of amiando third-party obligations	(2,637)	(2,704)
<b>Cash flow from operating activities</b>	<b>17,762</b>	<b>15,101</b>
Capitalisation of internally generated software	(2,895)	(1,770)
Purchase of other software	(1,675)	(1,414)
Purchase of property, plant and equipment	(2,851)	(1,986)
Purchase of consolidation companies (less cash acquired)	(2,949)	0
<b>Cash flow from investing activities</b>	<b>(10,370)</b>	<b>(5,170)</b>



in € thousand	01/01/2013 – 30/09/2013	01/01/2012 – 30/09/2012
Distribution from capital reserves	0	(19,953)
Dividend paid	(3,089)	(3,020)
Sale of treasury shares	984	312
Capital increase from share-based payment	1,151	1,582
<b>Cash flow from financing activities</b>	<b>(954)</b>	<b>(21,079)</b>
Differences due to currency translation	0	3
<b>Change in cash and cash equivalents</b>	<b>6,438</b>	<b>(11,145)</b>
Cash and cash equivalents at beginning of period	56,159	66,196
<b>Cash and cash equivalent at the end of the period <sup>1)</sup></b>	<b>62,597</b>	<b>55,051</b>
Third-party cash and cash equivalents at beginning of period	2,614	2,021
Change in third-party cash and cash equivalents	2,637	2,704
<b>Third-party cash and cash equivalents at the end of the period</b>	<b>5,251</b>	<b>4,725</b>

<sup>1)</sup> Cash and cash equivalents consist of liquid assets.

## Consolidated statement of changes in equity

for the period from 1 January to 30 September 2013

in € thousand	Subscribed capital	Capital reserves	Treasury stock	Other reserves	Retained earnings	Shareholders' equity, total
<b>As of 01/01/2012</b>	<b>5,426</b>	<b>14,008</b>	<b>(2,367)</b>	<b>15,700</b>	<b>9,829</b>	<b>42,596</b>
Currency conversion	0	0	0	3	0	3
<b>Total income and expense for the period recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>
Net result	0	0	0	0	6,247	6,247
<b>Total result for period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>6,247</b>	<b>6,250</b>
Capital increase from share-based payment	53	1,529	0	0	0	1,582
Dividend paid	0	0	0	0	(3,020)	(3,020)
Sale of treasury shares	0	0	312	0	0	312
Personnel expenses, stock option programme	0	0	0	781	0	781
<b>As of 30/09/2012</b>	<b>5,479</b>	<b>15,537</b>	<b>(2,055)</b>	<b>16,484</b>	<b>13,056</b>	<b>48,501</b>
<b>As of 01/01/2013</b>	<b>5,554</b>	<b>17,393</b>	<b>(2,039)</b>	<b>16,302</b>	<b>14,552</b>	<b>51,762</b>
Currency conversion	0	0	0	0	0	0
<b>Total income and expense for the period recognised directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net result	0	0	0	0	7,413	7,413
<b>Total result for period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,413</b>	<b>7,413</b>
Capital increase from share-based payment	38	1,113	0	0	0	1,151
Dividend paid	0	0	0	0	(3,089)	(3,089)
Sale of treasury shares	0	0	984	0	0	984
Personnel expenses, stock option programme	0	0	0	52	0	52
<b>As of 30/09/2013</b>	<b>5,592</b>	<b>18,506</b>	<b>(1,055)</b>	<b>16,354</b>	<b>18,876</b>	<b>58,273</b>

## Notes to the consolidated interim financial statements for the period from 1 January to 30 September 2013

### Company and Group information

XING AG is headquartered in Dammtorstraße 29-32, 20354 Hamburg, Germany, and listed at the Hamburg District Court (Amtsgericht) under the commercial register number HRB 98807. The Company's parent is Burda Digital GmbH, Munich, Germany, and the ultimate parent has been Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, Germany, since 18 December 2012.

Based on the total number of individual visitors worldwide, XING is one of the top business network websites. The international, multilingual, online platform is a "connection hub" that allows its members to find new business contacts and maintain existing ones while also providing them the opportunity to expand their horizons into new markets and exchange opinions and information online. XING largely generates its revenues from paid memberships and currently refrains from serving its Premium members with advertising while they use the platform.

### Basis for preparing the financial statements and accounting methods

These condensed consolidated financial statements for the period ending on 30 September 2013 have been prepared in accordance with the International Financial Reporting Standards for Interim Statements (IAS 34) as applicable in the EU. The condensed consolidated financial statements do not contain all of the information required for full annual consolidated financial statements, and should be read in conjunction with the consolidated financial statements as at and for the year ended 31 December 2012.

The period under review began on 1 January 2013 and ended on 30 September 2013. The corresponding previous year period began on 1 January 2012 and ended on 30 September 2012. The XING AG consolidated interim financial statements and interim group management report dated 30 September 2013 were approved for publication on 6 November 2013 by the Executive Board.

The accounting principles applied to this consolidated interim financial statement are the same as those used for the annual consolidated financial statement for the financial year ended 31 December 2012. This interim financial statement has not been audited or subject to a review report.

### kununu GmbH acquisition in January 2013

XING AG acquired Austrian-based firm kununu GmbH with economic effect from 1 January 2013. XING paid around €3.6 million for kununu upon signing the contract, with additional payments of up to €5.8 million to be made by February 2015 depending on a number of factors, in particular the company's revenue and EBITDA development during the course of 2013 and 2014. Expenses of €0.4 million relating to this acquisition were incurred in the 2012 financial year and are included in the other operating expenses. The initial consolidation took place at the same time the shares were transferred.

The outflow of funds due to the acquisition is illustrated as follows:

in € thousand	2013
Purchase price incl. possible earnouts	(9,317)
Costs directly attributable to the acquisition	(372)
External cash acquired with the subsidiary	1,085
Plus purchase price not yet paid	5,655
<b>Outflow of cash (net)</b>	<b>(2,949)</b>

The fair values of kununu's assets and debts at the time of acquisition consist of the following:

Initial consolidation in € thousand	08/01/2013
<b>Assets</b>	
Property, plant and equipment	109
Receivables attributable to services	15
Other assets	132
Cash and cash equivalents	1,085
	<b>1,341</b>
<b>Liabilities</b>	
Provisions	(42)
Trade accounts payable	(95)
Other liabilities	(1,391)
	<b>(1,528)</b>
<b>Total identifiable net assets due to the acquisition</b>	<b>(187)</b>

The purchase price allocation was provisionally made at the time of the Group's consolidated financial statements on 31 March 2013. A definitive distribution of the purchase price between assets that can be identified and rated will take place during the 2013 financial year. Goodwill to be recognised can be attributed to anticipated synergies and other effects resulting from kununu GmbH's activities. The provisional fair values of kununu's assets and debts, identified at the time of initial consolidation within the scope of the purchase price allocation, consist of the following:

Initial consolidation in € thousand	08/01/2013
Purchase price incl. possible earnouts	9,317
Equity of kununu GmbH	204
<b>Value of purchase price allocation</b>	<b>9,521</b>
Value of internally generated software	(380)
Value of brand/domain	(780)
Value of customer relations	(2,020)
Deferred tax assets	(213)
Deferred tax liabilities	795
<b>Goodwill</b>	<b>6,924</b>

Based on its 2012 financial statements, the purchase price for kununu GmbH was adjusted by €72 thousand to €9,317 thousand during the second quarter while its equity was adjusted at the same time by €17 thousand to €204 thousand. The company's goodwill therefore also rose by €89 thousand to €6,924 thousand.

During the first nine months of 2013, kununu GmbH reported revenues of €2,461 thousand and earnings of €514 thousand.

### Treasury shares

In order to service claims resulting from stock option plans, 37,500 thousand treasury shares were sold to eligible shareholders in the first nine months of 2013 (Q1-Q3 2012: 11,892). The proceeds amounted to €984 thousand. As of 30 September 2013, XING AG still held over 37,832 treasury shares (31/12/2012: 75,332 shares).

### Dividend payment

Pursuant to the AGM held on 24 May 2013, XING AG paid out a dividend of €0.56 € per share for the 2012 financial year on 25 May 2013. With 5,516,671 shares eligible to receive a dividend, this equates to a total payout of €3,089,335.76.

## Breakdown of other operating expenses

The following table breaks down the primary items of sundry operating expenses:

in € thousand	01/01/2013 - 30/09/2013	01/01/2012 - 30/09/2012
IT services, management services and services for new markets	3,461	2,817
Office expenses	2,960	2,263
Payment processing	1,493	1,261
Server hosting, administration and traffic	1,489	850
Travel, entertainment and other business expenses	1,209	1,024
Other personnel expenses	663	647
Audit and accounting fees	619	732
Legal consultancy fees	426	501
Training	384	301
Expenses attributable to other periods	275	119
Currency losses	268	130
Phone/cell phone/postage/courier	257	270
Charges, fees and contributions	219	158
Supervisory board compensation	210	178
Rental/leasing	172	92
Office equipment	147	103
Losses on receivables	139	117
Other	250	280
<b>Total</b>	<b>14,641</b>	<b>11,843</b>

The increased services costs were mainly attributable to a rise in IT and product development costs. The increase in expenses for premises and server hosting, administration and traffic is largely due to the data centre expansion and increased office space required to accommodate the rise in the number of employees at the Hamburg office. The other expenses include such things as insurance premiums and vehicle costs.

## Division information

XING AG has one division subject to reporting requirements, with the divisions Network (core XING platform features and Enterprise Groups), Premium Club (paid memberships, display advertising, and partnerships), e-Recruiting (Jobs, Company Profiles, and the XING Talent Manager) and Events. The Company was split up into divisions and regions in order to reflect the internal organisational structure and line of reporting to the Executive Board and Supervisory Board. At the end of 2012, the existing divisions were reorganised, so the previous year's figures have been adapted in order to be able to draw a comparison.

The division revenues for the period under review are shown in the following tables:

in € thousand	01/01/2013 - 30/09/2013	01/01/2012 - 30/09/2012
Premium Club	40,077	37,956
e-Recruiting	17,058	12,243
Events	3,687	2,979
Network	178	241
<b>Total</b>	<b>61,000</b>	<b>53,419</b>

in € thousand	01/01/2013 - 30/09/2013	01/01/2012 - 30/09/2012
D-A-CH region (Germany, Austria, Switzerland)	58,197	50,847
International	2,803	2,572
<b>Total</b>	<b>61,000</b>	<b>53,419</b>

As there are no considerable changes to long-term assets, these have not been listed in the table.

## Related parties

Please refer to the consolidated financial statements as at and for the year ended 31 December 2012 for information about related parties. No major changes took place between 1 January and 30 September 2013.

## Significant events during and after the interim reporting date

No events of any significance occurred subsequent to the period under report that will have any major impact on the XING Group's business development.

Hamburg, 6 November 2013

The Executive Board

Dr. Thomas Vollmoeller

Ingo Chu

Timm Richter

Jens Pape

## FINANCIAL CALENDAR

Date	Event
6 November 2013	Interim Report Q3 2013, Hamburg
28 March 2014*	Annual Report 2013, Hamburg
6 May 2014*	Interim Report Q1 2014, Hamburg
23 Mai 2014	Annual General Shareholder Meeting, Hamburg
6 August 2014*	Interim Report HY1 2014, Hamburg
6 November 2014*	Interim Report Q3 2014, Hamburg

\* Subject to change.

## MASTHEAD AND CONTACT

This interim financial report is available in German and English.

You can find both versions and additional press information on the Internet at <http://corporate.xing.com>.

For Annual Reports, Interim Reports, and current financial information about XING AG, please contact:

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HGB Hamburger Geschäftsberichte  
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### Our social media channels

<http://blog.xing.com>

(The XING AG corporate blog is available in four languages)

[www.xing.com/net/pr1a41bcx/Anlegerforum\\_XING\\_Aktie](http://www.xing.com/net/pr1a41bcx/Anlegerforum_XING_Aktie)  
(German-language group for XING investors)

Twitter: [xing\\_ir](#)

(Information and news related to the capital markets)

Twitter: [xing\\_de](#)

(Topics and news related to the company in general - German only)

Twitter: [xing\\_com](#)

(Corporate information and news in English)

Youtube: [www.youtube.com/user/XINGcom?gl=DE](http://www.youtube.com/user/XINGcom?gl=DE)

(XING AG YouTube channel)

Facebook: [www.facebook.com/XING](http://www.facebook.com/XING)

(XING AG Facebook profile)