

Company Presentation

XING AG



Ingo Chu (CFO) & Patrick Möller (Director Investor Relations)
November 2010

➤ 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

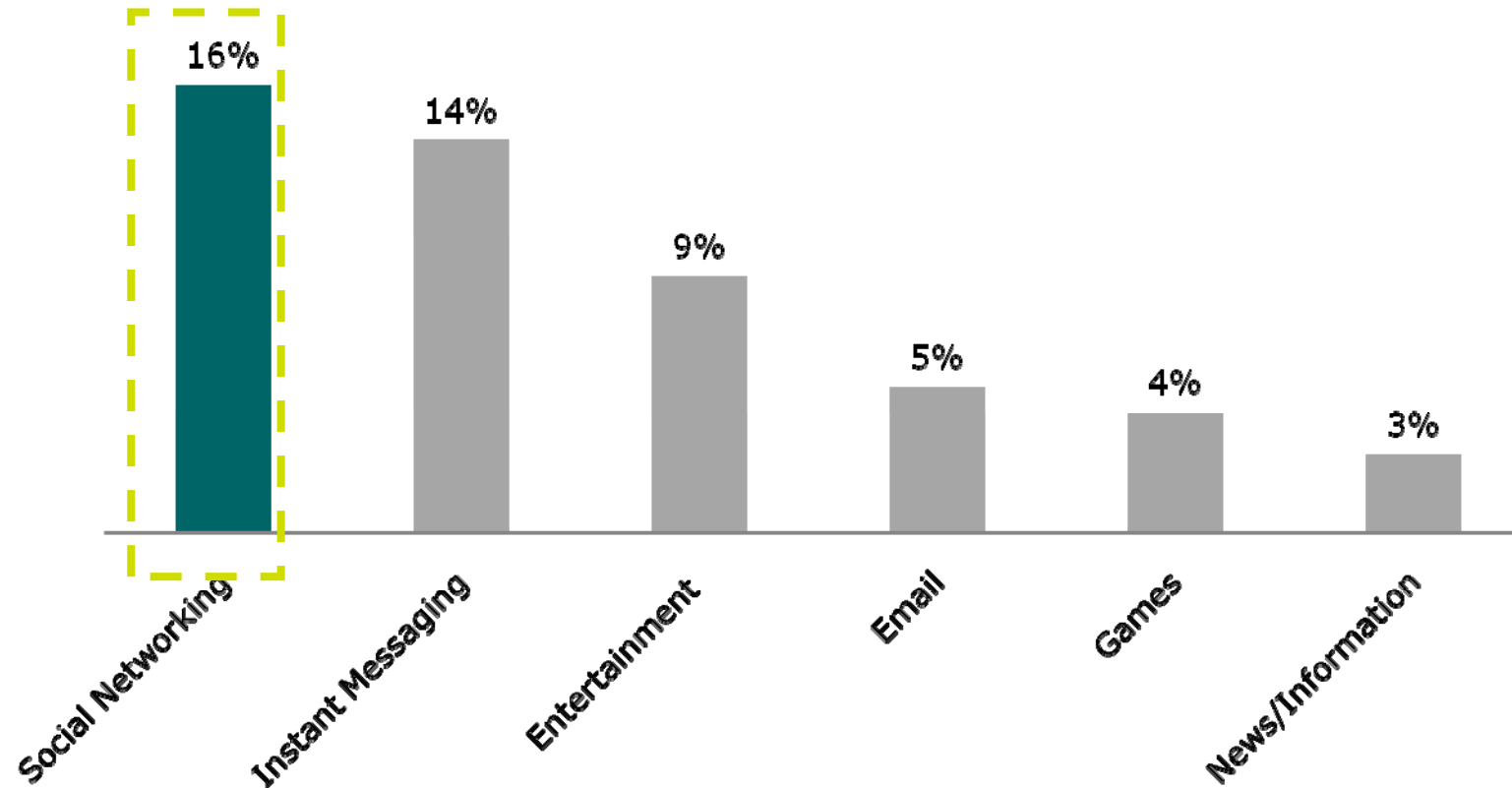


2010 – The year of profitable growth

02 Social Networking is Our Business

How Europe uses the web?

[Share of regional minutes on key online categories]



More that 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



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✉ +49-162-240 7598
Local time: 10:52 AM

Professional experience

Sep 2008 - present (2 years, 1 month) **Senior Manager Corporate Development** (F) (Manager/Supervisor)
XING AG, <http://www.xing.com>
Industry: Internet
Publicly held corporation, 201-500 employee

Aug 2007 - Aug 2008 (1 year, 1 month) **Managing Director (Geschäftsführer)** (Full time) (President)
VoxGen GmbH, <http://www.voxgen.com>
Industry: Information Technology & Services, Voice User Interface Design, User-Centric Design, Audio-Erlebnisse, Mehrwertdienste, Mobile Business Models, Sprach-Applikationen, Spracherkennung, TTS, ASR, Multimodalität, Customer Care, Call-Center, eGovernment, Automotiv, Sprachportale, Voiceportale, VoiceXML, IVR, CTI, VoIP, SIP, Voice Business
Privately held company, 11-50 employees
Director Strategy, Bus.Dev., Marketing & Sales

Sep 2001 - Aug 2007 (6 years) **Managing Director, Founder** (Owner, Senior Executive (CEO, CFO, President))
8hertz Technologies GmbH, <http://www.8hertz.com>
Industry: Information Technology & Services
Privately held company, 11-50 employees

2 Efficient Contact Management

What's new in your network

Pin Ayan likes **"YENİ ASIR CV TASARIM YARIŞMASI"**.
Today - Show source

Klaus Martin Meyer will be attending the "UX-Buchclub Hamburg 7. Treffen".
Today

Annika Helling hat Tipps für den 5. Spieltag abgegeben.
Today - SPOX Bundesliga - Tippspiel

Jackson Bond likes the update "Angenehmeres Betriebsklima mit Partr bessere Ergebnisse durch gute Laune" by Deutsche Lufthansa AG.
Today

Visitors to your profile

Michel Rosinski ^{deermidia}
Click on employee list in Company Profile

Non-XING member
Visitor to your public profile
Google: Search for "patrick moller"

Jobs that may interest you

MANAGER FINANCE & ACCOUNTING (MwV)
Michael Page International (Deutschlan ...
22 Sep 31

Sprecher Unternehmensverantwortung und Fo...
Tchibo GmbH
23 Sep 38

FINANCE DIRECTOR (MwV)
Michael Page International (Deutschlan ...
24 Sep 31

Anwältin/Anwalt
RECORE Business Lawyers LLP
25 Sep 35

Expand your network

First name/Last name Industry City (business)

MEMBERS YOU MAY KNOW

Axel Lettmade ^{Wüstenrot Bausparkasse}

Gesa Ehmson ^{Microsoft Deutschland GmbH}

Stefanie Kraus ^{Publicis Health GmbH}

Jörn Tekaut ^{Grünert-Jahr AG & Co KG}

3 Business lead generation

HOME **SEARCH** [MESSAGES](#) [CONTACTS](#) [GROUPS](#) [EVENTS](#) [JOBS](#) [COMPANIES](#) [BEST OFFERS](#)

Powersearch

Members whose "wants" match my "haves"

Results 1-10 out of 300

<< Back | Next >> | 1 | 2 | 3 | 4 | 5 ... | 30

Name, Company	Matches
Nelson M. Peña ^{IMC Integral Management Consultancy Ex. Search Interin}	My profile hits - Members who recently visited my profile - Members whose profile I visited recently - Members who recently clicked on my company homepage - Members who recently viewed my "About me" page
Jochen F. Gloy ^{IMC Integral Management Consultancy}	My contacts - What's new in your network - Contacts who recently changed company or position - Contacts with a birthday soon - Contacts who just had a birthday
Hany Maroun ^{Century Hotel, Doha}	My matches - Members belonging to the same organizations - Members who attended the same universities - Members whose "wants" match my "haves" - Members whose "haves" match my "wants" - Members who know several of my contacts - Members in the same groups as I am
David, J. L. VERMEULEN ^{SCGroup International Corp.}	XING members - Members you may know - Members who should know you - Members who joined recently - Members who logged in recently - Random members in my area
Michael Tolas ^{World Class Group}	

4 Tool for marketing, jobs & recruitment

Jobs that may interest you (350)

Sprecher Unternehmensverantwortu...
Tchibo GmbH, Hamburg
43 days
[Bookmark job](#) [Remove](#)

Associate Corporate Finance/M&am...
SSC Consult, Köln
32 days
[Bookmark job](#) [Remove](#)

Director Corporate Development (...)
XING AG, Hamburg
84 days
[Bookmark job](#) [Remove](#)

Senior Consultants und Projekte...
CTcon GmbH, Deutschlandweit
77 days
[Bookmark job](#) [Remove](#)

Jobs in my network (350)

Praktikant/in Qualitätsmanagement [★]
VIVISOL Deutschland GmbH, Neufah...
Today
[Bookmark job](#)

Technischer Produktmanager [★]
Fox Mobile Group, Berlin
Today
[Bookmark job](#)

Company updates (12) [About this company](#) [Employees \(4\)](#) [Followers \(635\)](#)

1-10 of 12 company updates

Standard und Plus-Profil jetzt noch prominenter in der Suche
16 Sep 2010, 03:45 PM

Unternehmen mit einem Standard- oder Plus-Unternehmensprofil profitieren deutlich in den Suchergebnissen. Als Zusatz wird nun auch das Firmenlogo hochgeladen neben dem Unternehmensbeitrag in der globalen Suchergebnis-Liste. Unternehmen gewinnen an Sichtbarkeit und somit auch die Aufmerksamkeit vor Interessierten.

Übrigens: Ihr Unternehmen kann jetzt auch direkt über die XING-Startseite gefunden werden. Möglich macht dies die neue, plattformübergreifende XING-Suche im oberen Bereich ihrer Startseite. Zum Beispiel werden Ihnen unter dem Suchbegriff "Marketing" nun neben allen Mitgliederprofilen auch Unternehmen, Gruppen und Jobs mit dem jeweiligen Suchbegriff angezeigt.

Standard- und Plus-Profilhaber profitieren gleich doppelt: Sie werden nicht nur anhand des Unternehmensnamens gefunden, sondern auch über die Stichworte, die Sie unter "Produkte und Dienstleistungen" auf ihrem Profil hinterlegt haben.

Please use commas to separate email address!

[Send invitation](#)

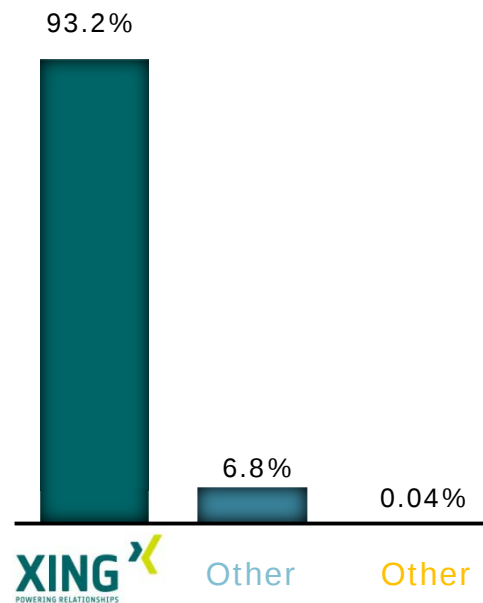
Add an invitation message

Invite contacts from your email address book to join XING

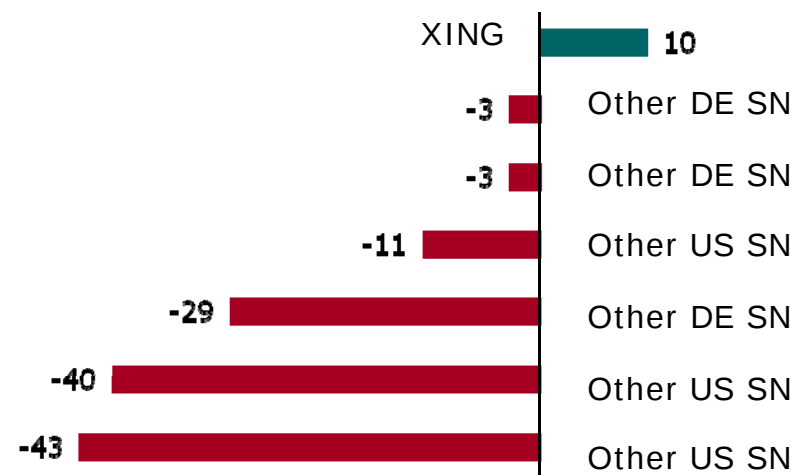
02 Strong DACH market positioning



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

03 Segment Overview

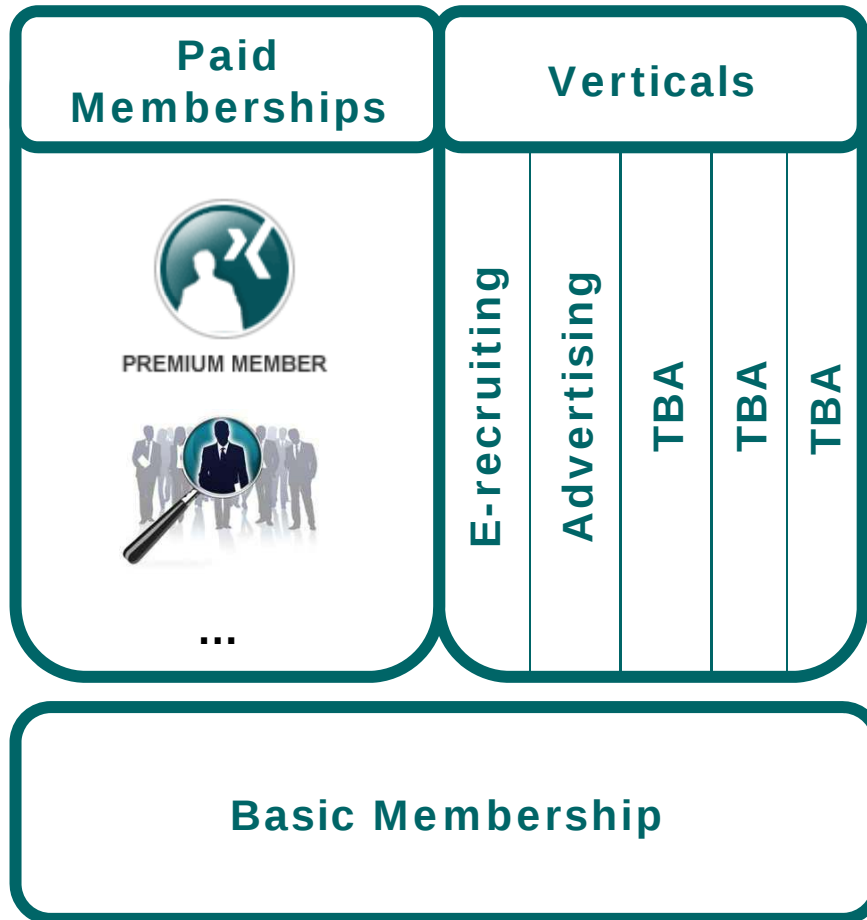


DACH				
	Subscriptions	E-Recruiting	Advertising	International
Revenues	€10.4m	€1.8m	€0.8m	€0.5m
yoy growth in %	+13%	+84%	+51%	-11%
Recent Highlights	- Recent product launches showing positive impact on member growth and activity - Strongest member growth since Q2'09 - Payer adds flat qoq	- another 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 activity rather than growth
Market potential	~19m people ¹	>€100m	>€2bn	~17m people ¹

¹ Source: XING analysis of addressable market

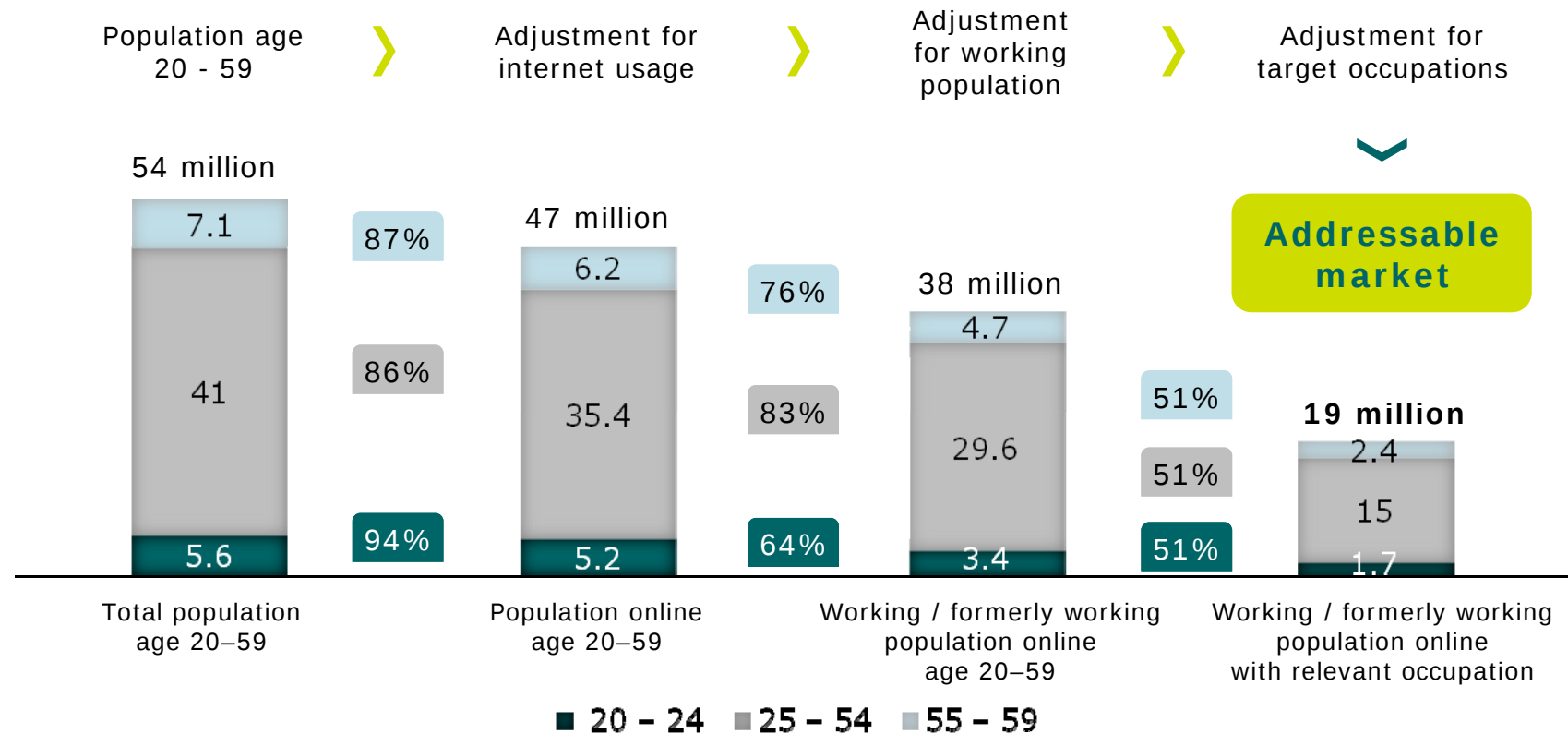
04 Our strategic approach

Invest & expand into new verticals (i.e. e-recruiting)



05 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



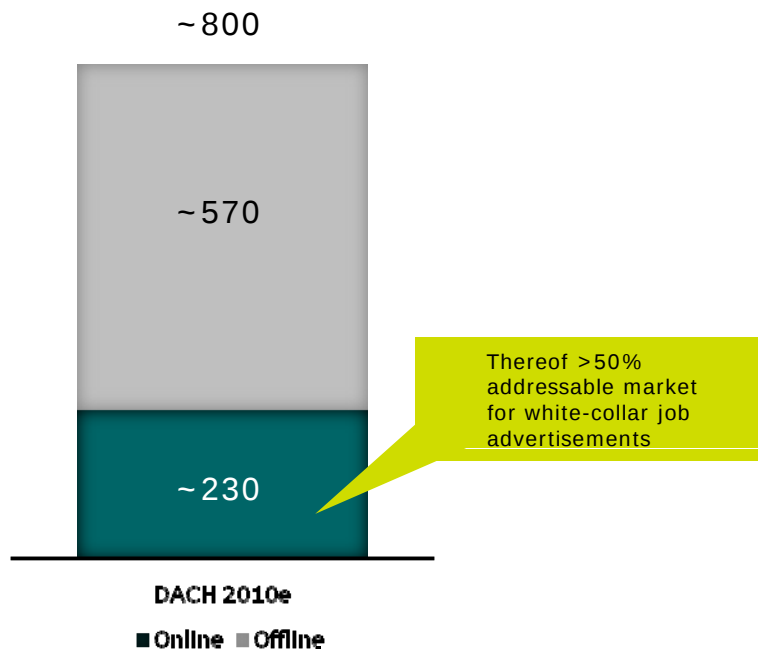
XING's total addressable market in DACH (2015) is estimated at 19 million users

05 Jobs & Recruiting Business (DACH) at a glance

Massive native potential for XING, >€100m addressable market



Market volume job boards DACH in €m



Source: Company estimates

Our opportunity to succeed



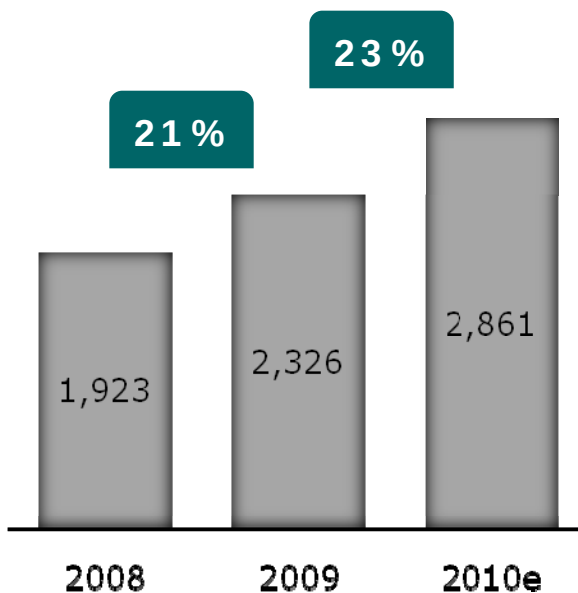
- Career advancement one core motivation to use XING
- Millions of talents on platform, best profile database in DACH (and ES and TR)
- >75.000 recruiters already on XING
- Reach most attractive “latent seekers” segment through push recommendations



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

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

in €m



Our opportunity to succeed

- 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.

06 Significant product launches with promising early impact



Building Blocks



Impact as of now

Growth:

Member
gross adds



Invitations



Unique
inviters



Activity:

Logins



Messages
sent



Contact
adds



Status
messages

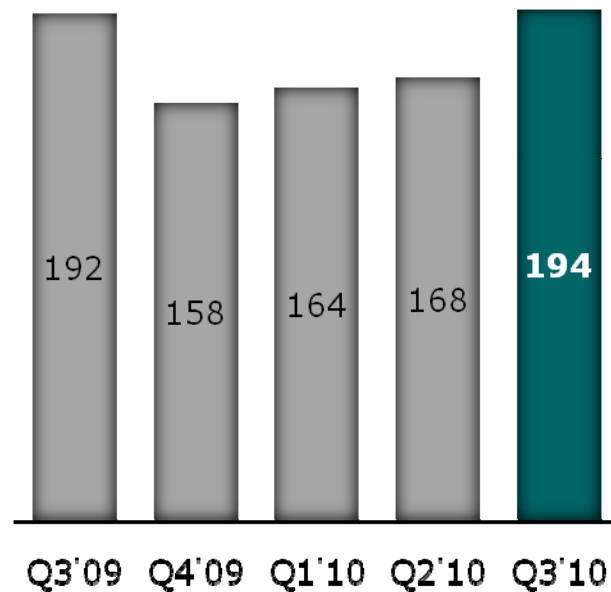


07 DACH: Promising trend of net member adds



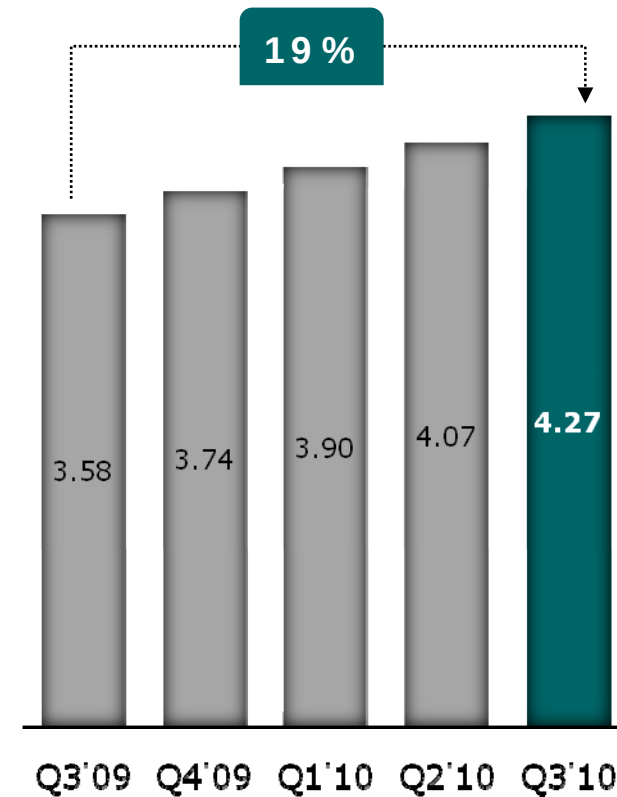
Member net adds

in 000'



Member base DACH

in m



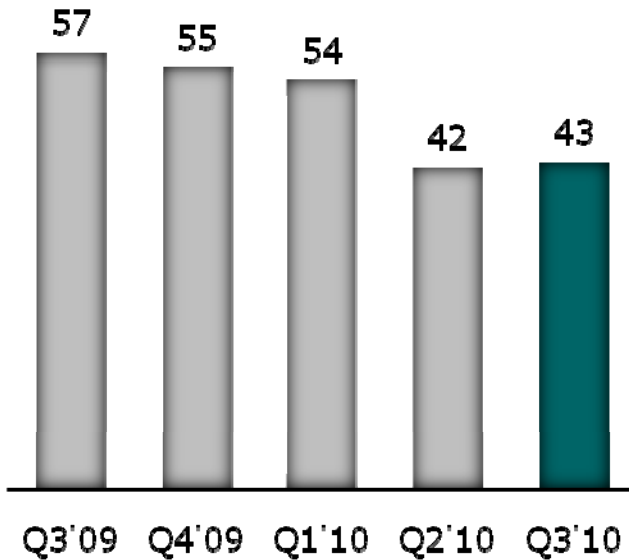
- Strongest member growth (+194k) since Q2'2009
- Continuously strong #1 in DACH
- XING usage 10x higher than next competitor in Germany*

* Source: Comscore August 2010

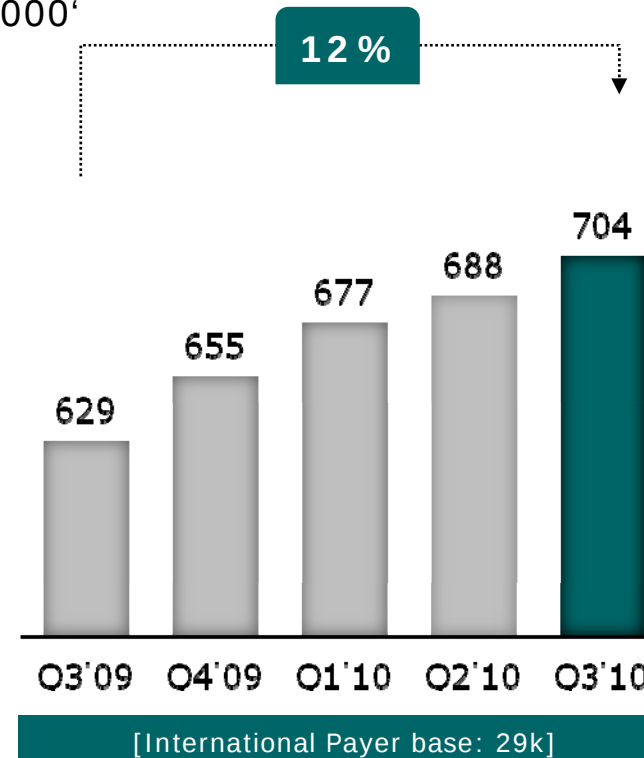
07 DACH: Payer base up 12 %



Payer gross adds
in 000'



Payer base
in 000'

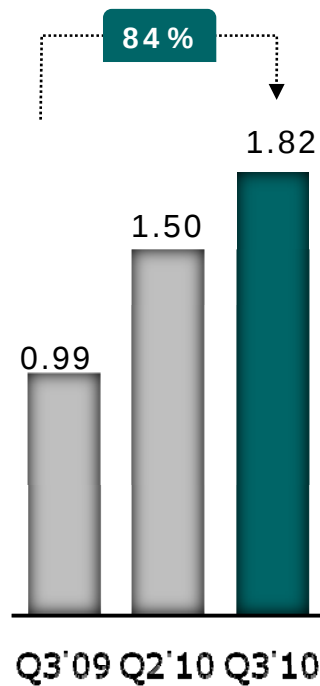


Q3 net payer adds (16k) up vs. previous quarter (11k)

07 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

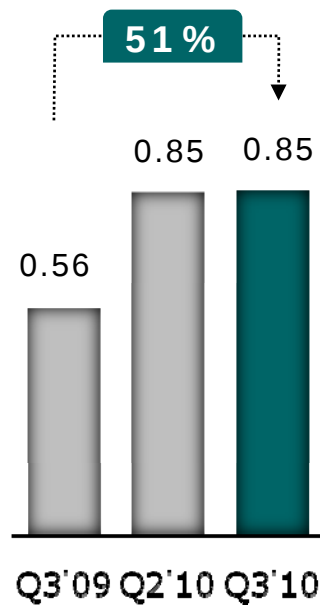


Distribution partnership with leading job portal
in Switzerland www.jobs.ch

07 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



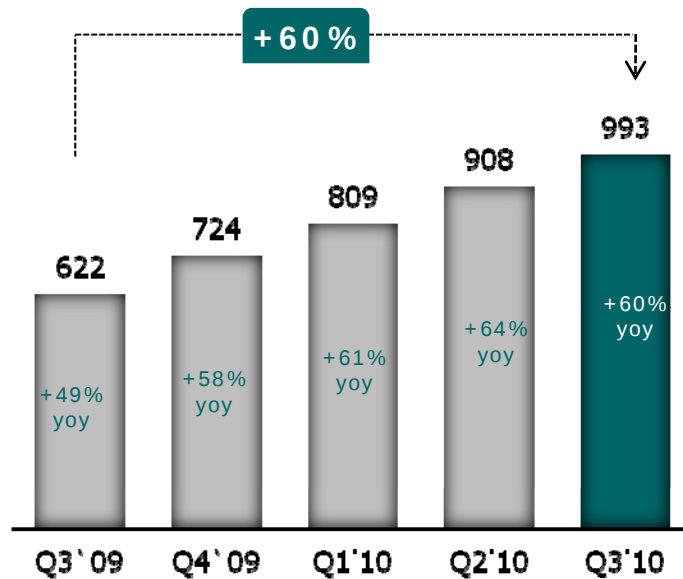
Q3 display ad revenues impacted by seasonality
Decent qoq increase in Q4 expected

08 International business

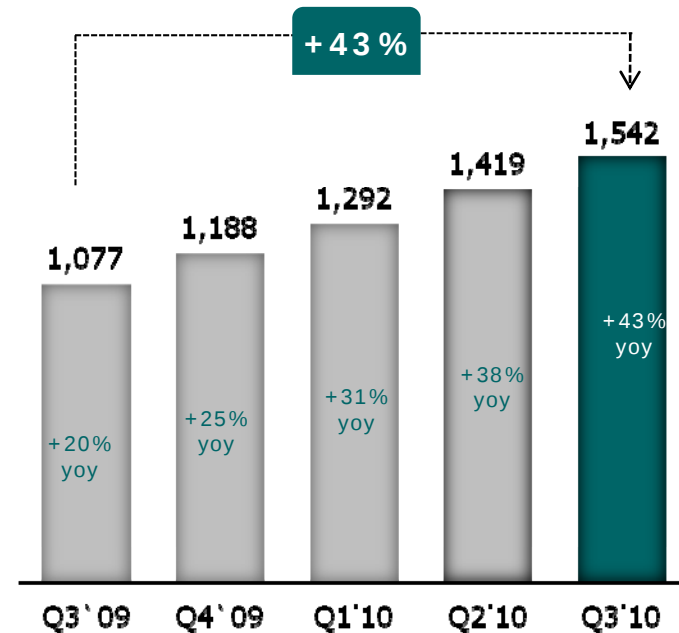
Over 1m members in both markets



TURKEY



SPAIN



Significant member base in both markets
Future focus: driving activity

09 Significant increase in operating performance in Q3



	Q3'10	Q2'10	Q3'10 vs. Q2'10	Q3'09	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

09 Quarterly revenues continue to grow

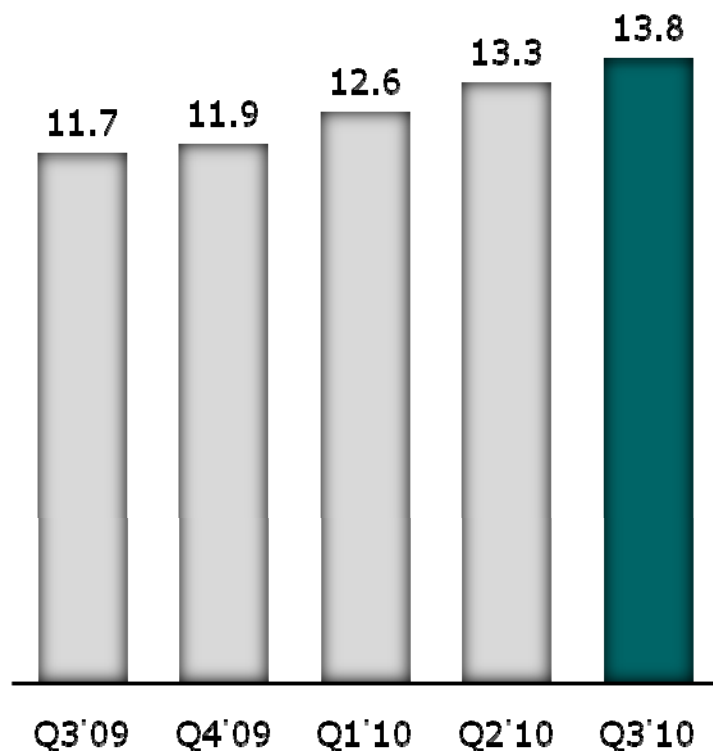
EBITDA €4.5m; margin 32%



- Global figures -

Revenues

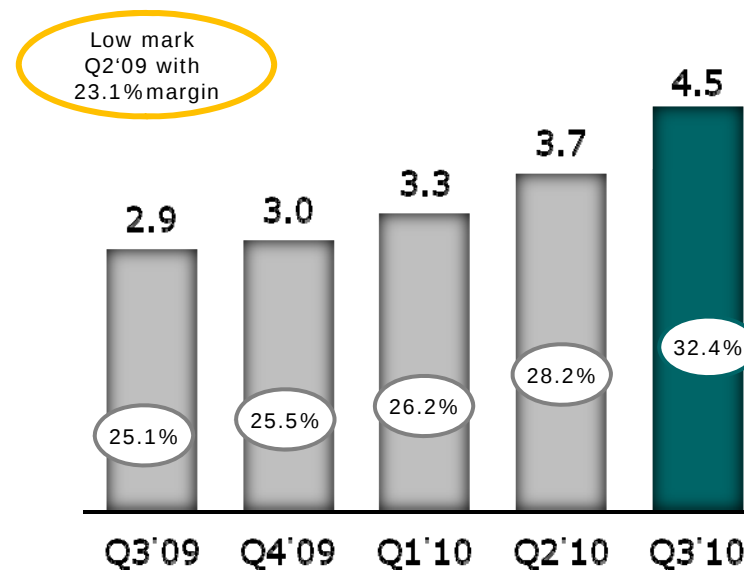
In €m



EBITDA

In €m

In % of total revenue



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

09 Continuing strong growth in e-recruiting & advertising



- Global figures -

Subscriptions

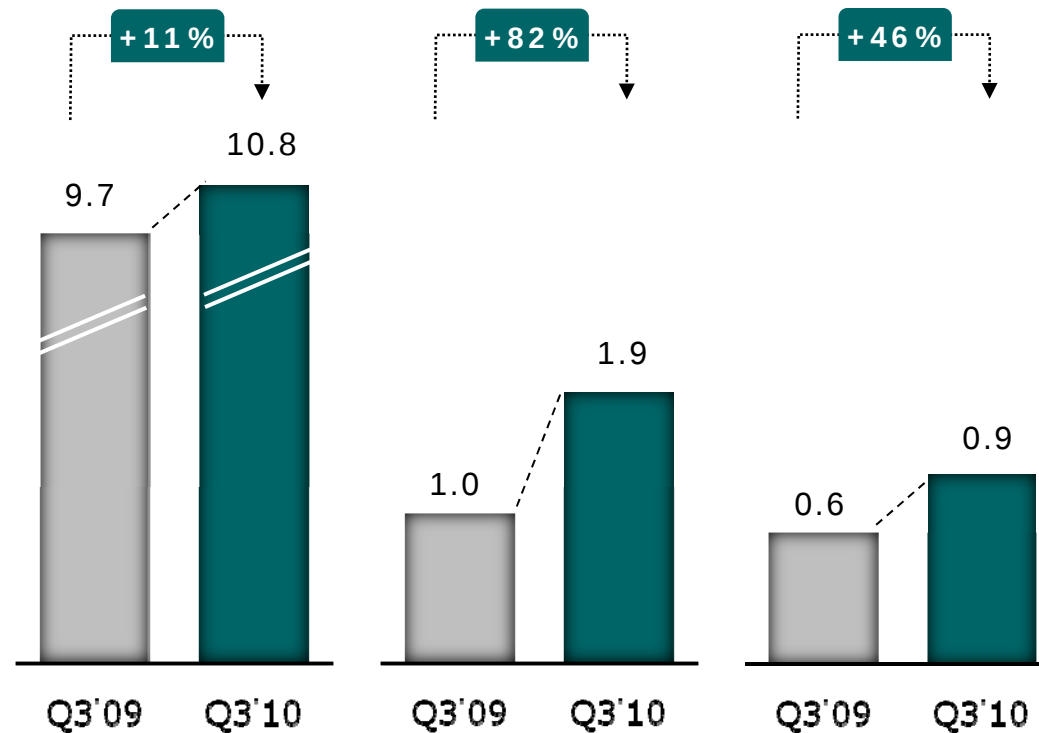
In €m

E-Recruiting

In €m

Advertising

In €m



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

09 Personnel costs Q3'10: €4.4m; 32 % of revenues

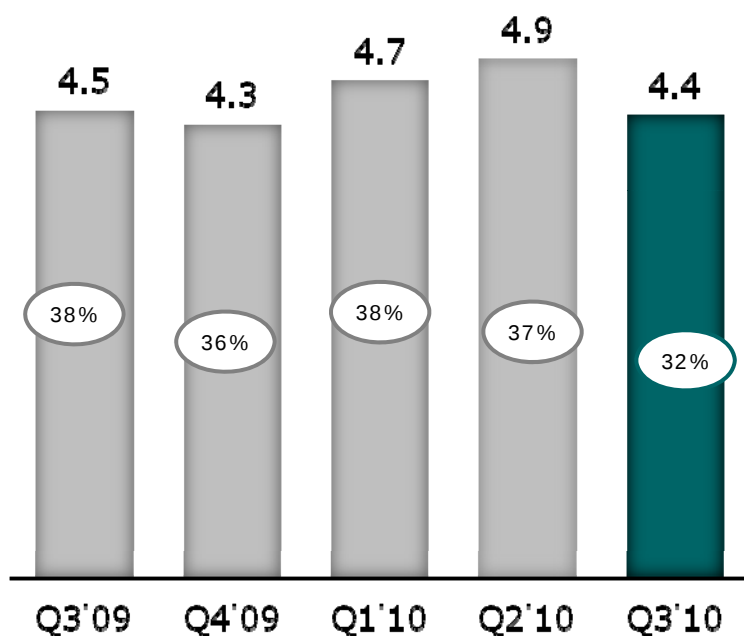


- Global figures -

Personnel

in €m

in % of revenue



Comments

- Q2 impacted by negative one-off from reorg
- Q3 impacted by positive one-off from release of personnel-related accruals
- FTE's qoq flat

09 Marketing expenditures

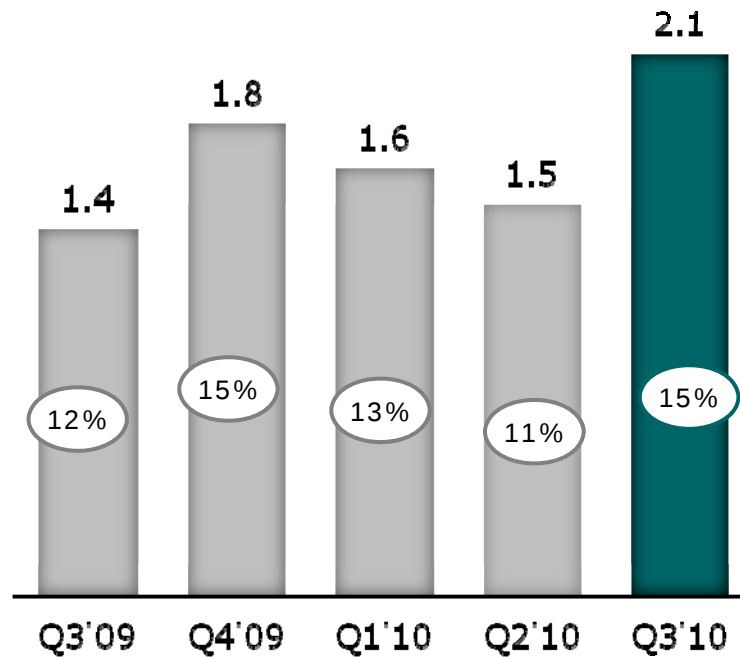
First XING-TV campaign ever started in Sep'2010



- Global figures -

Marketing

in €m
in % of revenue



Comments

- First XING TV Campaign



- SEM
- Display campaigns
- Affiliate programs
- Cooperations

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



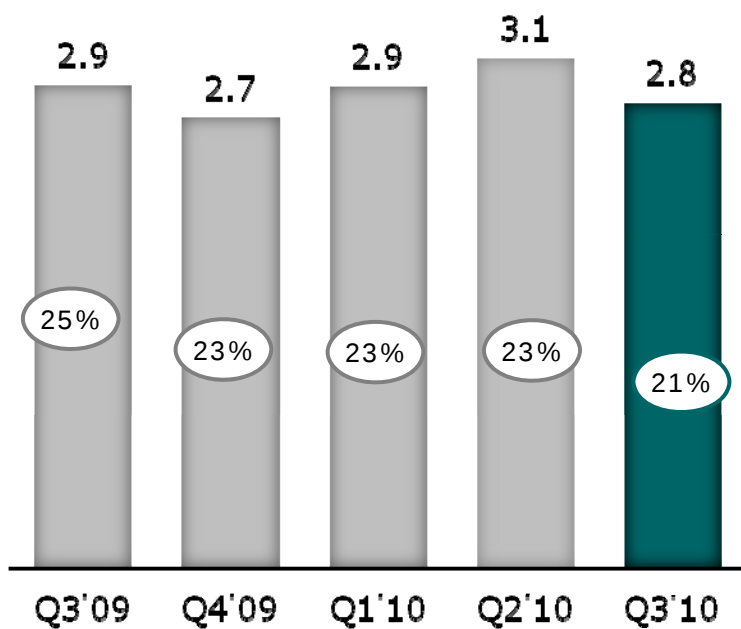
- Global figures -

Other operating expenses

in €m

in % of revenue

Comments



Cost line includes:

- External services
- Legal, audit, consulting
- Payment processing
- Server hosting
- Rent & other costs

09 Cash Flow Statement

Operating cash flow €4.0m in Q3'2010



- Global figures -

in €m	2009		2010		Q3'10	Q3'10 vs. Q3'09	Q3'10 vs. Q2'10
	Q3'09	Q4'09	Q1'10	Q2'10			
	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
Δ 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

09 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

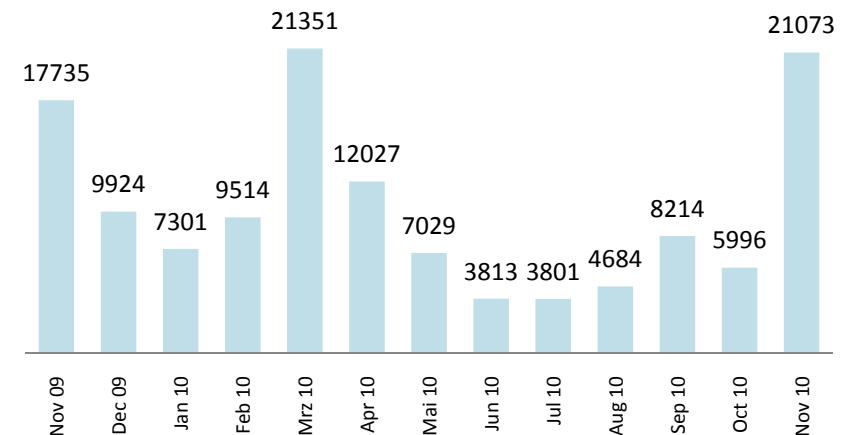
Market Cap: ~€150m / €56m cash / no debt



Consensus
(Nov 16, 2010)

	2010e	2011e	2012e
Total revenues	54,4	64,9	72,7
EBITDA	16,3	21,4	24,6
<i>Margin</i>	30%	33%	34%
Depreciation	-5,3	-5,8	-6,3
EBIT	11,1	15,6	18,3
<i>Margin</i>	20%	24%	25%
Net income	7,6	11,2	13,1
EPS in €	1,45	2,10	2,48
Free cash flow	11,3	12,2	13,8

Average Trading Volume per day (XETRA)



Analyst coverage

Deutsche Bank,
DZ Bank,
Hauck & Aufhäuser,
HSBC,
LBBW

Shares

5,272,447

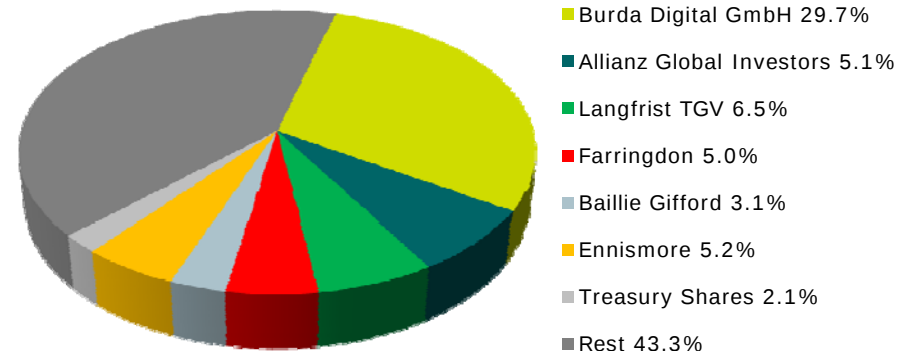
TecDax ranking end of October 2010

Market Cap.

36

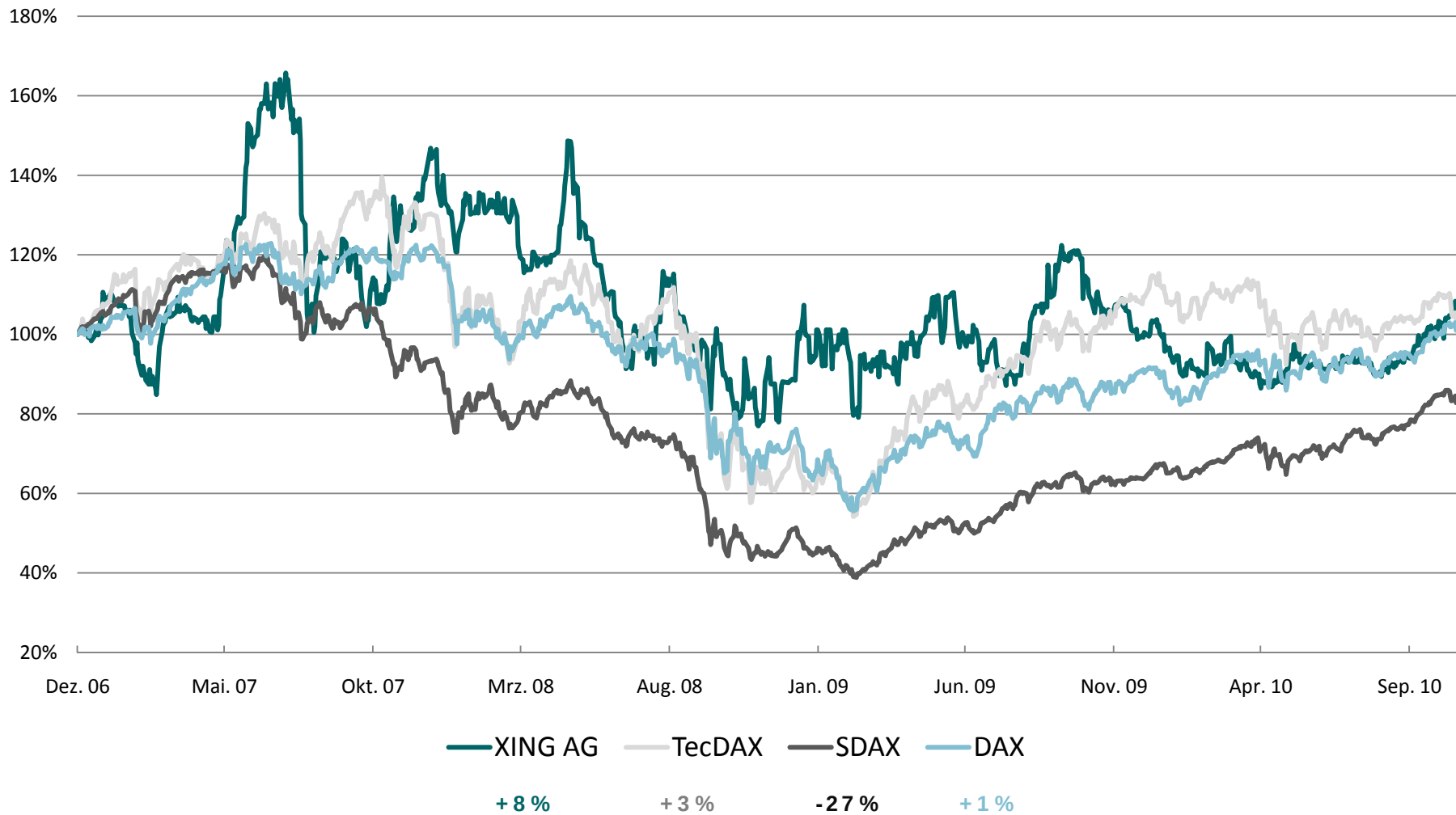
Turnover

46



Free float according to Deutsche Börse: 68.2%

XING share price since IPO in Dec'06 (as of Nov 16, 2010)



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Institutional Investor

2010 Europe's Best Investor Relations

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

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

* Per month

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Pro-forma results

Results contained in this presentation are partly based on unaudited pro-forma financial results that the Company derived from its preliminary and past financial statements for the indicated periods in order to make these periods comparable and show non-recurring costs.

Cautionary note regarding preliminary results and pro-forma financial results

This presentation contains preliminary results and pro-forma results. The preliminary results may change during their final review. While the Company believes that its pro-forma financial results are reflective of its recurrent trends and the on-going status of its business, there can be no assurance that its pro-forma results will accurately reflect these trends and status and therefore, its investors are urged not to rely solely upon the pro-forma results when making their investing decision and the pro-forma results should always be reviewed together with its actual financial results.