

**XING** 

Half Year Report 2011  
from January 1 to June 30, 2011

gives you   
**MORE**

# \* MORE CONTACTS MORE TRUST MORE BENEFITS.

People with contacts will go a long way. A person with good contacts will go even further. What was once the province only of select societies is now available to everyone thanks to the Internet and XING, the online network for business contacts. Over 11 million professionals use the XING global business network to do business, make deals, and further their careers. XING offers custom networking features and services to help them create their networks and stay in touch. XING hosts more than 50 thousand expert groups and assists its members in organizing over 180 thousand networking events every year around the globe. With XING Jobs, the network also features job ads to enable its members to leverage their professional contacts for creating real value. **XING. THE PROFESSIONAL NETWORK.**

Key Figures		H1 2011	H1 2010	Q2 2011	Q2 2010	Q1 2011
Total revenue <sup>1)</sup>	in € million	31.98	25.86	16.33	13.26	15.65
Revenues from services	in € million	31.59	25.26	16.17	12.95	15.42
“Subscriptions” revenues	in € million	22.46	20.59	11.32	10.51	11.13
“e-Recruiting” revenues	in € million	5.52	2.99	2.81	1.55	2.71
“Advertising” revenues	in € million	2.53	1.65	1.48	0.88	1.05
“New verticals” revenues	in € million	1.06	n.a.	0.55	n.a.	0.51
EBITDA	in € million	11.29	7.04	5.67	3.74	5.62
EBITDA margin	in %	35	27	35	28	36
Earnings for the period	in € million	5.06	2.60	2.37	1.35	2.69
Cash flow from operating activities	in € million	6.73	14.23	-2.03	3.96	8.76
Operating cash flow per share	in €	1.25	2.10	-0.37	0.75	1.66
Earnings per share (undiluted)	in €	0.94	0.50	0.43	0.26	0.51
Equity	in € million	70.94	55.95	70.94	55.95	64.11
Cash and cash equivalents	in € million	64.22	53.93	64.22	53.93	62.91
Member base	in millions	11.12	9.63	11.12	9.63	10.81
thereof Premium Members	in thousands	769	718	769	718	759
Employees		385	305	385	305	362

<sup>1)</sup> including other operating income

# Mission Statement

For more than eight years now, XING has been helping its members to organize their professional lives in a more active and attractive way. At the same time, it has been working with members to turn economic challenges into profit, to take advantage of opportunities, and bring people together. XING offers its members countless ways to come into contact with companies, potential customers, clients, prospective employees and colleagues every single day. Each connection and each new contact leads to new sales channels, new career opportunities, and new ideas with the personal network standing to benefit all round. XING's success is based directly on the success and positive experiences of its customers. With an undiminished enthusiasm for new ideas, and a fine sensibility for what our members need to ensure long-term professional success, XING continues the success story that began in 2003.

## Contents

### To our shareholders

- 2 Executive Board Letter
- 4 XING share

### Financial information

- 6 Interim group management report
- 17 Consolidated interim financial statements
- 18 Consolidated income statement
- 19 Statement of income and accumulated earnings
- 20 Consolidated balance sheet
- 22 Consolidated cash flow statement
- 24 Consolidated statement of movements in shareholder equity
- 26 Notes to the consolidated interim financial statements
- 32 Declaration of legal representatives
- 33 Review report

### Service

- 34 Financial calendar 2011
- 34 Masthead and contact

# EXECUTIVE BOARD LETTER

**Dear ladies and gentlemen,  
shareholders, XING members, and employees,**

XING made a very eventful and prosperous start to 2011 with excellent results during the first six months!

The largest-ever relaunch of [www.xing.com](http://www.xing.com) represented a major milestone in boosting our community's activity while our vertical business segments experienced prolonged dynamic growth. We also tapped into a new business segment with strong growth after acquiring amiendo AG.

Service revenues rose by 25 percent from €25.3 million (H1/2010) to €31.6 million in H1/2011. At the same time, revenues from our vertical business segments almost doubled after rising by €4.5 million. This proves that our strategy, which involves focusing on our German-speaking markets and tapping into vertical sources of revenue, is paying off. As a result, our operating result (EBITDA) rose by 60 percent during the period under report from €7.04 million in H1/2010 to €11.3 million. This again shows that growth with steady high profits can be achieved in our business.

We also achieved a special milestone during Q2 with the launch of the new and improved XING at the start of June. XING was released more than eight years ago and now has more than 11 million members. Every fourth employee in major German cities such as Munich and Frankfurt am Main is registered on XING. We know how important XING is to our members and that we need to continue developing the platform to meet their needs and wishes. At the same time, we realized that we needed to restructure the navigation. So in the past, we often presented users with a lot of bundled personal content via a number of boxes and interaction options, but now we provide all of the content we offer in a clearly laid-out structure. To this end, we carried out more than 100 interviews and usability tests among users to make XING easier than ever for members to network with one another. All of this work culminated in a new networking experience that is easier, faster and promotes even more interaction! Interested in taking a look at the new XING. Just visit [www.xing.com](http://www.xing.com).

Another key milestone for our shareholders was this year's AGM held at the end of May where the majority approved the special distribution of funds amounting to €20 million put forward by the XING AG Executive Board. This distribution of funds equates to approximately €3.76 per share and is due to be paid out during the first week of February 2012.

Thank you for the trust you have vested in us and your support at this year's AGM. We're looking forward to an equally successful and eventful second half of the year!

Hamburg, August 2011



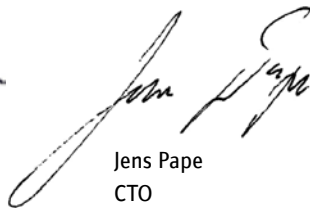
Dr. Stefan Gross-Selbeck  
CEO



Ingo Chu  
CFO



Dr. Helmut Becker  
CCO



Jens Pape  
CTO

# XING SHARE

## XING share data

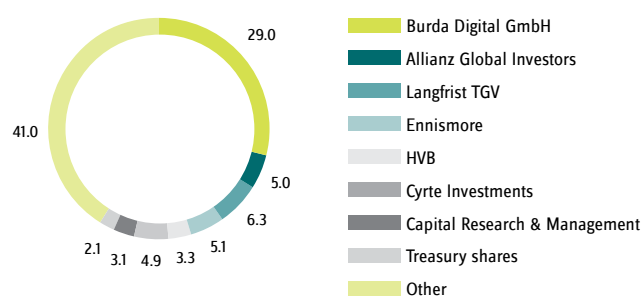
<b>Number of shares</b>	5,394,172
<b>Type of share</b>	Registered shares
<b>IPO</b>	12/07/2006
<b>Trading Symbol</b>	O1BC
<b>Securities identification symbol (WKN)</b>	XNG888
<b>ISIN</b>	DE000XNG8888
<b>Bloomberg</b>	O1BC
<b>Reuters</b>	OBCGn.DE
<b>Market segment</b>	Prime Standard
<b>Stock exchanges</b>	Berlin, Hamburg, Dusseldorf, Frankfurt, Munich, Stuttgart

## XING share price development vs. indices in %



Key XING share figures	H1 2011	H1 2010
XETRA closing price as of June 30	€54.15	€28.00
High	€58.17	€29.87
Low	€35.50	€28.00
Market capitalization	€292.2 million	€147.6 million
Average trading volume per trading day (XETRA)	17,139	10,173
TecDAX ranking		
Based on revenues	25	36
Based on market capitalization	31	36
Earnings per share (undiluted)	€0.94	€0.50
Operating cash flow per share	€1.25	€2.10
Equity per share	€13.15	€10.61

#### XING shareholder structure as of June 30, 2011 in %



# Financial information

for the first half 2011 from January 1 to June 30, 2011

## Interim group management report

7

Business development

13

Product innovations

14

Research and product development

15

Risk report

16

Forecast and opportunity report

## Consolidated interim financial statements

18

Consolidated income statement

19

Statement of income and accumulated earnings

20

Consolidated balance sheet

22

Consolidated cash flow statement

24

Consolidated statement of movements  
in shareholder equity

26

Notes to the consolidated interim  
financial statements

32

Declaration of legal representatives

33

Review report



# INTERIM MANAGEMENT REPORT

## Business development

### Business and industry development

#### General economic situation

The general economic upswing continued during the first six months of this year with business cycle analyses forecasting a positive 2011.

According to experts at the Kiel Institute for the World Economy, Germany is currently enjoying a major economic boom, although the overall pace has slowed somewhat recently. Having said that, when compared to the rest of Europe, Germany is clearly leading the way. The country's real GDP rose by 3.6 percent in 2010, and the Kiel Institute for the World Economy forecasts growth of 3.5 percent in 2011.

#### Market development

##### **Social network membership becoming mainstream**

According to the German industry association BITKOM, half of the German population (around 40 million people) is now registered with a social network, an increase of 10 million compared with the previous year. These figures show that social networks such as XING are now becoming mainstream.

If we just look at Germany, 76 percent of Internet users there are registered on a social network with the figure rising to 96 percent among the under-30s. The overall trend shows that a lot of people are actually registered on two or three networks.

Social networks are also gaining in popularity among businesses with the number of German companies using online networks to acquire new customers rising by 11 percentage points to 52 percent in 2011. This statistic is based on a study carried out worldwide by Regus, a workplace solutions provider. The number of companies using social networks to interact with existing customers is also on the rise.

#### Competition

As an online social network for business professionals, XING is in direct competition with other European business networking platforms. XING is the clear market leader in Germany, Austria, and Switzerland with more than 4.9 million members in these countries, meaning that every fourth business professional in major German cities such as Munich or Frankfurt am Main is registered on XING. With more than 769 thousand Premium Members, XING has more paying users than any other social network.

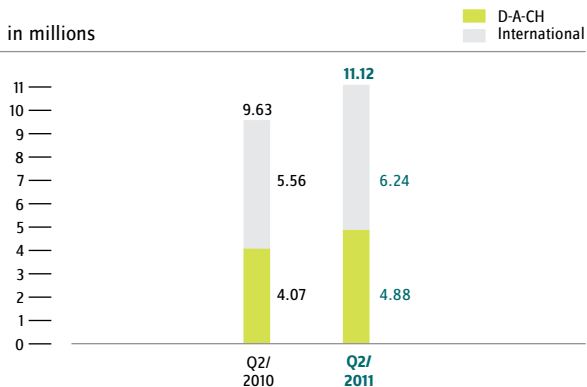
#### Member growth

In the first six months of financial year 2011, XING acquired 640 thousand new members, taking the overall member base worldwide to 11.12 million as of the end of June. XING's strategic focus is on German-speaking countries (D-A-CH region) when it comes to acquiring new members. Here XING achieved a rise in growth levels with 215 thousand people in the D-A-CH region signing up during Q1 and 197 thousand during Q2/2011. Q2 was slightly lower due to the number of holidays. When compared to H1/2010, this represents a rise in growth from 330 thousand to 412 thousand new members.

The number of Premium Members also increased during H1/2011 with 24 thousand XING members opting for the platform's advanced features. As expected, during Q2 net growth of paying members slowed to a level of 10 thousand (compared to 10 thousand in Q2/2010).

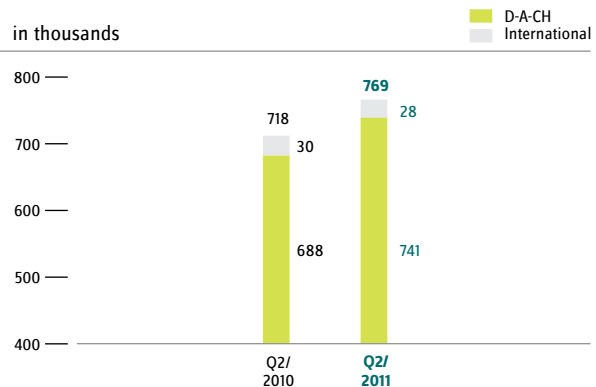
### Member growth

in millions



### Paying subscribers

in thousands



### Result of operations within the XING Group

XING AG largely focused on two major projects during the first six months of 2011. The first was the launch of the “new and improved XING”, and the second was the integration of amianto AG, which XING acquired in December 2010. In line with this, personnel costs during H1/2011 amounted to €11.1 million compared to €9.7 million during the comparative period (i.e. an increase of +14.3 percent). Other operating expenses rose by 17.6 percent from €6.0 million to €7.1 million, largely due to expansion costs. On the other hand, marketing costs dropped by 20.0 percent from €3.1 million in H1/2010 to €2.5 million in H1/2011 mainly due to reduced marketing spending in international markets. Group income increased by 23.7 percent from €25.9 million in H1/2010 to €32.0 million in H1/2011, while the EBITDA rose by €4.3 million (+61.0 percent) to €11.3 million. In terms of total revenues, the EBITDA margin of 35.3 percent climbed steeply vis-à-vis the comparative period (27.9 percent).

Due to ongoing investments of €0.4 million, scheduled depreciation totaled €2.9 million, which represents an increase when compared to the previous year’s corresponding figure. As a result of the platform’s relaunch during H1/2011, one-time depreciations of €799 thousand for modules no longer in use were performed. Around €600 thousand of that amount was attributable to the major platform relaunch in June 2011.

EBIT therefore amounts to €7.6 million in the first half year of 2011, compared to €4.6 million for the same period in the previous year. Taking into consideration the positive net interest income of €0.1 million (first half year of 2010: €0.04 million) and €2.7 million payable in income tax (first half year of 2010: €2.0 million), consolidated earnings of €5.1 million were almost double those for the same period in the previous year (€2.6 million).

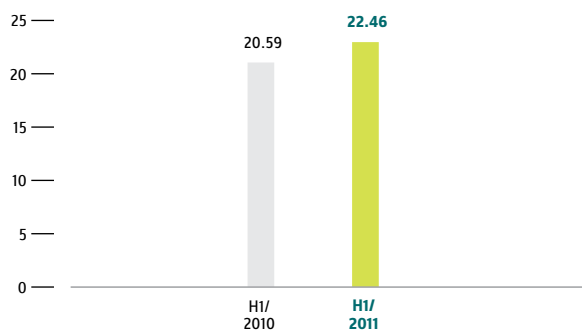
### Segment development

#### “Subscriptions”

With revenues of €22.5 million in H1/2011, “Subscriptions” generated around 70 percent of total revenues. In H1/2010, the core business accounted for about 80 percent of total revenues with earnings of €20.6 million. This development shows that XING’s core business is still its main source of income, although it is rapidly being caught up by the new vertical segments. The

## Revenues "Subscriptions"

in € million



number of Premium Members rose by almost 24 thousand during the first half of 2011, taking the total to 769 thousand as of the end of June. 10 thousand people signed up to a Premium Membership during Q2/2011, meaning that net growth remained steady when compared with figures for Q2/2010.

## "e-Recruiting"

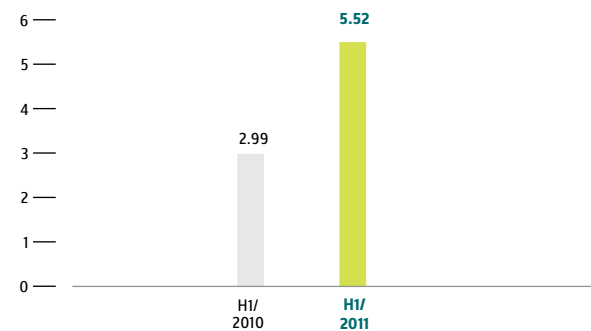
The e-Recruiting segment developed very strongly during the first six months of 2011 and reported 85 percent growth compared to H1/2010 with revenues of €5.5 million.

XING is slowly but surely making in-roads in this sector: If you compare how well various social recruiting solutions are known by users, XING products are better known than any other provider. This was the result of a survey among HR professionals and recruiters carried out on behalf of XING.

A lack of specialists and experts has proven to be a major recruiting challenge, as published in the Recruiting Report 2011 from ICR, a consulting firm based in Heidelberg, Germany. More than 90,000 HR professionals and recruiters use XING to help tackle this challenge as it provides them with direct access to potential candidates, including people who aren't even in the market for

## Revenues "e-Recruiting"

in € million



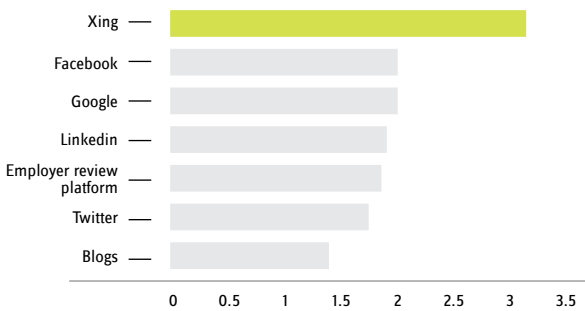
a new job. While relaunching our platform in June, we also introduced job recommendations that are displayed on members' newsfeed and aimed at qualified candidates not currently on the lookout for a new position. More than 35 percent of XING's members hold higher management positions.

According to the Third Trend Report published by Prospective Media Services AG, social networks also have a key role to play when it comes to HR in Switzerland with every fifth Swiss visiting social networks to find a job. 78 percent of the German-speaking Swiss use XING to help them find a job. To encourage further growth in this area, XING Jobs has been developed and improved during H1/2011 so that companies can now also import ads they posted elsewhere on XING. Changes have also been made to make it easier for people to design and draft their ads.

Anyone in the market for a new job isn't just limited to XING Jobs as the news feed on the homepage represents an efficient way of exchanging views and building up an online reputation within a business community. The content from XING's events and groups sections can also be used to reinforce online reputations and prove that XING is much more than just a CV database.

**Social Media Usage**

Survey: We use the following services for our recruiting work:  
1 = Not at all, 5 = Always



Source: Institute for Corporate Recruiting; Recruiting Report June 2011

**Revenues "Advertising"**

in € million



**"Advertising"**

Advertising can be split into three main divisions:

1. Advertising & Partnerships
2. Company Profiles
3. Enterprise Groups

**Advertising & Partnerships**

All three divisions have developed very positively on the whole with Advertising revenues rising by more than 50 percent from €1.65 million in H1/2010 to €2.53 million in H1/2011. Q2/2011 even saw a 40 percent revenue increase over Q1 thanks to B2B customers opting for the Advertising department's "special offers" product, which will inevitably lead to major quarterly revenue fluctuations in future.

While launching the new XING, an exclusive partner was acquired that took advantage of every type of advertising available on XING for four days.

New types of advertising such as the network news headlines and four new advertising environments (Jobs, Events, Groups, and Company Profiles) were introduced and advertising formats were also drafted for the mobile platform which will be rolled out to all of XING's mobile apps in Q3.

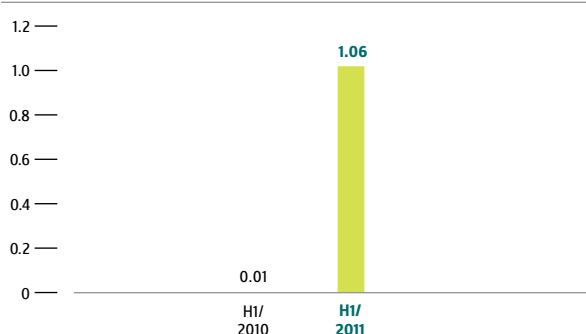
**Company Profiles**

Some 70 thousand companies, ranging from freelancers to SMEs and on to international concerns, had taken out a Company Profile on XING as of the end of the second quarter. Company Profiles can now be accessed even easier than before via the "My companies" section and the sidebar that appears on the left-hand side of every screen. This also provides agencies with an overview of all their customers' profiles.

In addition, companies use XING Company Profiles and groups as a form of employer branding, which is becoming increasingly important along with social media recruiting. The ICR study also stated that anyone who has already used social media for HR work will mainly use XING to do so. There is far more potential to be tapped into here - both for companies and for XING. This is why XING is expanding its offering for companies on the look-out for professional support when it comes to finding qualified staff via social media.

### Revenues "New Verticals" (Events)

in € million



### Enterprise Groups

The number of professionally moderated and designed alumni and B2B communities of renowned companies is growing all the time on XING. In terms of Enterprise Groups, XING also acquired a number of international partners during the second quarter. Enterprise Groups provide companies with a way to, e.g. contact alumni, customers and potential customers and boost loyalty within a sub-community. More and more companies and organizations are discovering XING Enterprise Groups as a way of getting in touch with business professionals. One such example is <http://dell.xing.com/>.

### "New verticals" (Events)

XING AG started reporting on another segment at the start of the new fiscal year (January 2011). The newly created Events section is now included in reports under "new verticals" with the business managed directly by amiano GmbH based in Munich, Germany. This technical integration also allows event organizers to easily post events with ticketing on [www.xing.com](http://www.xing.com) with the majority of the value chain covered in the form of services such as invitation management, ticketing etc. XING charges a fee of 5.9 percent of the ticket price plus €0.99 per ticket sold, making it a key source of revenue. A recent survey conducted among 1 thousand event organizers all over the world shows how important social media is to the events business with 78 percent of those queried saying that social media is either "important" or "very important", while 82 percent said that they intend to

expand their social media activities in the future with the aim of boosting recognition levels. XING is already one of the three main social media channels used by event organizers and has already paved the way towards expanding its events business. XING has hired more than 20 people since the start of the year, and the major expansion of offline sales activities and introduction of professional account management are now in place.

Revenues for the first six months of 2011 totaled €1.1 million. A comparison with the previous year will not be made due to the initial consolidation that started in January.

### Net assets

On the closing date June 30, 2011, long-term net assets were valued at €37.8 million (December 31, 2010: €31.0 million). The long-term capital amounting to €75.2 million represents a 198.9 percent surplus over the long-term net assets (December 31, 2010: €65.3 million or 210.7 percent surplus). The long-term net asset rise is largely due to the acquisition of amiano AG (€8.0 million). The increase in long-term capital is mainly owing to the 2011 half year results (€5.1 million) and capital contributions from stock option programs (€4.1 million).

The current assets rose by €7.6 million (11.5 percent) to €72.2 million (December 31, 2010: €64.6 million), largely due to the amiano integration (including its initial consolidation) and the positive cash flow. The change in the current assets is also due to the amiano integration as well as deferred items to be balanced against substantial tax payments. Overall, current assets rose by €4.6 million (15.1 percent) from €30.2 million on December 31, 2010, to €34.8 million.

As a result of this, on the closing date, the Group's long-term net assets were valued at €110.0 million, which equates to a €14.4 million (15.1 percent) increase compared to the value as of December 31, 2010 (€95.6 million). Liquid equity capital rose by €3.2 million to €62.2 million (December 31, 2010: €59.0 million),

which accounts for 56.5 percent of the Group's long-term net assets. For the first time ever, external cash and cash equivalents (€2.1 million) are included which consists of customer payments for event tickets collected in trust by amiando which are then to be disbursed to organizers once their events have taken place.

### Financial position

In the first six months of 2011, XING AG generated cash flow from operating activities of €6.7 million compared to €14.2 million during H1/2010. Here, the successful renegotiation of a service contract that was previously unfavorable to the Company meant a one-time €3.5 million increase in the previous year's operative cash flow. In addition, tax payments of €3.3 million for FY 2010 were not made until H1/2011.

In the first half of 2011, the cash flow from investing activities amounted to €-7.6 million (comparative period: €-3.2 million). This increase (€-5.1 million) is mainly attributable to the amiando acquisition.

In the first half of 2011, the cash flow from financing activities amounted to €4.0 million. During the first half of 2010, the cash flow from financing activities amounted to €0.0 million. This increase is largely due to capital increases from exercised stock options.

At the end of the period, the liquid equity capital of XING amounted to €62.2 million compared to €59.0 million at the end of the first half of 2010. In addition to that the company manages €2.1 million outside funds due to the newly acquired events business.

The cash flow margin of 21.0 percent (cash flow from operating activities/total operating income) is influenced by special negative factors such as tax payments for the 2010 financial year. Without these negative factors, the cash flow margin for H1/2011 is 31 percent, which confirms the intrinsic value of the Company and permits further growth-related investments.

With an equity ratio of 64.5 percent as of June 30, 2011 (64.0 percent as of December 31, 2010), XING is primarily financed by way of shareholders' equity. This constitutes a sound basis which provides the Company with a high degree of stability even in the event of possible negative developments.

#### Important information about the cash flow statement:

The acquisition of amiando AG and major expansion of the "events verticals" has reduced the validity of the XING AG cash flow statement as defined by the International Financial Reporting Standards (IFRS). Since January, the Company has been reporting cash under "external cash and cash equivalents" to which it does not have access.

#### Here is an example to illustrate the point:

The organizer of an event due to take place in Q3/2011 sells 50 tickets for €100 each (incl. fees of 5.9 percent plus €0.99 per ticket = €5 thousand in total). On back of that free cashflow in Q2 according to IFRS would increase by €5 thousand in total. After the event, amiando pays the proceeds of the ticket sales to the organizer while retaining its fees. This means that amiando/XING AG keeps €55.4 and pays the event organizer €4,944.60. So in Q3 effectively IFRS free cashflow will be negative with €-4,944.60. We therefore decided to eliminate the so-called "organizer cash" from the accompanying investor information and increase the transparency of our IFRS cashflow statement within this report by adding outside funds information on the bottom of the cashflow statement.

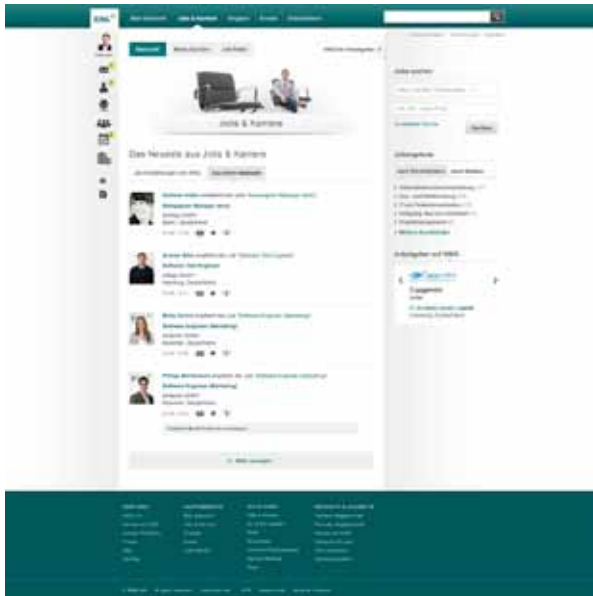
## Product innovations

### Complete redesign with a focus on contacts

At the start of June, XING rolled out its brand new information structure with an improved, simplified layout. The changes are based on months of user testing involving more than 100 interviews and usability tests to make sure that the platform is intuitive both for newcomers and long-standing members.

### Focus on network news

The changes to the platform increase the focus on network news and now form the core of all activity as they do not just appear on the user's homepage. With the new XING, network news is now adapted to the specific area of the platform the user is currently browsing. So when visiting the events section, users will be able to see a list of events their contacts will be attending, while the jobs section shows vacancies matching their profile that were shared by their network.



### Streamline main navigation

The main navigation bar at the top of the screen has been pared down to five sections: My Network, Jobs and Careers, Groups, Events and Companies. The new design generally mirrors that of XING's mobile applications, and not without good reason as the rapid growth of mobile applications has led to a shift in online user needs. Today, people need a clear design showing them the information they need.



### Constant overview of personal information

The new XING sidebar appears on the left-hand side of every page and includes personal features such as messages, contact requests and settings. As soon as someone receives, e.g. a new message, they will be notified in the XING sidebar so they can immediately take action.



### XING provides recommendations

The network news feature now also includes personalized recommendations from XING such as jobs matching their profile and tips on how to improve their profile. Personal profiles have also been improved by increasing the focus on the “About me” field and groups. This information is key to building up an online reputation.

### Interaction options added to the Mobile Web App

XING members can now network with their contacts while out and about as the Mobile Web App, which was launched in spring 2011, now has new features providing users with access to the same features as the desktop platform. The app can be started by going to “touch.xing.com” on any HTML5-capable browser.

The Windows Phone 7 app was also launched at the end of June, thereby providing this segment of the mobile market with access to XING and its broad feature set.

## Research and product development

In Q2/2011, the Company’s tried-and-tested development agility and development teams continued with a number of new approaches aimed at efficiently executing projects across the entire company.

The previous quarter was largely defined by a major technical and design relaunch. In order to achieve this, the source code was revised from the ground up, meaning that frontend developers now have a powerful architecture at their fingertips that can be easily expanded. To this end, an extensive set of code samples used across the entire platform was compiled and then provided to every developer in the form of a library for them to use in their daily work. That way, frontend developers can adjust the library components as and when required. This move represents a major advance in terms of code development efficiency while also helping to maintain a standardized design and laying the foundations for making it easier and faster to implement new features in future. The following topics were focused on during Q2:

- **XING’s core features were improved as follows:**
  - A new page structure and simplified navigation were introduced to make it easier for new users in particular to get involved
  - The sidebar now acts as a new navigation element providing users with quick and easy access to personal information
  - News feeds form the core of each section (Jobs, Events, Groups, Companies, etc.) and offer the latest news from a user’s network
  - A small profile preview with contact options is now available when hovering over user profile photos with the mouse
  - Basic and Premium Members can hide and filter status updates and event participations as and when they choose



- Users receive personalized recommendations (e.g. contact options, events, jobs, groups, etc.)
- Technically outdated and economically unfeasible sections of the platform such as the opensocial apps or special international memberships were removed

• **amiando was integrated into the existing events solution**

• **A new advertising format was launched consisting of a top-quality, single-line text ad that appears on the homepage directly below the navigation bar at the top**

• **The following mobile updates were introduced:**

- The XING Android app version 3.2 was released and allows XING contacts to be synchronized with the user's address book
- A new XING app for Windows Phone 7 was launched

In order to ensure that the platform retains its top availability levels and to develop it even further, XING uses both tried-and-tested Perl technology as well as the innovative web development framework Ruby on Rails. Specialist architecture teams ensure future-proof architecture and the latest technology in terms of frontend development and platform application structure. A team of experts has also been put together to develop XING's mobile applications.

## Risk report

Permanent monitoring and management of risk is one of the key duties of the Executive Board. 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. The group auditors inspected the functionality of the system, and confirmed. 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. Accordingly, employees are familiarized with the risk management system via periodic introductory seminars, and by means of informational material, and their attention is drawn to the significance of risk management. Potential risks are continually identified and analyzed. Identified risks are then systematically evaluated as to their probability of occurrence, and the expected potential damage. The risk owners and division heads are queried on a quarterly basis as to the status of existing risks and the identification of new risks.

## Forecast and opportunity report

### Future orientation

The management considers the social networking market to be one of the most dynamic and rapidly expanding sectors in the world. As a result, companies like XING have to react and adjust quickly to changes in the market, seize new opportunities, and adapt their strategic orientation. In FY 2010, XING focused mainly on accelerating basic member growth and diversifying its business, e.g. the amiamo acquisition.

In FY 2011, the Company is concentrating its efforts on three main areas:

1. Acquiring new members in the D-A-CH region and boosting member traffic,
2. Expanding the Premium model and increasing the number of upgrades from Basic to Premium Membership,
3. Expanding and developing the vertical sources of revenue.

### Expected industry development

As things stand, around 30 percent of the world's population have an Internet connection and are active online ([www.internet-worldstats.com](http://www.internet-worldstats.com)). According to an online study conducted by German broadcasters ARD and ZDF, around 50 million people use the Internet in Germany alone. The Company therefore assumes that the number of Internet users and broadband connections will continue to rise over time.

Experts are forecasting rapid growth in the mobile Internet sector over the coming years, and Morgan Stanley has predicted that smartphone sales will overtake PC sales in 2012. The breakthrough of UMTS and the ever-growing list of powerful mobile end devices mean that within five years, the Internet will be accessed far more by mobile devices than desktop PCs.

### Opportunity report

During recent years, XING AG has established a large community with more than 11 million people. 4.9 million members alone maintain their business and professional network in the Company's German-speaking core market. Nevertheless, the penetration of XING in the D-A-CH region is just 5 percent. This will result in numerous opportunities for the individual segments.

**Subscriptions:** XING has established a large and sound revenue source with more than 741 thousand Premium Members in the D-A-CH region. Relative revenue growth has slowed down in recent years.

However, the Company has also identified numerous opportunities of further expanding its core business in the course of the next few years. The Company will be able to accelerate growth in the number of subscribers in the medium-to long-term with new membership models and also by way of implementing professional customer value management.

**e-Recruiting:** In the opinion of the Company, this segment, which is responsible for marketing job offers as well as professional recruiter memberships on XING, is one of the most rapidly expanding areas of operation of XING AG. Since the end of the fourth quarter of 2009, XING AG has been offering professional services in this field, and enables job seekers to reach a large and high-value target group of business professionals, particularly in the German-speaking world. In the opinion of the Company, the wide range of social media recruiting possibilities is still not being used by most companies. The Company has identified major opportunities to considerably expand revenues and income in this particular field in the medium term with increasing penetration and continuing economic recovery.

**Advertising:** The smallest segment measured in terms of overall revenues will be able to develop new revenue potential in the short to medium term by means of a high degree of professionalization. The advertising team will be further strengthened in

2011, which means that numerous projects (incl. mobile advertising or new advertising formats) can be initiated to boost revenues in this particular field.

“New verticals” (Events): The acquisition of amianto AG in Munich (December 2010 and effective as of January 1, 2011) opens up additional opportunities to boost revenue growth in the course of the next few years. This year, more than 180 thousand events will be organized by members for members via the XING platform. Approximately one third of these events are so-called “paid events”, for which members have to pay a fee if they wish to attend. During the first six months of 2011, the Company was able for the first time to generate significant sales by means of professional solutions, including solutions in the field of event fulfillment and ticket sales. The business is expected to generate start up losses during financial year 2011.

#### Expected earnings development

In terms of probable development of results of operations, the management continues to be optimistic for the next two years. Last year, as detailed above, the Company attained key milestones in the individual segments; these indicate that there will be a positive development in revenues and results.

#### Expected development in revenues in the segments

The Company expects to see further sound growth in the “Subscriptions” segment. The relative significance of these operations in relation to overall revenues will probably decline further in the course of the next few years due to the expected above-average growth achieved in the segments of “e-Recruiting”, “Advertising” and “Other (events)”. In this way, the Company will gradually diversify its operations over several bases and revenue sources and will thus also reduce the risks of future business development.

At the Group level, the Company expects to achieve appreciable growth in revenues and earnings adjusted by special factors (EBITDA) for the next few years. Examples of special factors to be adjusted are restructuring costs, results of disposals, impairment costs, other non-operating expenses as well as other non-operating income.

The special factors are positive or negative effects which occur only once or only rarely and which, in their nature and extent, are unusual and of major significance and thus distort the result from operations.

#### Expected financial and liquidity situation

The XING AG management considers that the financing and liquidity of the Group will continue to be based on a sound foundation in the course of the next two financial years. XING AG is debt-free and, with the aid of the available liquid assets, is able to respond in a very flexible and rapid manner to potential opportunities for expanding its operations. We will accordingly continue to invest in expanding the technology infrastructure in the course of the next few years (software and hardware). We are assuming that a seven-digit sum will be invested in operations in 2011 and 2012.

Hamburg, August 2011

The Executive Board

Dr. Stefan Gross-Selbeck Ingo Chu

Dr. Helmut Becker Jens Pape

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the periode from January 1 to June 30, 2011

## Consolidated income statement

for the period from January 1 to June 30, 2011

in € thousand	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010	04/01/2011 - 06/30/2011	04/01/2010 - 06/30/2010
Service revenues	31,588	25,265	16,171	12,948
Other operating income	391	594	157	313
<b>Total operating income</b>	<b>31,979</b>	<b>25,859</b>	<b>16,328</b>	<b>13,261</b>
Personnel expenses	(11,123)	(9,690)	(5,675)	(4,946)
Marketing expenses	(2,492)	(3,115)	(1,353)	(1,487)
Other operating expenses	(7,070)	(6,010)	(3,629)	(3,086)
<b>EBITDA</b>	<b>11,294</b>	<b>7,044</b>	<b>5,671</b>	<b>3,742</b>
Depreciation	(3,651)	(2,442)	(2,184)	(1,208)
<b>EBIT</b>	<b>7,643</b>	<b>4,602</b>	<b>3,487</b>	<b>2,534</b>
Financial income	97	39	65	19
Financial expenses	0	0	0	0
<b>EBT</b>	<b>7,740</b>	<b>4,641</b>	<b>3,552</b>	<b>2,553</b>
Taxes on income	(2,676)	(2,038)	(1,183)	(1,207)
<b>Net income</b>	<b>5,064</b>	<b>2,603</b>	<b>2,369</b>	<b>1,346</b>
Earnings per share (undiluted) in €	0.94	0.50	0.44	0.26
Earnings per share (diluted) in €	0.93	0.50	0.43	0.26

## Statement of income and accumulated earnings

for the period from January 1 to June 30, 2011

in € thousand	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010	04/01/2011 - 06/30/2011	04/01/2010 - 06/30/2010
Total result	5,064	2,603	2,369	1,346
Currency translation adjustment	(11)	17	(2)	10
Other results	(11)	17	(2)	10
<b>Total result of the period</b>	<b>5,053</b>	<b>2,620</b>	<b>2,367</b>	<b>1,356</b>

## Consolidated balance sheet

as of June 30, 2011

Assets in € thousand	06/30/2011	12/31/2010
<b>Non-current assets</b>		
Intangible assets		
Purchased software	2,468	2,969
Self-developed software	7,422	7,416
Goodwill	21,363	13,440
Other intangible assets	2,698	3,368
Property, plant and equipment		
Tenant improvements	878	883
Other plant and machinery	2,423	2,012
Down payments to assets under construction	0	350
Financial assets		
Equity participations	50	50
Other financial assets	23	35
Deferred tax assets	490	485
	<b>37,815</b>	<b>31,008</b>
<b>Current assets</b>		
Receivables and other assets		
Receivables from services	5,355	4,573
Tax refund assets	0	139
Other assets	2,620	825
Cash and cash equivalents and other current deposits		
Cash and other short-term deposits	62,154	59,036
External cash and cash equivalents	2,067	0
	<b>72,196</b>	<b>64,573</b>
	<b>110,011</b>	<b>95,581</b>

Liabilities in € thousand	06/30/2011	12/31/2010
<b>Shareholders' equity</b>		
Subscribed capital	5,394	5,292
Treasury stock	(2,291)	(3,041)
Capital reserves	32,971	29,586
Other reserves	15,323	14,867
Cumulative profit	19,539	14,475
	<b>70,936</b>	<b>61,179</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	2,804	2,831
Deferred income	1,460	1,337
	<b>4,264</b>	<b>4,168</b>
<b>Current liabilities</b>		
Trade accounts payable	329	514
Deferred income	21,972	18,893
Tax provisions	341	4,884
Other liabilities	12,169	5,943
	<b>34,811</b>	<b>30,234</b>
	<b>110,011</b>	<b>95,581</b>

## Consolidated cash flow statement

for the period from January 1 to June 30, 2011

in € thousand	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010
Earnings before tax	7,740	4,641
Depreciation on capitalized development costs	1,651	822
Depreciation	2,000	1,620
Personnel expenses stock option program	467	639
Interest income	(95)	(39)
Interest received	95	39
Interest expenses	0	0
Taxes paid	(7,141)	(383)
Profit from disposal of fixed assets	0	0
Change in receivables and other assets	(1,599)	3,232
Change in liabilities and other liabilities	2,936	314
Change in other assets and liabilities due to the acquisition of consolidated companies	(1,802)	0
Change in deferred income	3,202	3,341
Elimination of amianto third-party obligations	(724)	0
<b>Cash flow from operating activities</b>	<b>6,730</b>	<b>14,226</b>
Capitalization of self-developed software	(1,359)	(1,393)
Purchase of other software	(402)	(464)
Purchase of other intangible assets	(25)	(700)
Result from the disposal of fixed assets	0	0
Purchase of property, plant and equipment	(754)	(617)
Purchase of consolidated companies	(5,074)	0
Changes in cash and cash equivalents due to the acquisition of consolidated companies	0	0
<b>Cash flow from investing activities</b>	<b>(7,614)</b>	<b>(3,174)</b>



in € thousand	01/01/2011 – 06/30/2011	01/01/2010 – 06/30/2010
Capital increases	3,273	0
Proceeds from disposal of treasury shares	750	0
<b>Cash flow from financing activities</b>	<b>4,023</b>	<b>0</b>
Differences due to currency translation	(21)	17
<b>Change in cash and cash equivalents</b>	<b>3,118</b>	<b>11,069</b>
Cash and cash equivalents at beginning of period	59,036	42,862
<b>Cash and cash equivalents at end of period<sup>1)</sup></b>	<b>62,154</b>	<b>53,931</b>
External cash and cash equivalents at beginning of period	0	0
Consolidation-related allocation of external cash and cash equivalents	1,343	0
Change in external cash and cash equivalents	724	0
<b>External cash and cash equivalents at end of period</b>	<b>2,067</b>	<b>0</b>

<sup>1)</sup> Cash and cash equivalents are liquid assets

## Consolidated statement of movements in shareholder equity

for the period from January 1 to June 30, 2011

in € thousand	Subscribed capital	Capital reserved	Treasury stock
<b>As of Jan. 1, 2010</b>	<b>5,272</b>	<b>40,586</b>	<b>(3,041)</b>
Currency translation	0	0	0
<b>Total income and expense for the period recognized directly in the equity</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net income	0	0	0
<b>Net result</b>	<b>0</b>	<b>0</b>	<b>0</b>
Addition from stock option program	0	0	0
<b>As of June 30, 2010</b>	<b>5,272</b>	<b>40,586</b>	<b>(3,041)</b>
<b>As of Jan. 1, 2011</b>	<b>5,292</b>	<b>29,586</b>	<b>(3,041)</b>
Currency translation	0	0	0
<b>Result recognized directly in equity</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net income	0	0	0
<b>Total result for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>
Reclassification due to offset of losses at XING AG	0	0	0
Capital increase from share-based payment	102	3,385	0
Addition from stock option program	0	0	750
<b>As of June 30, 2011</b>	<b>5,394</b>	<b>32,971</b>	<b>(2,291)</b>

	Other reserves	Cumulative profit	Equity total
	<b>2,607</b>	<b>7,264</b>	<b>52,688</b>
	17	0	17
	<b>17</b>	<b>0</b>	<b>17</b>
	0	2,603	2,603
	<b>17</b>	<b>2,603</b>	<b>2,620</b>
	639	0	639
	<b>3,263</b>	<b>9,867</b>	<b>55,947</b>
	<b>14,867</b>	<b>14,475</b>	<b>61,179</b>
	(11)	0	(11)
	<b>(11)</b>	<b>0</b>	<b>(11)</b>
	0	5,064	5,064
	<b>(11)</b>	<b>5,064</b>	<b>5,053</b>
	0	0	0
	0	0	3,487
	467	0	1,217
	<b>15,323</b>	<b>19,539</b>	<b>70,936</b>

## Notes to the consolidated interim financial statements

for the period from January 1 to June 30, 2011

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

These condensed consolidated financial statements for the half year ending on June 30, 2011, 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 December 31, 2010.

The period under review began on January 1, 2011 and ended on June 30, 2011. The corresponding previous year period began on January 1, 2010, and ended on June 30, 2010.

The accounting principles applied to this condensed consolidated interim financial statement are the same as those used for the annual consolidated financial statement for the financial year ending December 31, 2010. The following standards and interpretations, to be applied for the first time from January 1, 2011, form an exception to these principles:

#### IAS 24 Related party disclosures (amended in 2009)

The IASB has issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

#### IAS 32 Financial Instruments: Presentation (Amendment)

The amendment alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

#### IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements (MFR) and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as pension asset. The Group is not subject to minimum funding requirements so the amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

#### Improvements to IFRSs (issued in May 2010)

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but did not have any impact on the financial position or performance of the Group.

**IFRS 3 Business Combinations:** The measurement options available for non-controlling interest (NCI) have been amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation shall be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

**IFRS 7 Financial Instruments – Disclosures:** The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context. As the Group does not have such financial instruments, no such disclosures are made in the notes to the financial statements.

**IAS 1 Presentation of Financial Statements:** The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements. The Group provides this analysis in its statement of changes in equity.

**IAS 34 Interim Financial Statements:** The amendment requires additional disclosures for fair values and changes in classification of financial assets, as well as changes to contingent assets and liabilities in interim condensed financial statements. The Group has illustrated those amendments in "contingent liabilities" in the notes to the financial statements.

Other amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

**IFRS 3 Business Combinations – Clarification that contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008) are accounted for in accordance with IFRS 3 (2004).**

**IFRS 3 Business Combinations – Unreplaced and voluntarily replaced share-based payment awards and its accounting treatment within a business combination.**

**IAS 27 Consolidated and Separate Financial Statements – applying the IAS 27 (as revised in 2008) transition requirements to consequentially amended standards.**

**IFRIC 13 Customer Loyalty Programs – in determining the fair value of award credits, an entity shall consider discounts and incentives that would otherwise be offered to customers not participating in the loyalty program).**

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

On January 1, 2011, the economic service life of the XING platform was set at five years. The remaining service life of the self-developed website is thus 54 months as of June 30, 2011.

## Group of consolidated companies

At the time of the consolidated interim reporting date, the group of consolidated companies were as follows:

	Equity holding 06/30/2011 in %	Equity holding 12/31/2010 in %	Initial consoli- dation	Equity 06/30/2011 in € thousand	Result Q2/2011 in € thousand
XING Hong Kong Ltd., Hong Kong, China	100	100	2006	(46)	(2)
openBC Network Technology (Beijing) Co. Ltd., Beijing, China	100	100	2006	30	0
Grupo Galenicom Tecnologías de la Información (eConozco), S.L., Barcelona, Spain	100	100	2007	(11)	(6)
XING International Holding GmbH, Hamburg, Germany	100	100	2007	(31)	0
XING Networking Spain, S.L., Barcelona, Spain <sup>1)</sup>	100	100	2007	169	43
EUDA Uluslararası Danışmanlık ve Bilisim Hizmetleri Limited Şirketi (XING Turkey), Istanbul, Turkey <sup>2)</sup>	100	100	2008	110	(11)
XING Switzerland GmbH, Sarnen, Switzerland <sup>1)</sup>	100	100	2008	33	4
XING Italy S.R.L., Milan, Italy <sup>1)</sup>	100	100	2009	35	0
Socialmedian Inc., Wilmington, Delaware, USA	100	100	2009	0	0
XING İnsan Kaynakları Uluslararası Danışmanlık Hizmetleri Ltd. Şti., Istanbul, Turkey <sup>2)</sup>	100	100	2010	(5)	(4)
amiando GmbH, Hamburg, Germany (formerly XING Events GmbH)	100	100	2010	77	(1,168)

<sup>1)</sup> 100 percent is held indirectly via shares of 100 percent in XING International Holding GmbH, Hamburg, Germany.

<sup>2)</sup> 99.5 percent are held indirectly via XING International Holding GmbH, Hamburg, Germany, and 0.5 percent are held directly by XING AG.

## Company acquisitions

In December 2010, XING AG acquired Kronen tausend 615 GmbH, Berlin, Germany, with subscribed capital of €25 thousand. Kronen tausend 615 GmbH then purchased 100 percent of shares in Munich-based events platform amiando AG in December 2010. The shares were transferred on January 5, 2011. The purchase price consisted of a fixed amount of €7.4 million plus additional earn-outs of €0.00 to €3.3 million. The exact earn-out amount

is based on amiando AG's business development and will be determined in around two years, at which time payment is due.

In April 2011, amiando AG changed its legal form to amiando GmbH and was merged with XING Events GmbH retroactively with effect from December 30, 2010. The initial consolidation took place at the same time the shares were transferred.

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

in € thousand	
Purchase price	(5,074)
Acquisition of directly attributable costs	(539)
Cash acquired with the subsidiary	1,343

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

in € thousand	
<b>Assets</b>	
Property, plant and equipment	25
Trade accounts payable	458
Other assets	129
Cash and cash equivalents	1,343
	<b>1,955</b>
<b>Liabilities</b>	
Provisions	(246)
Trade payables	(40)
Other liabilities	(2,206)
	<b>(2,492)</b>
<b>Total identifiable net assets due to the acquired company</b>	<b>(537)</b>

The purchase price allocation was provisionally made at the time of the Group's consolidated financial statements on March 31, 2011. A definitive distribution of the purchase price between assets that can be identified and rated will take place during Q3/2011 based on a survey that has already been commissioned. Goodwill to be recognized can be attributed to anticipated synergies and other effects resulting from amiando's activities.

The provisional goodwill is calculated as follows:

in € thousand	
Purchase price	7,412
amiando non-current assets	(25)
amiando current assets	(1,931)
amiando liabilities	2,492
XING Events GmbH equity	(25)
<b>Goodwill</b>	<b>7,923</b>

All internal balances, business transactions, income and expenses as well as all results attributable to internal transactions were completely eliminated.

### Stock Option Plan

During the period under review, 40 thousand stock options were issued within the scope of the 2010 Stock Option Plan while another 50 thousand stock options were issued to members of the Executive Board based on individual agreements. Expenditure for existing and new option emissions amounted to €467 thousand during H1/2011 (H1/2010: €639 thousand).

The Stock Option Plan was evaluated by Mercer Deutschland GmbH.

### Treasury shares

In order to service claims resulting from Stock Option Plans, 25 thousand treasury shares were sold to eligible shareholders in H1/2011. The proceeds amounted to €750 thousand. As of June 30, 2011, XING AG still held over 87,832 treasury shares (H1/2010: 112,832 shares).

### Additions and disposals of assets

From January 1, 2011, to June 30, 2011, €1,013 thousand (H1/2010: €1,393 thousand) was invested in software developed in house and to develop the XING platform together with its feature set. In H1/2011, €261 thousand (in H2/2010: €0 thousand) were made available for the mobile versions of the XING platform, while €85 thousand (H1/2010: €0 thousand) were invested in the XING testing tool.

Alongside the planned platform depreciation, one-time depreciations of €799 thousand were performed as a result of the fundamental changes and redesign made to the platform during H1/2011.

In the first six months of 2011, the Company invested €1,181 thousand (H1/2010: €1,081 thousand) in EDP software and hardware, and for other office equipment. In addition, XING AG invested €1,359 thousand (H1/2010: €1,393 thousand) in developing software in house.

### Equity

Please refer to the statement of changes in shareholders' equity for an equity change analysis.

### Breakdown of other operating expenses

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

in € thousand	01/01/2011 – 06/30/2011	01/01/2010 – 06/30/2010
IT services, management services and services for new markets	1,358	1,896
Server hosting, management and traffic	1,043	780
Legal advice and accounting fees	979	778
Payment costs	840	675
Office costs	635	660
Travel, entertainment and other business expenses	587	352
Other personnel expenses	289	276
Training costs	138	135
Auditing fees	120	130
Phone/cell/postage/courier costs	120	108
Losses on receivables	93	137
Office supplies	74	81
Supervisory board compensation	103	60
Other	691	255
<b>Total</b>	<b>7,070</b>	<b>6,223</b>

In contrast to the previous year, expenses for ongoing training of €138 thousand (2010: €135 thousand) and income-tax-free, voluntary social expenses of €34 thousand (2010: €79 thousand) were reported under sundry operating expenses rather than personnel expenses. The figures from the previous year were adjusted accordingly.

The other expenses largely consist of expenses, rate differences, insurance policies and fees not related to the period under review.



## Segment information

XING AG has one segment subject to reporting requirements, with the business areas "Subscriptions", "e-Recruiting" (Jobs and Recruiter memberships), "Advertising" (display advertising, Enterprise Groups, Top Deals and Company Profiles), "Events" and "Others". Growth in "Events" is attributable to the acquisition and initial consolidation of the Munich-based events platform amiamo AG.

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

in € thousand	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010
Subscriptions	22,456	20,589
E-Recruiting	5,521	2,990
Advertising	2,529	1,651
Events	1,056	10
Other	26	25
<b>Total</b>	<b>31,588</b>	<b>25,265</b>

in € thousand	01/01/2011 - 06/30/2011	01/01/2010 - 06/30/2010
D-A-CH	30,200	24,390
International	1,388	875
<b>Total</b>	<b>31,588</b>	<b>25,265</b>

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

## Contingent liabilities

As was the case in H1/2010, none of XING's assets was leased during H1/2011. There were no contingent liabilities during H1/2011, or during H1/2010.

## Related parties

In the first six months of 2011, payments amounting to €28 thousand were made to epublica GmbH (H1/2010: €80 thousand) and €48 thousand (H1/2010: €90 thousand) to DLD Media GmbH, a Hubert Burda Media company.

XING AG rendered services in the amount of €4 thousand (H1/2010: €0 thousand) to epublica GmbH and €2 thousand (H1/2010: €0 thousand) during the period under review.

## Significant events during and after the interim reporting date

No major events have occurred since the end of the first half of 2011.

Hamburg, August 9, 2011

Dr. Stefan Gross-Selbeck	Ingo Chu
Dr. Helmut Becker	Jens Pape

## Declaration of legal representatives

We declare that, to the best of our knowledge, the consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles and that the Group management report presents the development of business including the business result and the provision of the Group in such a way that a picture corresponding to the actual circumstances is provided and that the major opportunities and risks of the probable development of the Group are described.

Hamburg, August 2011

The Executive Board

## Review report

To XING AG, Hamburg:

We have reviewed the interim condensed consolidated financial statements, comprising the condensed statement of financial position, the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows, the condensed statement of changes in equity and selected explanatory notes, and the interim group management report of Xing AG, Hamburg, for the period from 1 January 2011 to 30 June 2011, which are part of the six-monthly financial report pursuant to Sec. 37w WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue an attestation on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the applicable provisions of the WpHG. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Hamburg, August 10, 2011

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

Ludwig  
Wirtschaftsprüfer  
[German Public Auditor]

Klimmer  
Wirtschaftsprüfer  
[German Public Auditor]

## FINANCIAL CALENDAR 2011

Date	Event
August 10, 2011	Half Year Report 2011
November 11, 2011	Interim Report for Q3/2011

## MASTHEAD & CONTACT

This interim financial report is available in German and English. You can find both versions and additional press information on the Internet at [www.xing.com](http://www.xing.com).

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

XING AG  
Patrick Möller  
Investor Relations  
Gaensemarkt 43  
20354 Hamburg  
Phone +49 40 41 91 31 - 793  
Fax +49 40 41 91 31 - 44

### Chief Editor

Patrick Möller

### Further editors

Sonja Heer  
Dr. Felix Menden  
Carsten Ludowig  
Ines Rathgeb

### Concept and Design

HGB Hamburger Geschäftsberichte  
GmbH & Co. KG

For press enquiries and current information about XING AG, please contact:

### Corporate Communications

Phone +49 40 41 91 31 - 763  
Fax +49 40 41 91 31 - 11  
[presse@xing.com](mailto:presse@xing.com)



[www.xing.com](http://www.xing.com)