



XING

Q1

**INTERIM REPORT
FROM JANUARY 1
TO MARCH 31, 2017**

XING AG

Key figures

	Einheit	Q1 2017	Q1 2016	Q4 2016
Revenues ¹	in € million	42.2	34.3	40.2
B2C segment	in € million	20.5	18.3	20.1
B2B E-Recruiting segment	in € million	17.1	12.2	15.2
B2B Advertising & Events segment ²	in € million	3.6	2.9	4.2
kununu International segment	in € million	0.4	0.0	0.4
EBITDA	in € million	12.0	10.4	12.2
EBITDA margin	in %	28	30	30
Net profit / loss for the period	in € million	5.1	5.3	5.4
Earnings per share (diluted)	in €	0.91	0.95	0.96
Cash flow from operations	in € million	19.6	12.9	10.7
Equity	in € million	75.0	65.9	69.9
Liquid funds	in € million	62.1	83.2	83.4
XING users Germany, Austria, Switzerland (D-A-CH), total	in million	12.7	10.6	12.1
thereof platform members	in million	12.0	10.1	11.4
thereof subscribers (D-A-CH)	in thsd.	956	904	929
B2B customers (D-A-CH)				
B2B E-Recruiting	in thsd.	17.7	18.5	17.0
B2B Advertising & Events	in thsd.	7.2	5.9	6.6
Employees	number	988	852	961

¹ Total revenues including other operating income

² Incl. intercompany revenues

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XING is the social network for business professionals.

The leading social network for business professionals in the German-speaking market gives advice and support to its members during the upheavals in the world of work. In an environment marked by a shortage of skilled workers, digitalization, and changes in values, XING helps its over 12 million members achieve as harmonious a work / life balance as possible.

For example, members can use XING Jobs to find the position that meets their individual needs, keep up to date with the news offerings on XING and participate in the debate, or find out about changes and trends in the new world of work on the XING spielraum topics portal. In early 2015, the Jobbörse.com website – the biggest job search engine in the German-speaking market – was added to the Company's portfolio. Prior to this, XING had further strengthened its position as the market leader in social recruiting by acquiring kununu, the leading employer review platform in the German-speaking market.

Established in 2003, XING has been listed since 2006 and has been a TecDAX member since September 2011. Members can meet and exchange views on XING in around 80,000 groups or get together at one of the more than 150,000 relevant events for professionals that are organized each year. XING has a presence in Hamburg, Munich, Barcelona, Vienna and Zurich.

Please visit www.xing.com for further details.

To our shareholders

- 03 Executive Board letter
- 06 XING shares

EXECUTIVE BOARD LETTER

Ladies and Gentlemen,

XING made an excellent start to the new year. We recorded double-digit percentage growth in all of our business units. The increasingly palpable skills shortage is fueling a sharp rise in demand for our state-of-the-art e-recruitment solutions, which is reflected in gratifying revenue growth. At the same time, the changes in the world of work are making more and more people realize one thing: a XING profile is simply essential.

In the first quarter of this year, we were again very successful in monetarizing these trends and developments. Total revenues rose 23 percent in the reporting period to €42.2 million (Q1 2016: €34.3 million). In the B2C segment, we saw revenues increase by 12 percent to €20.5 million (€18.3 million). The B2B E-Recruiting segment was again the Company's biggest driver of growth. Thanks to its successful hiring solutions, XING generated revenues of



Dr. Thomas Vollmoeller,
Chief Executive Officer of XING AG

€17.1 million, an improvement of 40 percent on the previous year (€12.2 million). The B2B Advertising & Events segment also showed robust growth, with revenues up 23 percent to €3.6 million (€2.9 million).

EBITDA rose by 15 percent in the reporting period to €12.0 million (€10.4 million). This was attributable to higher marketing expenses for our Really out-of-home campaign and the New Work Experience event in Berlin – see below for more information. Due to the scheduled investments for expanding the US presence of XING's subsidiary kununu, profit is on a level with the previous year at €5.1 million (€5.3 million).

Membership growth is still at a record high. XING broke the 12 million members mark in March; overall, we welcomed 567,000 new members, more than ever before in a single quarter. Including XING Events users, the total number of users came to 12.7 million at the end of March (10.6 million at the end of March 2016).

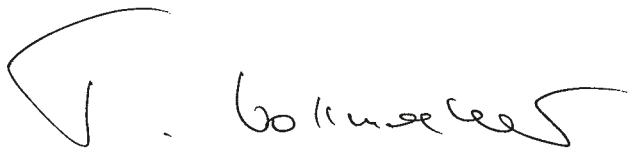
We also continued to expand our positioning as a partner to our members so that they benefit from the tectonic changes in the world of work. All communication is focused on this and was enhanced in the first quarter through the addition of an important element: the New Work Experience – arguably the largest event on the topic of new work in the German-speaking region. This was attended by some 1,000 guests from the worlds of science, start-ups, human resources and the media, whom XING offered an event comprised of 80 high-caliber speakers, panel participants, and a 40-hour program.

On the product side, XING also launched important innovations in the first quarter. For example, the first steps were taken to turn the XING message area into an instant messenger. This move takes account of new usage practices that require increasingly accelerated and spontaneous communication in the professional environment – including via mobile devices. In addition to a new design, the XING Messenger now allows users to see their entire communication flow with a contact at a glance. A check mark shows them whether a message has already been read. The Messenger will also be developed further in the coming months.

As you can see, we are superbly positioned to continue the XING success story. Growing numbers of people are asking themselves what the change in the world of work means for them personally. We help them to answer this question and to seize the opportunities that these changes entail. We do this with helpful contacts, inspiring information, and the right jobs. What is more, we are constantly updating our product so that we continue to meet the requirements of our members at all times.

In this spirit, I would like to thank you for your commitment.
We hope you will continue to give us your support.
Kind regards,

Kind regards,

A handwritten signature in black ink, appearing to read 'Dr. Vollmoeller', with a large, sweeping flourish above the first part of the name.

Dr. Thomas Vollmoeller,
Chief Executive Officer of XING AG

XING shares

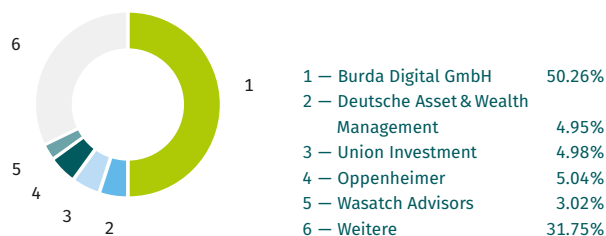
Basic data about the XING share

Number of shares as of March 31, 2017	5,620,435
Share capital in €	5,620,435
Share type	Registered shares
IPO	12/07/2006
ISIN	DE000XNG8888
Bloomberg	O1BC
Reuters	OBCGn.DE
Transparency level	Prime Standard
Index	TecDAX
Sector	Software

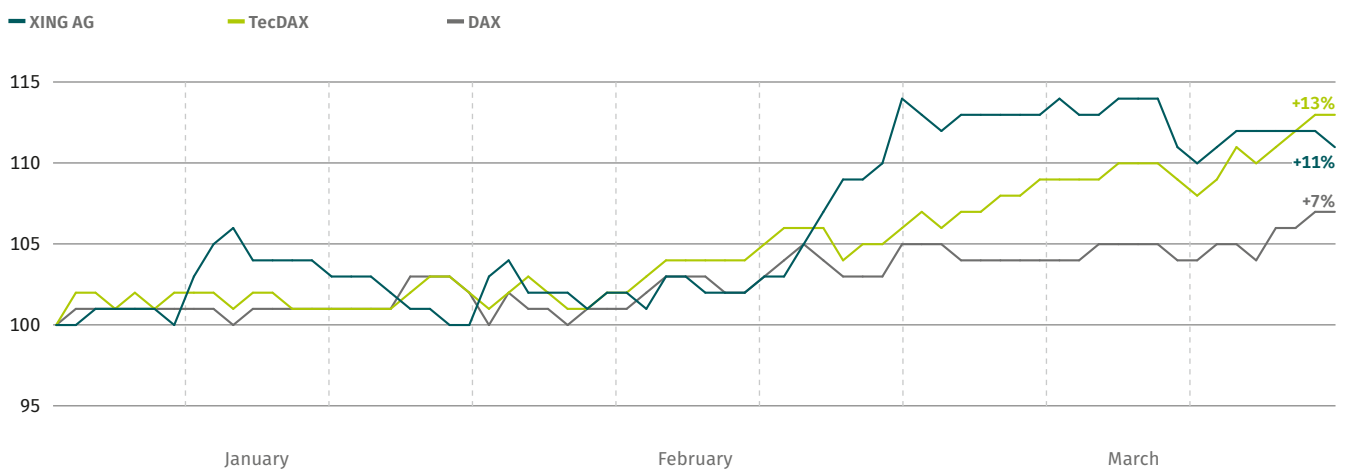
Key data on the XING share at a glance

	Q1 2017	Q1 2016
XETRA closing price at the end of the period	€193.90	€161.15
High	€200.35	€185.40
Low	€174.95	€138.40
Market capitalization at the end of the period	€1,090 million	€906 million
Average trading volume per day (XETRA)	5,596	13,646
TecDAX ranking		
based on free-float market capitalization	23	22
based on trading volume	32	25
Earnings per share (diluted)	€0.91	€0.95

Shareholder structure in March 2017



Share price performance vs. indices in the first three month of 2017 (in percent)



Analyst recommendations for the XING share (April 2017)

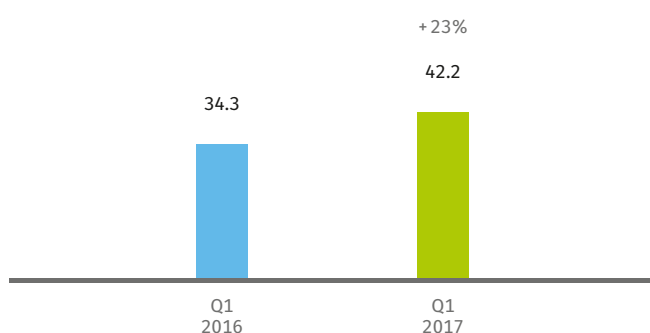
Bank	Analyst	Recommendation	Price target
Berenberg Bank	Sarah Simon	Buy	€217
Commerzbank	Heike Pauls	Buy	€240
Deutsche Bank	Nizla Naizer	Buy	€220
Hauck&Aufhäuser	Lars Dannenberg	Hold	€205
Jefferies	David Reynolds	Buy	€185
Oddo Seydler	Marcus Silbe	Hold	€183
Warburg Research	Jochen Reichert	Buy	€233

Financial information

INTERIM GROUP MANAGEMENT REPORT
for the period from January 1 to March 31, 2017

COURSE OF BUSINESS

Revenues incl. other operating income (in € million)



We completed the first three months of the new 2017 financial year with strong revenue growth of 23 percent.

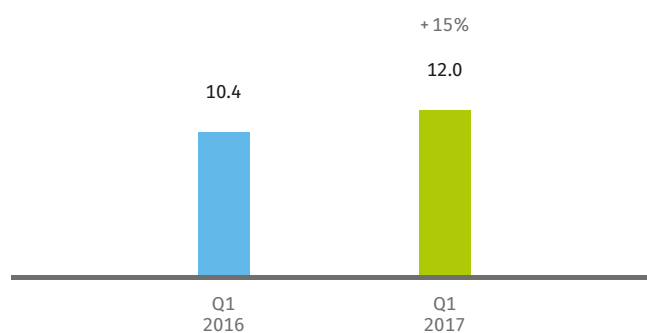
Consolidated revenues (including other operating income) increased from €34.3 million in the first quarter of 2016 to €42.2 million in Q1 2017.

The two main drivers of the significant growth were:

- 1) uninterrupted growth in B2B e-recruitment solutions such as the XING TalentManager or the kununu employer branding profiles; and
- 2) the approximately 52,500 new subscribers added in the B2C segment over the past twelve months (Premium, ProJobs and ProCoach).

After deducting operating expenses, EBITDA for the first three months of 2017 is €12.0 million, which is a year-on-year increase of 15 percent (Q1 2016: €10.4 million).

EBITDA (in € million)



In the first quarter, EBITDA increased less substantially than total revenues, mainly due to the 48 percent rise in marketing expenses (including TV campaign, out-of-home marketing and the New Work Experience or NWX) compared to Q1 2016. Personnel expenses rose at a slightly slower rate of 21 percent to €15.3 million, while other operating expenses increased roughly in line with revenue performance by 24 percent to €8.7 million in the first quarter of 2017.

Depreciation, amortization and impairment losses in the first three months of the current financial year amounted to €2.9 million (Q1 2016: €2.2 million). The increase is mainly due to the continued increase in the speed of innovation and the development of new products and services resulting in an increase in capitalized development costs.

As a result, EBIT for the period under review was €9.1 million, contrasted with EBIT of €8.2 million for the prior-year quarter.

At €-1.4 million, the financial result was down €1.3 million year-on-year, as the business activities of the US joint venture only started at the end of the previous quarter. As a result, quarterly net profit was €5.1 million, approximately 4 percent lower than the prior-year figure (Q1 2016: €5.3 million).

This translates into earnings per share €0.91 for the first three months of the current financial year, compared with earnings per share of €0.95 for the first quarter of 2016.

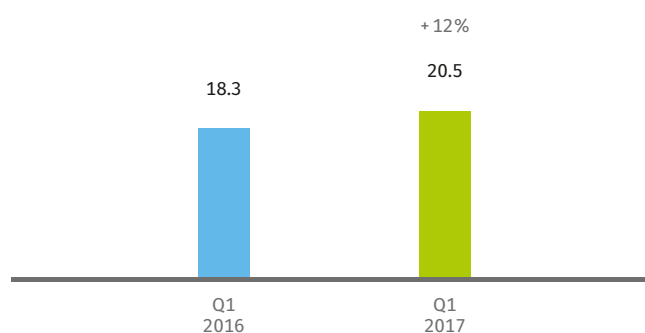
Cash flow from operations amounted to €19.6 million in the first three months (Q1 2016: €12.9 million).

There are no changes compared to the **forecast** published in the 2016 Annual Report.

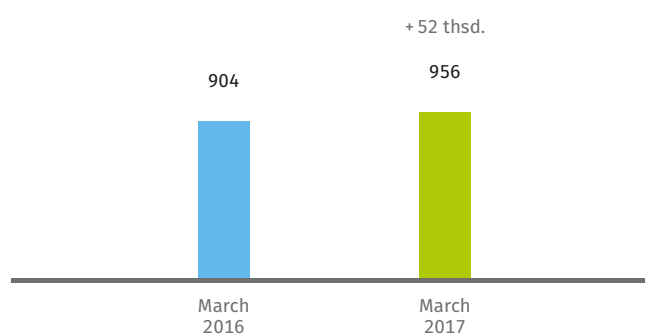
Segment performance

B2C SEGMENT

B2B segment revenues (in € million)



Subscribers (in thousand)



Segment revenues up 12 percent

We achieved good growth thanks to an extremely strong trend in the **B2C** segment that saw us add around 52,500 paying members (Premium, ProJobs and ProCoach) over the last twelve months. Segment revenues rose by 12 percent, from €18.3 million to €20.5 million in the first quarter of 2017.

In addition to sustained strong membership growth, we also continued to report dynamic subscriber growth in the first three months of the current financial year. The subscriber base thus increased to a total of around 956,000 at the end of March 2017 (around 27,000 in Q1 2017).

It should be noted that organic subscriber growth amounted to around 17,000 (Q1 2016: around 23,000).

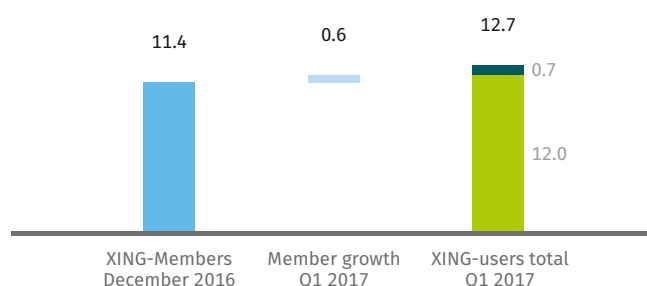
The difference of around 10,000 net subscriber additions is primarily a one-time effect attributable to a refined counting method. This method was adjusted as of January 1, 2017 as part of the change in payment service provider during the second half of the year.

Segment EBITDA recorded a similarly positive trend. The operating result in the B2C segment climbed from €9.7 million in the first quarter of 2016 to €10.7 million in the first quarter of 2017. At 52 percent, the segment's EBITDA margin in the first quarter of 2017 remained at the prior-year level (Q1 2016: 53 percent).

XING reaches the 12 million member mark

Shortly before the end of the first quarter, we reached the 12 million member mark for the first time and set another record with quarterly growth of 567 thousand new members. XING's growth has never been as strong as in the first three months of the current financial year. This achievement reinforces our market-leading position in the German-speaking region and offers proof that maintaining a profile on the leading professional network is part of the modern world of work. We see this growth as an incentive to continue developing services and products that help our members fulfill their professional desires, develop their potential and simply create a better working life for themselves. Including XING Event users, total XING users came to 12.7 million at the end of March 2017 (Q1 2016: 10.6 million).

Member growth (D-A-C-H) (in million)



New Work Experience 2017: unlocking the fascinating topic of New Work

March 30 was a particularly special Labor Day, as XING hosted the inaugural “New Work Experience” in the sophisticated surroundings of the Westhafen Event & Convention Center in Berlin. Almost 1,000 guests from the worlds of science, start-ups, corporations and the New Work movement immersed themselves in an agenda as diverse and exciting as the concept of New Work itself. More than 80 high-caliber speakers and panel participants engaged in around 40 hours of sessions on eight stages that included specially-chartered boats on the River Spree named MS New Work and MS Deep Dive.

XING CEO Thomas Vollmoeller clearly defined the event's objective at the outset: “As a company deeply committed to the topic of New Work, we want to make another statement here by creating NWX17, the first major event and the strongest communication platform for ‘New Work’ in the D-A-CH region. We want to celebrate the issue of New Work while at the same time providing information and, of course, expanding and creating networks – all in the knowledge that New Work is never done and is constantly evolving.”

The event in Berlin was soon in full swing: in addition to presenting new ideas and concepts on corporate culture, leadership, collaboration and HR at dozens of NWX sessions, there was plenty of opportunity for debate, interspersed with occasional passionate disputes and even more laughter. It was almost as if the conference attendees were keen to demonstrate the creative power a group of people can unleash when freed from top-down instructions, rigid hierarchies and other formalities, and determined to prove keynote speaker Thomas Sattelberger's point that New Work is about more than just fruit bowls and table football.

This view was reinforced by the considered contributions of prominent speakers. Bestselling author Frederico Pistono, Oxford University professor Dr. Carl Benedikt Frey, HR experts Sophia von Rundstedt and Florian Kienbaum, VOX TV judge Ralf Dümmel and former St. Pauli soccer coach Holger Stanislawski impressed audiences with their lectures and debates and received much acclaim.

Those filling the NWX auditorium reserved their most rapturous applause for guest of honor and founder of the New Work movement, Professor Dr. Frithjof Bergmann, who flew in from the USA to enthrall the audience with his wisdom, charm and humor during his podium discussion with XING's head of corporate communications Marc-Sven Kopka. His stories about the early days of the New Work movement in the 1980s proved as captivating for the guests as the verve with which the 86-year-old spoke about his future plans. Bergmann received a standing ovation from the audience, many of them visibly moved, as the session drew to a close.

This was soon followed by the next highlight of the New Work Experience: the New Work Award (NWA), being presented by XING for the fourth time this year. The company received around 200 submissions for the 2017 NWA, creating an impressive list of the brightest minds and concepts in the future working world. First place in the Established Company category went to Cisco Systems, while the Edition F network prevailed in the Start-up Company category. This year also saw individuals recognized in the New Worker category for the first time. The shortlist was once again selected by the Ideas Laboratory, an expert panel of visionaries from society, business and politics, together with Thomas Sattelberger and Thomas Vollmoeller.

For Vollmoeller, one aspect of this year's award ceremony was particularly important: “Major companies and start-ups are not the only businesses that concern themselves with new working models,” he said. “Companies from more traditional sectors are also increasingly daring to organize their work in new and different ways.” According to Vollmoeller, the concepts submitted are “as colorful and diverse as the resumes of our individual employees.”

Many of the attendees left NWX17 with an array of ideas and inspiration. There was almost unanimous praise not only for the perfect organization and wonderful setting but, most importantly, for the fact that XING succeeded in hosting an event that demonstrated the full extent of the New Work movement and provided guests with a forum. Attendees also commented that the variety and depth of discussions was unique and groundbreaking.

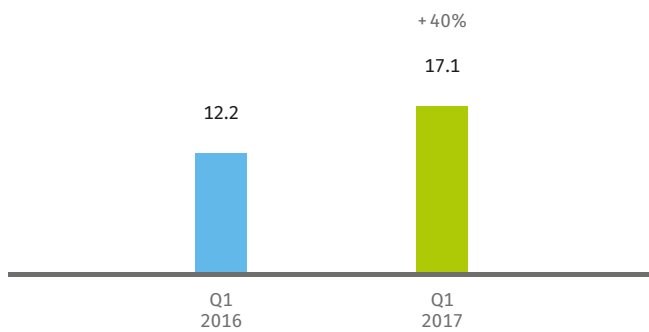
Hamburg's Minister of Culture Carsten Brosda, whose role also includes responsibility for the digital economy, added that "changing the world of work is about far more than just technology. NWX is setting a vital social bearing for the way we want to work in the future." As the "landlord" of the Elbe Philharmonic Hall, Brosda is looking forward to welcoming the second New Work Experience to the Hamburg venue on March 6, 2018.

Embarking into the new world of work! On March 30, 2017, the New Work Experience transformed Berlin's Westhafen complex into the home port of new work.



B2B E-RECRUITING SEGMENT

B2B E-Recruiting segment revenues (in € million)



All signs pointed to growth in the **B2B E-Recruiting** segment during the first three months of 2017. Segment revenues increased by 40 percent and, combined with growth of approximately €4.9 million, contributed the majority of consolidated revenue growth (+€7.9 million) compared to the prior-year quarter.

The detailed breakdown shows that all three subsegments – Active Recruiting, Employer Branding and Passive Recruiting – contributed to the strong growth. The biggest increase was generated by XING TalentManager and XING ReferralManager in the Active Sourcing business, where more than 1,700 additional licenses (Q1 2017: ~7,200) were sold to corporate customers over the past 12 months.

However, we also recorded significant growth in employer branding profiles to almost 3,200 (around 840 since Q1 2016) profiles sold by the end of March 2017.

Together with thousands of companies that post their vacant positions in XING Jobs, the number of B2B customers in the segment amounts to around 17,700. The slight decline in corporate customers was primarily caused by discontinuing the old XING Company Profile business in favor of the more expensive kununu employer branding profile.

Thanks to the dynamic revenue growth, earnings in the operating segment (EBITDA) also rose appreciably from €8.7 million to €11.9 million. The segment's EBITDA margin was 69 percent in the first three months of 2017 (Q1 2016: 71 percent).

XING launches Really campaign in Q1 2017

As one year ended and another began, we reflected on our legacy issues from 2016 and New Year's resolutions for 2017. The days "between the years" are renowned for providing a useful break from hectic everyday life while stirring our motivation for the year ahead. Yet the word "really" is often heard during this period, as that inner voice says that you shouldn't really leave the dog alone at home anymore or that you really want to have more time to spend with your family. To highlight this issue and remind people about the things that "really" matter, we launched one of the largest online and offline campaigns in the history of the Company. By running this campaign, we want to meet people where the word "really" is most prevalent and where that inner voice is at its loudest: on the way to work. That means billboards, information screens, smartphones, buses, trains and even bakery bags.

The aim of the campaign was to harness the word "really" to bring both new and existing members onto the XING platform – a place where professionals can tackle what "really" matters and find the ideal solution, namely by changing jobs. This is where XING's corporate customers come into play, as potential candidates are actively looking for specific attractive job advertisements on our platform. This offers the perfect opportunity for companies to publish the most compelling job offers possible while at the same time revamping their employer branding profile.

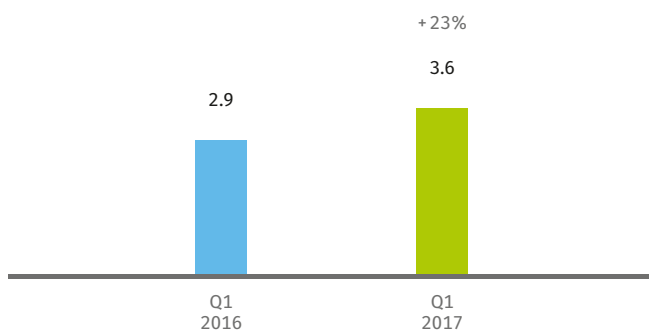
During the course of the Really campaign, revenues in the Passive Recruiting segment also rose significantly in the first three months of the year.



The word "Eigentlich" ("Really") takes center stage in the visuals and clips. XING launched its major advertising campaign in early 2017.

B2B ADVERTISING & EVENTS SEGMENT

B2B Advertising & Events segment revenues (in € million)



XING events offer something unique that has never existed in this form before: it connects the digital world with the real world. It has made networking popular. Instead of ephemeral online contacts, you can find “real people” on XING who you can get to know in real life. This establishes valuable contacts that will ideally have a lasting effect and bring genuine benefits to your business: as business partners, discussion partners or for your career prospects.

No other social network can give events such significance. It is XING events have created such strong brand identity and loyalty and helped make XING itself so successful.

In addition to ticketing revenues, this segment also includes revenue from selling advertising space on the XING platform. We accelerated revenue growth in this area thanks to the successful implementation of new and additional advertising formats such as the business pages or AdManager.

As a result, revenues in the **B2B Advertising & Events** segment grew by 23 percent to €3.6 million in the first quarter of 2017.

Segment EBITDA even improved from €0.4 million to €0.8 million, pushing up the segment EBITDA margin from 14 percent to 23 percent.

KUNUNU INTERNATIONAL SEGMENT

This segment mainly generates revenues relating to the provision of services (Q1 2017: €0.4 million vs. Q1 2016: €0.0 million) for the joint venture. The segment profit increased slightly from €-0.3 million in Q1 2016 to €0.0 million in Q1 2017. XING's share of the joint venture's net profit / loss for the year is accounted for as the share of profits and losses of equity-accounted investments.

RISK REPORT

Permanent monitoring and management of risks are key tasks of a listed company. For this purpose, the Company has implemented the risk early warning system required in accordance with Section 91 (2) AktG and continuously develops it within the context of current market and company developments. As was the case in the previous year, the auditor of the annual financial statements again confirmed the functionality of the system.

Each individual employee is required to avert potential loss from the Company. Everyone has the task to immediately remove all risks in their own area of responsibility and to immediately notify the corresponding risk management contacts at XING in the event of any indications of existing risks or risks which might 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 familiarizes its employees with the risk management system using information material and draws their attention 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 loss. 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. Risks are measured using the gross method, which means that the probability of occurrence and the expected loss is estimated without taking into account countermeasures.

The subsidiaries XING Events GmbH, kununu GmbH, XING E-Recruiting GmbH & Co. KG, XING News GmbH and XING Marketing Solutions GmbH have been integrated into the Company's risk management system. Here, potential risks are also continually identified and analyzed and persons with risk responsibility and senior executives are also questioned with regard to the status of existing risks on a quarterly basis. This integration helps to ensure early recognition too of any risks originating from the operating subsidiaries that may have a negative long-term impact on the Company.

No further going concern risks were identified in addition to the risks presented in the 2016 Annual Report.

Financial information

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the period from January 1 to March 31, 2017

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Consolidated statement of comprehensive income of XING AG

for the period from January 1, 2016 to March 31, 2017

Consolidated statement of comprehensive income

In € thousand	Note no.	01/01/2017 – 03/31/2017	01/01/2016 – 03/31/2016
Service revenues	5	41,437	33,330
Other operating income	7	768	957
TOTAL OPERATING INCOME		42,205	34,287
Personnel expenses		-15,318	-12,623
Marketing expenses		-6,168	-4,179
Other operating expenses	8	-8,745	-7,039
EBITDA		11,974	10,446
Depreciation, amortization and impairment losses	9	-2,892	-2,233
EBIT		9,082	8,213
Share of profits and losses of equity-accounted investments	3	-1,260	-103
Finance income		1	1
Finance costs		-112	-26
EBT		7,711	8,085
Taxes on income		-2,594	-2,741
CONSOLIDATED NET PROFIT / LOSS		5,117	5,344
Earnings per share (basic)		0.91	0.95
Earnings per share (diluted)		0.91	0.95
CONSOLIDATED NET PROFIT / LOSS		5,117	5,344
Currency translation differences		-3	0
Remeasurement of available-for-sale assets	11	39	0
CONSOLIDATED TOTAL COMPREHENSIVE INCOME		5,153	5,344

Consolidated statement of financial position of XING AG

as of March, 31 2017

Assets

In € thousand	Note no.	03/31/2017	12/31/2016
NON-CURRENT ASSETS			
Intangible assets			
Software and licenses		4,401	4,453
Internally developed software	9	35,174	30,975
Goodwill		13,143	13,143
Other intangible assets		1,959	2,188
Property, plant and equipment			
Leasehold improvements		441	513
Other equipment, operating and office equipment		7,661	5,585
Advance payments made and construction in progress		823	2,709
Financial assets			
Equity investments	3	2,022	1
Other financial assets		30,090	79
Prepaid expenses		402	372
Deferred tax assets		1,803	1,477
		97,919	61,495
CURRENT ASSETS			
Receivables and other assets			
Receivables from services		21,379	19,637
Other assets		3,662	2,672
Cash and short-term deposits			
Own cash		62,084	83,428
Third-party cash		8,454	3,214
		95,579	108,951
		193,498	170,446

Equity and liabilities

In € thousand	Note no.	03/31/2017	12/31/2016
EQUITY			
Subscribed capital	6	5,620	5,620
Capital reserves		22,622	22,622
Other reserves		2,474	2,438
Net retained profits		44,299	39,182
		75,015	69,862
NON-CURRENT LIABILITIES			
Deferred tax liabilities		12,103	10,766
Deferred income		2,835	2,152
Other provisions		610	604
Other financial liabilities		3,285	3,220
Other liabilities		2,715	2,493
		21,548	19,235
CURRENT LIABILITIES			
Trade accounts payable		1,563	3,316
Deferred income		65,443	54,922
Other provisions		560	625
Other financial liabilities		1,304	2,037
Income tax liabilities		813	1,247
Other liabilities		27,252	19,202
		96,935	81,349
		193,498	170,446

Consolidated statement of cash flows of XING AG

for the period from January 1, 2016 to March 31, 2017

Consolidated statement of cash flows

In € thousand	Note no.	01/01/2017– 03/31/2017	01/01/2016– 03/31/2016
Earnings before taxes		7,711	8,085
Amortization and write-downs of internally generated software		1,322	775
Depreciation, amortization and impairment losses on other fixed assets		1,570	1,458
Interest income		-1	-1
Interest received		1	3
Interest expense		112	26
Share of profits and losses of equity-accounted investments		1,260	103
Taxes paid		-2,036	-1,387
Profit from disposal of fixed assets		0	-5
Change in receivables and other assets		-2,762	-2,021
Change in liabilities and other equity and liabilities		6,430	552
Change in deferred income		11,204	7,039
Elimination of XING Events third-party obligation		-5,240	-1,776
CASH FLOWS FROM OPERATING ACTIVITIES		19,571	12,851
Payment for capitalization of internally developed software		-5,521	-3,289
Payment for purchase of software		-336	-308
Payments for purchase of other intangible assets		-140	-331
Proceeds from the disposal of fixed assets		0	8
Payments for purchase of property, plant and equipment		-937	-1,047
Payments for acquisitions of consolidated companies (less cash acquired)	4	-732	0
Payments for equity-accounted investments	3	-3,281	-2,706
Payments for investments in other financial assets	11	-29,954	0
CASH FLOWS FROM INVESTING ACTIVITIES		-40,901	-7,673

Consolidated statement of cash flows

In € thousand	Note no.	01/01/2017 – 03/31/2017	01/01/2016 – 03/31/2016
Interest paid		-17	-15
CASH FLOWS FROM FINANCING ACTIVITIES		-17	-15
Currency translation differences		3	0
Net change in cash funds		-21,344	5,163
Cash funds at the beginning of the period		83,428	78,034
Own funds at the end of the period ¹		62,084	83,197
Third-party cash funds at the beginning of period		3,214	2,993
Change in third-party funds		5,240	1,776
THIRD-PARTY FUNDS AT THE END OF THE PERIOD		8,454	4,769

¹ Funds consist of liquid funds.

Consolidated statement of changes in equity of XING AG

for the period from January 1, 2016 to March 31, 2017

Consolidated statement of changes in equity of XING AG

In € thousand	Subscribed capital	Capital reserves	Other reserves	Net retained profits	Total equity
AS OF 01/01/2016	5,620	22,622	2,432	29,834	60,508
Consolidated net profit/loss	0	0	0	5,344	5,344
Consolidated total comprehensive income	0	0	0	5,344	5,344
AS OF 03/31/2016	5,620	22,622	2,432	35,178	65,852
AS OF 01/01/2017	5,620	22,622	2,438	39,182	69,862
Consolidated net profit/loss	0	0	0	5,117	5,117
Other comprehensive income	0	0	36	0	36
Consolidated total comprehensive income	0	0	36	5,117	5,153
AS OF 03/31/2017	5,620	22,622	2,474	44,299	75,015

Notes to the interim consolidated financial statements

for the period from January 1, 2016 to March 31, 2017

1. Information on the Company and the Group

The registered offices of XING AG are located at Dammtorstrasse 30, 20354 Hamburg, Germany; the Company is registered at the Amtsgericht (local court) Hamburg under HRB 98807. The parent company of XING AG is Burda Digital GmbH, Munich, and the ultimate parent company of XING AG since December 18, 2012 has been Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, Germany. The next most senior parent preparing consolidated financial statements is Burda Gesellschaft mit beschränkter Haftung, Offenburg.

Operating the leading social network for business professionals in the German-speaking market, XING gives advice and support to its members during the upheavals in the world of work. In an environment marked by a shortage of skilled workers, digitalization, and changes in values, XING helps its around 12 million members achieve as harmonious a work / life balance as possible. XING generates its revenues primarily from fee-based products for end customers and businesses. It is a model in which our customers pay for most of the services provided in advance.

2. Basis of preparation of the financial statements and accounting policies

These condensed interim consolidated financial statements of XING AG for the reporting period ending on March 31, 2017, have been prepared in accordance with the International Financial Reporting Standard for interim financial reporting (IAS 34). The condensed interim consolidated financial statements do not contain all of the information required for full annual consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements as of December 31, 2016.

The period under review began on January 1, 2017, and ended on March 31, 2017. The corresponding prior-year period began on January 1, 2016, and ended on March 31, 2016. The interim consolidated financial statements and the interim group management report of XING AG as of March 31, 2017, were approved for publication on May 3, 2017, by the Executive Board.

The accounting policies applied to these condensed interim consolidated financial statements are consistent with those used for the consolidated financial statements as of December 31, 2016. These interim financial statements have not been audited by the auditor, nor have they been subjected to a review.

Preparation of the consolidated financial statements to a limited extent requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities, income and expenses, as well as contingent liabilities. Although these estimates are made in accordance with the best knowledge of management and with due consideration being given to all available knowledge, actual results may differ from these estimates.

The amortization period, the residual values and the amortization method used for finite-lived intangible assets are reviewed regularly. The review of the remaining useful lives in the reporting period revealed that the useful life of the XING platform had been extended by a further 12 months to December 31, 2021.

Several amended IFRSs became effective for 2017. However, the application of these IFRSs did not have any material effects on the annual consolidated financial statements or the condensed interim consolidated financial statements.

3. Joint venture with Monster Worldwide, Inc.

XING entered into a joint venture with the leading US job portal Monster with the aim of establishing a US service of kununu in the fields of employer rating and employer branding.

XING contributed a further US\$3,500 thousand (previous year: US\$3,000 thousand) to the joint venture in the reporting period. The financial result includes XING's share of the start-up loss of the joint venture in the amount of US\$1,001 thousand (€942 thousand; previous year: €103 thousand). Previously unrecognized losses from 2016 in the amount of €318 thousand were also recognized in the reporting period.

4. Acquisition of BuddyBroker AG Zurich, Switzerland in April 2016

On April 14, 2016, XING AG acquired all of the shares of BuddyBroker AG, Zurich / Switzerland, eqipia GmbH, Zug, Switzerland (hereafter: BuddyBroker). In accordance with IFRS 3, the purchase comprises cash price in the equivalent of €2.7 million for 100 percent of the shares, which becomes due immediately, and an earn-out component (up to CHF 4.8 million),

which is based on certain assurances and revenue figures. The fair value of this contingent purchase price component is estimated at €3.7 million. Most of the contingent purchase price will become due in 2019.

Transaction costs amounting to €225 thousand have been posted as expenses and are reported in the income statement under other operating expenses and in cash flows from operating activities in the statement of cash flows.

The following table shows the financial effects of this business combinations on the consolidated financial statements of XING AG. The table includes only those items of the statement of financial positions that include a value:

Acquisition of BuddyBroker AG	
In € thousand	04/14/2016
Purchased software	1,940
Property, plant and equipment	9
Deferred income tax assets	145
Non-current assets	2,094
Trade accounts receivable	40
Other assets	17
Current assets	57
Deferred income tax liabilities	358
Non-current liabilities and provisions	358
Trade accounts payable	24
Deferred income	76
Other liabilities	187
Current liabilities and provisions	287
Net assets	1,506
Purchase price pursuant to IFRS 3	6,420
Goodwill	4,914

The goodwill recognized results primarily from synergies arising from the integration of the technology into the XING platform. Recognized goodwill is not tax-deductible.

5. Segment information

in € thousand	B2C		B2B E-Recruiting		Advertis- ing & Events		(kununu) International		Consolidation of intersegment reve- nues / expenses		Total segments	
	01/01/- 03/31/ 2017	01/01/- 03/31/ 2016	01/01/- 03/31/ 2017	01/01/- 03/31/ 2016	01/01/- 03/31/ 2017	01/01/- 03/31/ 2016	01/01/- 03/31/ 2017	01/01/- 03/31/ 2016	01/01/- 03/31/ 2017	01/01/- 03/31/ 2016	01/01/- 03/31/ 2017	01/01/- 03/31/ 2016
	Revenues (from third parties)	20,549	18,265	17,104	12,244	3,433	2,774	351	47	-	-	41,437
Intragroup revenues	0	0	0	0	152	133	0	0	-152	-133	0	0
Total revenues	20,549	18,265	17,104	12,244	3,585	2,907	351	47	-152	-133	41,437	33,330
Intragroup segment expenses	-152	-133	0	0	0	0	0	0	152	133	0	0
Other segment expenses	-9,678	-8,390	-5,220	-3,537	-2,750	-2,499	-303	-390	0	0	-30,232	-14,816
Segment operating result	10,719	9,742	11,883	8,707	835	408	48	-343	0	0	23,485	18,514
Other operating income / expenses											-11,511	-8,068
EBITDA											11,974	10,446

Revenues by region

in € thousand	01/01/2017 - 03/31/2017	01/01/2016 - 03/31/2016
D-A-CH	39,612	31,872
International	1,825	1,458
	41,437	33,330

The Company is not reliant on major customers because a significant percentage of Group revenues is not generated with any single customer.

As was the case as of December 31, 2016, the non-current assets (excl. deferred tax assets) of €96,116 thousand (December 31, 2016: €60,018 thousand) are attributable exclusively to the D-A-CH region.

6. Equity

As of March 31, 2017, XING AG had share capital of €5,620,435 (December 31, 2016: €5,620,435) and the Company no longer held any treasury shares.

The Supervisory Board and the Executive Board will propose to the Annual General Meeting on May 16, 2017, to pay a dividend of €1.37 per share for the 2016 financial year (2015: €1.03 per share) plus a special dividend of €1.60 per share (previous year: €1.50). With 5,620,435 shares carrying dividend rights, this corresponds to a total payout of €16.9 million (previous year: €14.2 million). The liquid funds of €62.1 million as of March 31, 2017 and XING's cash-generative business model enable the Company to pay special dividends without changing its business strategy, which is aimed at achieving growth.

7. Other operating income

Other operating income includes income of €1 thousand (previous year: €92 thousand) from currency translation. The previous year's figure included income from receivables written off in the amount of €392 thousand and from expired liabilities in the amount of €195 thousand.

8. Other operating expenses

The following summary breaks down the primary items of other operating expenses:

in € thousand	01/01/2017 – 03/31/2017	01/01/2016 – 03/31/2016
IT services, management services	2,242	2,321
Travel, entertainment and other business expenses	1,672	460
Occupancy expenses	1,422	1,084
Server hosting, administration and traffic	789	583
Payment transaction costs	625	510
Other personnel expenses	427	431
Training costs	274	142
Expenses attributable to prior periods	184	115
Legal consulting fees	136	462
Accounting fees	124	130
Rental/leasing expenses	119	84
Phone/cell phone/postage/courier costs	109	120
Bad debts	99	125
Supervisory Board remuneration	81	71
Financial statements preparation and auditing costs	76	90
Exchange rate losses	74	78
Office supplies	62	46
Other	230	187
Total	8,745	7,039

The other expenses mainly comprise costs of contributions, other charges and insurance costs.

9. Depreciation, amortization and impairment losses

In the reporting period from January 1 to March 31, 2017, the useful life of internally developed software was extended by a further 12 months to December 31, 2021. This led to the recognition of lower amortization of €330 thousand than as stipulated in the previous amortization schedule.

10. Related parties

Please refer to the consolidated financial statements as of December 31, 2016, for information about related parties. From the perspective of XING AG, no significant changes with respect to the Burda Group occurred until March 31, 2017.

As of March 31, 2017, there are receivables in the amount of €484 thousand (previous year: €988 thousand) outstanding from kununu US LLC, the joint venture with Monster Inc. established in the reporting period. These receivables are shown under trade accounts receivable.

There were no claims against members of the Executive Board and the Supervisory Board as of March 31, 2017.

11. Financial instruments

XING AG acquired various securities in the first quarter of financial year 2017 for the purpose of investing excess liquidity. The fair values of these instruments, all of which are assigned to Level 1, correspond to their notional values multiplied with the prices quoted as of March 31, 2017. All of the securities are available for sale. XING AG recognizes fair value changes in other comprehensive income and reclassifies these changes to profit or loss upon disposal.

The financial liabilities assigned to Level 3 include obligations from contingent purchase prices (earn-out obligations). Estimates with regard to the parameters made as of March 31, 2017 have not changed compared with December 31, 2016.

The following table provides an overview of the carrying amounts and fair values:

in € thousand	Measurement category	Carrying amount on 03/31/2017	Amortized cost	Cost	Fair value, recognized in OCI	Fair value, recognized in P&L	Fair value on 03/31/2017
Non-current receivables and other financial assets	AfS	30,090		30,033	57		30,090
Current receivables from services	LaR	21,379	21,379				21,379
Cash and cash equivalents	LaR	70,538	70,538				21,379
Current trade accounts payable	FLAC	1,563	1,563				1,563
Other non-current liabilities	FLFVtPL	3,285				3,285	3,285
Other current liabilities	FLFVtPL	1,304				1,304	1,304

in € thousand	Measurement category	Carrying amount on 03/31/2016	Amortized cost	Cost	Fair value, recognized in OCI	Fair value, recognized in P&L	Fair value on 03/31/2016
Non-current receivables and other financial assets	AfS	79		79			79
Current receivables from services	LaR	19,637	19,637				19,637
Cash and cash equivalents	LaR	86,642	86,642				86,642
Current trade accounts payable	FLAC	3,316	3,316				3,316
Other non-current liabilities	FLFVtPL	3,220				3,220	3,220
Other current liabilities	FLFVtPL	2,037				2,037	2,037

Explanation:

AfS = Available-for-sale financial assets

LaR = Loans and receivables

FLAC = Financial liabilities measured at amortized cost.

FLFVtPL = Financial liabilities at fair value through profit or loss

12. Significant events after the interim reporting period

No events which will have a significant impact on the course of business of the XING Group have occurred since the end of the reporting period.

Hamburg, May 3, 2017

The Executive Board

Dr. Thomas Vollmoeller

Alastair Bruce

Ingo Chu

Jens Pape

Timm Richter

Financial calendar

Interim Report on Q1 2017
Annual General Meeting
Half-year Report 2017
Interim Report on Q3 2017

May 3, 2017
May 16, 2017
August 7, 2017
November 6, 2017

Publishing information and contact

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

XING AG

Investor Relations

Patrick Möller
Dammtorstraße 30
20354 Hamburg
Telefon +49 40 41 91 31 – 793
Telefax +49 40 41 91 31 – 44

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

XING AG

Corporate Communications

Marc-Sven Kopka
Telefon +49 40 41 91 31 – 763
Telefax +49 40 41 91 31 – 44
presse@xing.com

Concept, Design and Production

Silvester Group, Hamburg, Germany
www.silvestergroup.com

Our social media channels

Corporate blog of XING AG

<http://blog.xing.com>

Information and news related to the capital markets

Twitter: xing_ir

Topics and news related to the Company in general – German only

Twitter: xing_de

Corporate information and news in English

Twitter: xing_com

XING AG's YouTube channel

YouTube: www.youtube.com/user/XINGcom?gl=DE

XING AG's Facebook profile

Facebook: www.facebook.com/XING

This interim financial report is available in both German and English.

In the event of diversity in interpretation, the German version shall prevail. Both versions and further press information are available for download at <http://corporate.xing.com>.

www.xing.com

XING AG

Dammtorstraße 30

20354 Hamburg

Germany

Phone +49 40 41 91 31-793

Fax +49 40 41 91 31-44

investor-relations@xing.com

XING 