

XING

REPORT OF THE FIRST QUARTER 2009



January 1 to March 31
Q1/2009

KEY FIGURES

		Q1/2009	Q1/2008	Change in %
Revenue*	in € million	10.76	7.51	+43.3
EBITDA	in € million	3.40	2.64	+28.8
EBITDA-margin	in %	32	35	(8.6)
Result for the period	in € million	1.68	1.62	+3.7
Operating cash flow	in € million	5.41	3.49	+55.0
Operating cash flow per share	in €	1.06	0.67	+58.2
EPS (undiluted)	in €	0.33	0.31	+6.5
Equity	in € million	54.31	47.83	+13.5
Cash	in € million	37.23	37.88	(1.7)
Members	in millions	7.48	5.71	+31.0
Thereof paying members	in thousands	601	420	+43.1
Contacts	in millions	136	86	+58.1
Employees		239	127	+88.2

*Total revenue inc. other operating income

MISSION STATEMENT

XING AG is the operator of an Internet platform offering innovative career and networking solutions for professionals, which follows the motto “Discover and utilize your relationships”. Whether in sales or IT, communications or finance, experts today need an efficient set of tools for managing professional contacts and leveraging their networks to generate real value. Business networking has long secured a position as a key factor for success, and XING has both responded to and driven this trend. At present, over seven million members use the XING platform to expand their professional contact networks, making XING Europe’s leader for online business network.

The positive development in operational revenues is matched by the progress of the XING AG share on the Frankfurt Stock Exchange’s Prime Standard segment. XING AG was the first Web 2.0 company to go public. The success of the XING share is in large part due to the continual growth in the membership base, which in turn leads to rising revenues and profits. XING AG is headquartered in Hamburg, Germany, and has offices in Barcelona, Milan, Beijing, and Istanbul. The entire website is localized in 16 languages, offering an unparalleled range and cultural diversity on one platform.

CONTENTS

To our shareholders	Interim report	Financial information	Service
Letter of the Executive Board 4	Business and industry development 9	Consolidated interim financial statements 21	Financial calendar 32
XING shares 6	Product development and engineering 17	Consolidated balance sheet 22	Masthead and contact 32
	Risk report 18	Statement of changes in shareholders equity 24	
	Outlook 19	Consolidated cash flow statement 26	
	Major events after the end of the interim reporting period 19	Notes on the consolidated interim financial statements 28	

LETTER OF THE EXECUTIVE BOARD

Dear shareholders,
employees, and XING members,

XING has continued to grow and develop in the midst of the global economic crisis. As we continually add tens of thousands of professionals to the ranks of our membership base, more and more members discover the added value of our network and choose to pay a monthly fee for Premium functions. In the first three months of this year, an additional 51 thousand members decided to become a paying member. We expect this development to continue in the coming quarter, despite the current global recession. In this same period, the number of non-paying members on our platform increased by nearly half a million, raising our membership base to 7.48 million business professionals.

These businesspeople are a very interesting target group for many companies, which in turn drives the growth of our B2B sales. In this quarter we expanded our market share of employment advertisements in our Jobs section. In concrete terms, despite the collapse of the German advertisement market by approximately 20 percent and the general decline of job postings in general, we increased revenues slightly, generating €1.2 million (€1.1 million in Q4/2008).

In total, we increased our first quarter 2009 revenues by 40 percent over revenues for the same period last year. Despite a major hiring boost to accommodate future growth, we were able to slightly increase profits over the previous year as well. We believe this growth trend will continue despite the present economic crisis, and are extremely confident that we will keep the successful course in coming quarters.

Besides the operative success achieved this quarter, the Executive Board along with management has reached a number of fundamental strategic decisions, thus setting the course for an accelerated pace of innovation. We have chosen to place the highest priority on increasing the platform's value for our members, which in turn will boost member activity. In order to focus on these goals, we have created three divisions as a framework for structuring the company's resources. Heading each of these divisions is an experienced manager, in each case promoted from within our own ranks, who in turn report directly to the Executive Board.

A key facet to the new strategic direction of XING is the focus on recruiters who use the platform to search for job candidates, find out more background information, and contact them. Over 40 thousand recruiters already use XING to find the right candidates. Managers and professionals tend to change positions more often than average, and recent studies have shown that over half of positions are filled via personal contacts. Recognizing the importance of contacts in the employment process, XING has decided to focus additional resources on expanding our offerings for recruiters and HR specialists.

XING is the clear market leader for business networking in the German-speaking world, with approximately three million members in these countries. We intend to capitalize on this advantage, and see sufficient market potential in Germany, Austria and Switzerland to more than double our membership base in these countries in coming years. Outside of German-speaking countries, we have over four million members. In this year, boosting growth in the rest of Europe is also a priority for XING.

As a Web 2.0 company, it makes sense to involve the web community in the development process for new features as soon as possible. We have therefore decided to release new features to our members much earlier than before, in the beta phase, and involve members in new product development much earlier than before. The suggestions for improvements and criticism of where we need to improve will help us as a business network to be even better than we have been, and in particular to grow to match our members' needs. Furthermore, XING is establishing the technical framework for integrating external applications into the XING platform using the OpenSocial set of standards in Q2. External developers will also be able to create applications for use by XING members on the XING platform.

We would like to take this opportunity to thank our current CFO, Eoghan Jennings, who is leaving us. His commitment to XING over the past four years made a significant contribution in the development of the company from a start-up to a listed company. In particular, the structural changes he introduced in the Finance and Controlling departments were beneficial for the company. Both the Executive Board and the Advisory Board would like to thank Eoghan Jennings for the energy and commitment he brought to his position, and are fortunate that he has agreed to serve in an advisory capacity until autumn.

Finally, we would like to thank you, our shareholders, for the trust you've shown us to date. By investing in our company, you tell us that we are on the right course, and that you see the same growth potential in the business networking market that we do. We want to leverage this potential, and make XING an indispensable part of our members' business and career lives.

Hamburg, May 2009



Dr. Stefan Gross-Selbeck
CEO



Burkhard Blum
COO



Michael Otto
CTO



XING shares

XING share data

Number of shares	5,201,700
Share category	Registered shares
Initial Public Offering (IPO)	12/07/2006
Trading symbol	01BC
German Securities Code Number (WKN)	XNG888
ISIN	DE000XNG8888
Bloomberg	01BC
Reuters	0BCGn.DE
Market segment	Prime Standard
Stock exchanges	Berlin, Bremen, Dusseldorf, Frankfurt, Munich, Stuttgart

Key data on XING share at a glance	Q1/2009	Q1/2008
XETRA closing price	€28.90	€36.40
Share price high	€30.50	€44.90
Share price low	€24.25	€36.40
Market cap.	€150.33 million	€189.34 million
Average trading volume per day	6,170	4,725
TecDAX ranking		
according to turnover	27	40
according to market cap.	24	40
Earning per share (undiluted)	€0.33	€0.31
Operating cashflow per share	€1.06	€0.67
Equity per share	€10.67	€9.20

Share price development vs. indices in %	Q1/2009	Q1/2008
XING	+7	(19)
TecDAX	(6)	(20)
DAX	(15)	(18)
SDAX	(15)	(14)



Interim Report

January 1 to March 31 2009

- 9 **Business and industry development**
- 17 **Product Development and Engineering**
- 18 **Risk Report**
- 19 **Outlook**
- 19 **Major events after the end of the interim reporting period**

Business and industry development

Developments in the industry

According to the renowned market research company Nielsen, social networking was the largest consumer phenomenon in the last business year. It is estimated that approximately two-thirds of all Internet users in the world use a social network or blog of some type. According to experts, these member communities have already succeeded email as one of the four largest online activities. Nielsen reported that the German member community market grew the most in 2008.

Rank	Sector	Global Active Reach Dec. 08*	Global Active Reach Dec. 07*	% Point Increase in Active Reach
1	Search	85.9%	84.0%	1.9%
2	General Interest & Communities	85.2%	83.4%	1.9%
3	Software Manufacturers	73.4%	72.0%	1.4%
4	Member Communities	66.8%	61.4%	5.4%
5	E-mail	65.1%	62.5%	2.7%

Source: Nielsen Online, Global Index, December 2007 – December 2008
 * Global refers to A, BR, CH, D, E, F, I, GB & USA only

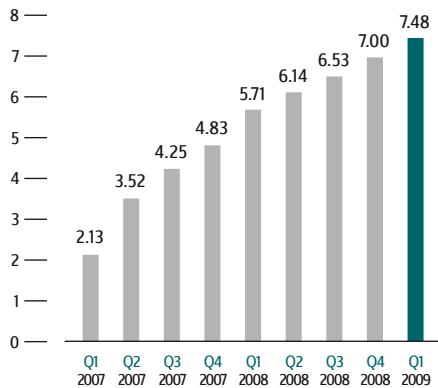
Social network growth is further boosted by the continued growth of Internet users in general, particularly in Europe, where the number increased from 380 million to 393 million in the first three months of the new financial year. The Company estimates that a total of 55 million members were active in social networks in 2008, and that this figure will continue to rise in coming quarters.

Business performance

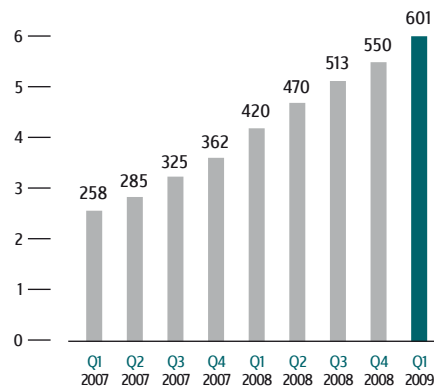
Uninterrupted growth in membership and increasing activity

The first quarter provides impressive evidence that XING has long since established itself as an integral component of professional and social networking and is being used increasingly for active career planning. Despite difficult economic conditions, the company has succeeded in attracting 480 thousand new members in the past quarter, raising the user base by seven percent in only three months to 7.48 million. The rise in the segment of paying members is even more gratifying. The paying member base rose by nine percent to 601 thousand in the quarter just elapsed.

Number of XING AG members in millions

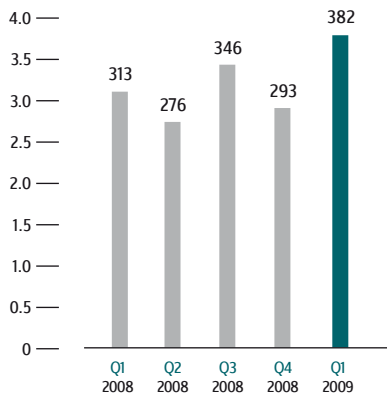


Premium members in thousands

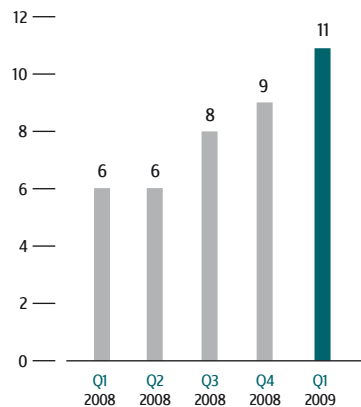


Sustained growth in membership, in conjunction with supporting marketing campaigns, has triggered a significant increase in key activity indicators. The number of page views rose from 293 million in December 2008 to 382 million in March 2009, for instance. Further proof of the continuing high activity of XING members is the rise in unique visitors, by 22 percent in the first three months of the new financial year.

Page impressions in millions

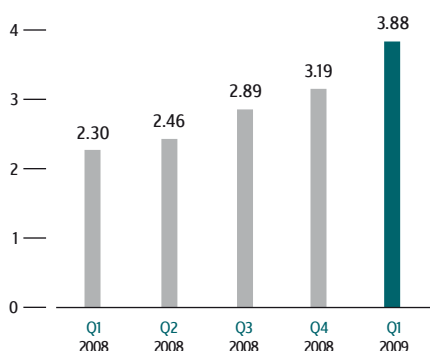


Unique visitors in millions

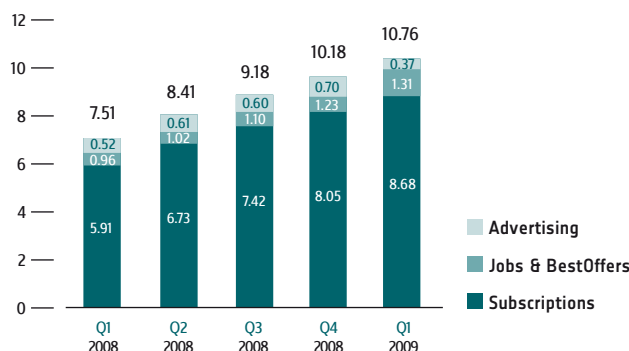


As a result the XING platform, based on the number of unique visitors, would be one of the five Internet services with the widest range in Germany, according to the current ranking of the Arbeitsgemeinschaft für Online Forschung (Study Group for Online Research).

Marketplace clicks in millions



Revenues by segments in € million*



*Total revenue inc. other operating income

Group revenues climb to €10.8 million

XING AG has increased its quarterly revenues to €10.76 million compared to €7.51 million in the same quarter of the previous year, not least due to the continued strong growth in the number of Premium Members (+51 thousand in Q1/2009). More than 600 thousand paying members have driven up revenues in the "Subscriptions" division from €5.91 million in the first quarter of 2008 by roughly 50 percent to €8.68 million in the reporting period.

XING Marketplace, renamed as "XING Jobs" during the first quarter, has generated a great deal of attention among XING members. With thousands of job offers for qualified specialist and management staff, this budding business model has established itself as the second largest driver of sales revenues in the past quarter as well. In conjunction with the product area "XING BestOffers", XING AG earned revenues of €1.31 million in this business segment, improving over €0.96 million in revenues for the same quarter of the previous year, thanks to an innovative performance-based business model. The interest of XING members in job offers at XING has continued to increase, especially in the first quarter of 2009. After the Company received approximately 3.19 million clicks on current offers in the Marketplace during the fourth quarter of 2008, the number of member-generated clicks in the first quarter of 2009 rose by 22 percent to 3.88 million.

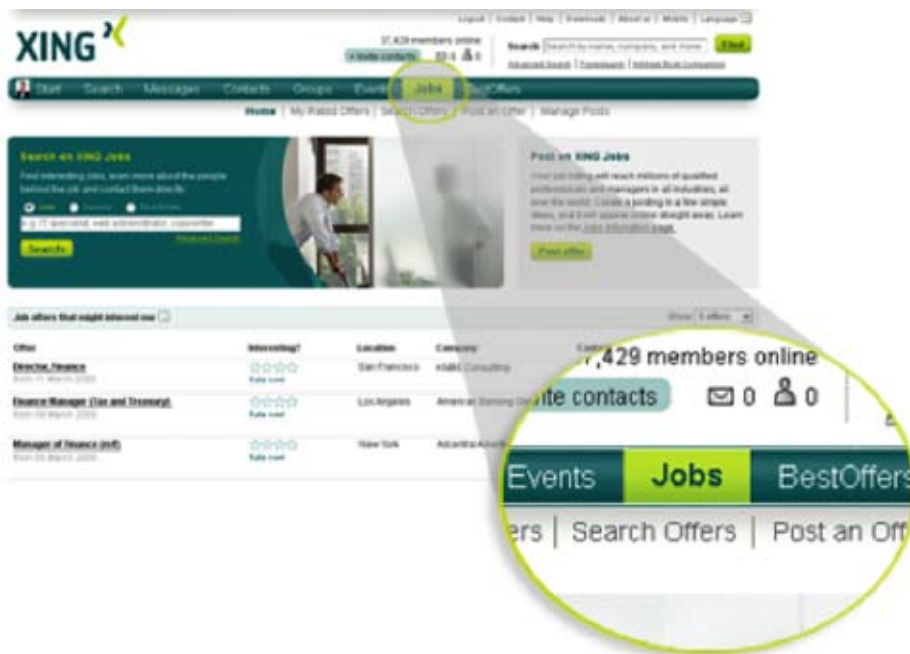
In the area of "Advertising" the Company earned €373 thousand in the first quarter. The Company is showing a decline of circa 28 percent in this area compared to the same quarter of the previous year (Q1/2008: €521 thousand). This development compared to the previous quarters is not driven by a weaker ad distribution on the XING platform. It's rather related to the guarantee amount agreed with the ad network that ran out end of December. XING AG will in future, therefore, continue to pursue the strategy of utilizing advertising to subsidize the non-paying membership base and to use this source of revenues very cautiously.

XING pursues profitable growth

In the estimation of management, XING AG is one of the most profitable growth companies in the Prime Standard segment of the Frankfurt Stock Exchange. In the first quarter of 2009, the Company once again repeated the high degree of profitability of the previous quarters. With an EBITDA of €3.4 million and an EBITDA margin of 32 percent, the Company achieved operating results for Q1/2009 which are considerably higher than the previous year's quarter (Q1/2008: €2.64 million). It should be kept in mind that the Company recorded an increase in personnel expenses nearly €600 thousand, for a total of €3.3 million. This increase is mostly attributable to the substantial increase in talented employees with the aim of accelerating the development speed and performance, and to the change in CEOs this quarter. Furthermore, the change in Executive Board members resulted in an increase in other operating expenses. These expenses increased by €323 thousand in Q1/2009 to €3.62 million, and include the related costs of personnel recruitment, advising, and executive search.

Marketplace becomes XING Jobs

The increased focus on recruiters became apparent in the first quarter, as the section formerly known as XING Marketplace was renamed "XING Jobs". In economically turbulent times, more and more people use business networks to search for new professional challenges. By renaming the section "XING Jobs", we have made it even easier for members who log in to XING for the first time to find the job listings section.



Furthermore, since February 2009, XING has offered recruiters in Germany the opportunity to raise their profile by including corporate videos in job listings. The service is made possible through a cooperation agreement with JobTV24, the leading European video portal for jobs and careers. By integrating corporate videos into job listings, XING is making strides towards its objective of increasing applicant awareness of potential employees in the hopes of bringing the two together for a profit. Corporate videos offer XING members the opportunity to learn more about a company than is possible with purely text-based job ads, and give a special degree of insight into potential employers. Now more than ever, many job applicants wish to find out as much as possible about a company during a job search.

In contrast to standard online job portals, over 7 million members can be sought and found on XING, in this case by approximately 40 thousand headhunters and HR representatives who actively use XING for recruiting new employees. Members who are not actively searching for a new job - but who might be open to a career opportunity, should the right one arise - can also be found by the recruiters currently on the XING platform. A forsa study commissioned by XING AG in January confirms that employees today change companies more frequently than in the past. Among the 1,005 managers and experts interviewed, approximately two thirds expect to change careers or companies more frequently than to date. On XING, members not only can search for current job listings, they can also be found by recruiters.

Marketing campaign focusing on job and career opportunities gets off to a successful start

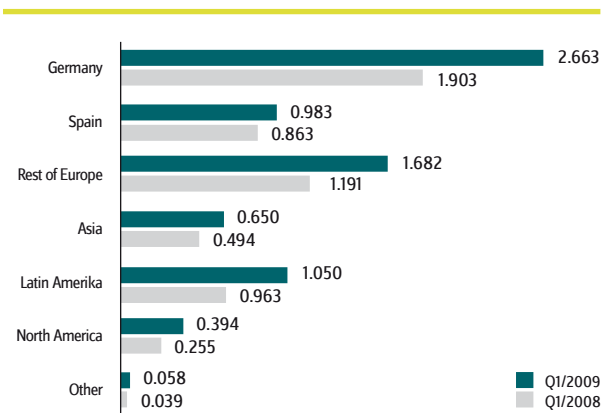
The international marketing campaign which began this quarter also focuses on jobs and career opportunities. In Germany, the campaign has been the most successful in the history of XING. Never before has there been a comparable increase in new members to XING at the beginning of a marketing campaign.

The campaign centers around online banners featured on leading German websites. The Company also engaged in SEM tactics to support the online campaign. Edgy texts and images impart to users the value of a XING network, particularly in economically uncertain times. At the top of the list of benefits are new career opportunities: Various studies confirm that more than half of new jobs are passed along via personal contacts. In economically trying times, members become active networkers on XING. The new marketing campaign further boosts this growth, and continues in the success of last year's campaign mynetworkvalue.com. That campaign focused on the wisdom of setting up and maintaining a contact network before needing one, and stressed the value of contacts in finding jobs, cooperation partners, business ideas or employees.

Indeed, XING's marketing campaign has its finger on the pulse of the times: Alone in the first ten days of the campaign, the number of new members signing up to XING as a direct result of the campaign was more than double those subscribing during the ten days following the last marketing campaign. In February, the marketing campaign was extended to Austria, and to Switzerland at the beginning of April. Other countries will follow in coming months. SEM campaigns were conducted in the United Kingdom and the Netherlands in February and March.

Member distribution

in millions



International growth

More than half of all XING members – over four million – are from non-German speaking countries. In particular, XING has an active community in the Mediterranean region. After opening local offices in Barcelona and Istanbul to handle the growing member base in these countries, XING followed suit in Milan in Q1/2009. Since March, the XING Italy office is open to serve the growing Italian online community. In the interest of pairing increased B2B activity with the rising member levels in Italy, XING hired Cipriano Moneta as Country Manager of Italy. Mr. Moneta has substantial experience working in the Internet industry in Italy.

More and more people in Italy are discovering every day the value of a professional network for their careers, and the business networking market is expected to grow swiftly in coming years. The Company believes that three key competitive advantages will ensure its success in Italy: Italy is the country in Europe with the highest concentration of cell phones per capita. The implication of this fact is that our mobile applications – such as the iPhone application – will be particularly popular there. Secondly, many industries in Italy find cross-European networking essential for their business, and a large group of individuals meet contacts made online in person at local events. Once again, XING has the capacity to succeed: in 2008, the number of public events organized by members increased by 25 percent over 2007, to 55 thousand. Finally, our local presence in Milan will enable the efficient establishing of strategic business partnerships in the region.

XING further expects the local customer service offered by our employees in Milan will further lead to a member activity and recommendations to friends and associates. The XING Italy office forms a further keystone for sustainable growth in non-German-speaking Europe, which is one of the focus areas for the coming year.

[XING as a trusted partner for companies](#)

Messe Frankfurt – the largest German exposition company featuring 29 global affiliates—attracts international visitors and exhibitors from all over the world. On over 30 sites worldwide, events bearing the “Made by Messe Frankfurt” label are held. In 2008, Messe Frankfurt organized over 100 trade fairs, over half of these abroad. The international focus and reach of Messe Frankfurt make it the ideal partner for XING AG. In February, the two companies made an exclusive cooperation agreement to develop online communities and services. The cooperation agreement allows those visiting any of the trade fairs held by Messe Frankfurt to remain in touch, to establish and expand their personal industry network of contacts, and to stay in touch with people they meet at the trade fair.

The first joint efforts came in February, when two special community offers were made available on the XING platform to exhibitors, visitors and friends of the Musikmesse ProLight + Sound, the largest music trade fair of its kind in the world. These Enterprise Groups extend the tried and tested XING functionalities to fit the special requirements of the Messe Frankfurt and its visitors, including enabling specialized content to be shared with trade fair attendees, group events to be organized, and visitors to search for others who attended the same trade fair. In coming months, the two companies intend to create a similar Enterprise Group for Tendance, the consumer goods fair. At the same time, additional projects are in the works which are sure to interest the seven million XING members and the millions of Messe Frankfurt attendees.

The cooperation with Messe Frankfurt once again proves how valuable it is for companies to partner up with XING. In addition to the partnership with Messe Frankfurt, XING recently introduced its Company Pages to over 500,000 members, allowing Premium Members to view automatically generated profiles of companies, organizations and associations. These profiles are free of charge. The Company Pages beta was released in April for Premium Members. Sales professionals, service providers, and of course recruiters can quickly see who works at a given company, and who is the best contact person for a specific request. This additional functionality is likely to boost activity on the platform, further increasing customer satisfaction and retention.

In the first quarter, XING also made the necessary technical preparations to integrate the first web services using OpenSocial standards into the platform – a further example of the wave of innovations this year and which will continue in the coming quarters, making networking on XING more diverse and varied, and more effective.

XING comes to the desktop of Vista users

After successfully developing an app for the German-language personalized startpage Allyve.com in the end of 2008, XING now offers a desktop application for Windows Vista users. XING members can now see what has happened in their personal network without even logging in to the XING platform. Available in English, Spanish, and German, the app shows which members have recently visited the profile, new contact requests and new messages in the inbox. The app also has a search capability for people and companies on XING.

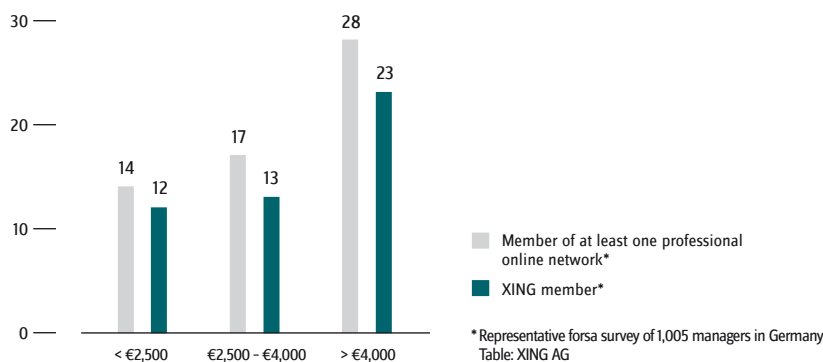
The Vista app, along with the Allyve.com app and the iGoogle apps (planned for release in Q2), is part of the "XING anywhere" strategy, which aims at bringing the platform to users wherever they are, rather than waiting for them to come to XING. Since its release in January, the app has been downloaded over 12 thousand times.



Forsa study confirms top brand recognition

By partnering up with other companies, we can make the XING brand even more recognizable than it already is. At present, the brand has the top position: The forsa study commissioned in January confirms that XING is the most widely recognized business network in Germany, with a brand recognition of 30 percent. Five years after the first professional networks were launched on the Internet, various studies show that nearly one in five managers (18 percent) in Germany is already a member of one or more professional online networks. Furthermore, XING is the clear leader in online professional networking among managers and experts in the German-speaking realm, in all regions and age groups. Fourteen percent of all respondents already are a member of XING, this amounts to roughly three-fourths of all business network users in managing positions in Germany.

Better paid managers are more active in professional networks such as XING in %



Furthermore, a study of 1,005 professionals has shown that higher paid managers are considerably more active on business networks such as XING. Over 28 percent of managers who earn over €48,000 a year net are active in online networks. XING was used by 23 percent of respondents. To put it more clearly: Of the better earning managers responding in the study, the vast majority – around 80 percent – used XING for online networking.

Product Development and Engineering

For some time, XING has used agile web development methods in project releases to increase the speed of delivery. In Q1, these methods were extended across entire product development chain. For our customers, this means faster releases of new features and incremental improvements of existing products. Agile development takes a “people-centric” approach – our users and their feedback are at the core of the development process. The approach focuses at delivering rapid, adaptive results. XING Product Development can thus release high quality, more precisely defined features onto the market, and continue to develop them using customer feedback received. This approach allows XING to release products quicker and better suited to customers' needs, and also to rapidly funnel changing customer or market demands into the development process. By releasing earlier and focusing on member value, we intend to increase new and existing member activity on the website, which in turn will drive member growth and revenues via all three business models.

These clear advantages have led the XING Product and Engineering teams to adopt agile Scrum development methods for all new projects. In Q4/2008, Scrum methods were employed during the development and release of the new XING Event organizer feature, and were instrumental in the success of the project. In recent years, we have contracted consultants to impart the necessary expertise to the teams, and invested in training our own employees in Scrum methods. These investments in the process architecture are beginning to bear fruit.

In the first quarter of 2009, Product & Engineering focused on the following innovations and new releases:

- Completing the programming and migration of monetary business processes to arvato Services, including debit-side processes
- Releasing additional relevant features for the Event organizer beta version culled from customer feedback since December 2008
- Introducing a new, user-driven rating system for the "XING Jobs" section, which displays more relevant job listings to users
- Completion of the Company Pages alpha version for trials and feedback by the XING Research Panel
- Working with partner companies on the architecture and integration of web services using Opensocial standards
- Releasing the beta version of a new navigation and header structure
- Programming for expanding other paid functions on the XING website

XING has been written in the Perl language since its inception, and is now increasingly also being coded in Ruby-on-Rails, an innovative framework for web development built on the Ruby programming language. "Rails", as it is known in the community, is an open-source framework that emphasizes sustainable productivity. XING is one of the leading Rails employers in Germany, and gives back to the Rails community by sponsoring events and speaking at professional conferences. The Company has considerably bolstered its development team in Hamburg and Barcelona to meet increasing workloads now and in the future. Furthermore, by integrating the programming team from epublica GmbH into XING Engineering in February 2009, further synergies were created.

Risk Report

Permanent monitoring and management of risks is one of the key tasks of a listed company. For this purpose, the Company has implemented an early risk detection system required by section 91 (2) AktG, and continually makes updates and improvements within the context of current market and company developments.

Each individual employee is called on to actively look for and prevent potential damages to the Company. Their task is to immediately remove all risks in their own area of responsibility, and to immediately notify the responsible parties in the event of any indications of existing risks that may arise. An essential requirement for such a task is knowledge of the risk management system and maximum risk awareness of each individual employee. 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. A comprehensive risk inventory was carried out in 2007 in which existing risks were examined and where appropriate, reassessed, and new potential risks were identified. Since the beginning of 2008, the Company has carried out a risk inventory at least every two months during a management meeting.

Since the publishing of the 2008 Annual Report and the detailed listing of risk factors contained within, the Company has not documented any additional risks.

Outlook

In the first quarter of this year, the Executive Board of XING AG made a series of strategic decisions affecting the future direction of the Company, and has already begun formulating a plan of action for achieving these objectives.

In coming quarters, the Company will substantially concentrate its resources on three key business divisions. In all cases, priority is placed on increasing the value of the platform to members, thus boosting member activity.

Another central component in this new strategic positioning is an increased focus on recruiters who use XING to find candidates, do background research and contact them. Over 40 thousand recruiters already use XING to find the best candidates for their clients. With nearly three million managers and experts in the German-speaking region, XING is the professional network with by far the most members in these countries. We intend to build on this advantage in the future, and believe that there is sufficient market potential in Germany, Austria and Switzerland to more than double the membership base in these three countries within coming years. Outside of the German-speaking world, XING already has over four million members. In the coming year, boosting growth in the rest of Europe will also a priority for XING.

Major events during and after the end of the interim reporting period

No major events have occurred since the end of the first quarter 2009.

Hamburg, April 30, 2009

Dr. Stefan Gross-Selbeck
CEO
XING AG

Eoghan Jennings
CFO
XING AG

Burkhard Blum
COO
XING AG

Michael Otto
CTO
XING AG



Consolidated Interim Financial Statements

for the first quarter from January 1 to
March 31, 2009

- 21** Consolidated income statement
- 22** Consolidated balance sheet
- 24** Statement of changes in shareholders' equity
- 26** Consolidated cash flow statement
- 28** Notes on the consolidated interim financial statements

CONSOLIDATED INCOME STATEMENT

for the first quarter from January 1 to March 31, 2009

in € thousand	01/01/ – 03/31/2009	01/01/ – 03/31/2008
Service revenues	10,374	7,413
Other operating income	381	92
Total revenues	10,755	7,505
Cost of materials	(4)	(8)
Personnel expenses	(3,300)	(2,250)
Marketing expenses	(787)	(664)
Other operating expenses	(3,264)	(1,947)
EBITDA	3,400	2,636
Depreciation	(1,095)	(388)
EBIT	2,305	2,248
Financial income	221	289
Financial expenses	(30)	(7)
EBT	2,496	2,530
Expenses attributable to taxes on income	(812)	(907)
Total result	1,684	1,623
Thereof:		
Shareholders of the parent company	1,684	1,633
Minorities	0	(10)
	1,684	1,623
Earnings per share (undiluted)	0.33	0.31
Earnings per share (diluted)	0.33	0.31

CONSOLIDATED BALANCE SHEET

as of March 31, 2009

ASSETS in € thousand	03/31/2009	12/31/2008
Non-current assets		
Intangible assets		
Other intangible assets	8,970	2,338
Purchased software	4,404	3,821
Self-developed software	5,227	4,696
Goodwill	13,903	13,823
Property, plant and equipment		
IT hardware and other business equipment	2,068	1,897
Financial assets		
Equity participations	26	24
Other financial assets	26	20
Deferred tax assets	346	346
	34,970	26,965
Current assets		
Inventories		
Products	37	38
Receivables and other assets		
Receivables attributable to services	5,094	3,345
Tax refund assets	27	166
Other assets	2,518	1,281
Cash and cash equivalents and other current deposits	37,231	42,922
Assets available for sale	200	200
	45,107	47,952
	80,077	74,917

LIABILITIES in € thousand	03/31/2009	12/31/2008
Shareholders' equity		
Subscribed capital	5,202	5,202
Treasury stock	(3,041)	(2,092)
Capital reserves	38,517	38,517
Other reserves	3,007	1,756
Cumulative profit	10,629	9,068
Equity attributable to equity holders of the XING AG	54,314	52,451
Minorities	0	(123)
	54,314	52,328
Non-current liabilities		
Deferred tax liabilities	2,396	2,157
Deferred income	581	581
	2,977	2,738
Current liabilities		
Liabilities from finance leases	78	122
Trade accounts payable	1,326	1,393
Deferred income	12,199	9,725
Tax provisions	2,933	2,395
Other liabilities	6,250	6,216
	22,786	19,851
	80,077	74,917

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the first quarter from January 1 to March 31, 2009

in € thousand	Subscribed capital	Treasury stock	Capital reserved
Balance 01/01/2008	5,202	0	38,517
Currency translation	0	0	0
Total income and expense for the period recognised directly in the equity	0	0	0
Net result	0	0	0
Total result for period	0	0	0
Personnel expenses, stock option program	0	0	0
As of 03/31/2008	5,202	0	38,517
Balance 01/01/2009	5,202	(2,092)	38,517
Currency translation	0	0	0
Total income and expense for the period recognised directly in the equity	0	0	0
Net result	0	0	0
Total result for period	0	0	0
Share buyback	0	(949)	0
Purchase of minorities	0	0	0
Planned issuance of equity instruments for acquisition	0	0	0
Personnel expenses, stock option program	0	0	0
As of 03/31/2009	5,202	(3,041)	38,517

Other reserves	Cumulative profit	Total	Minorities	Shareholders' equity, total
636	1,744	46,099	(117)	45,982
(61)	0	(61)	0	(61)
(61)	0	(61)	0	(61)
0	1,623	1,623	57	1,680
(61)	1,623	1,562	57	1,619
232	0	232	0	232
807	3,367	47,893	(60)	47,833
1,756	9,068	52,451	(123)	52,328
(72)	0	(72)	0	(72)
(72)	0	(72)	0	(72)
0	1,684	1,684	0	1,684
(72)	1,684	1,612	0	1,612
0	0	(949)	0	(949)
0	(123)	(123)	123	0
1,093	0	1,093	0	1,093
230	0	230	0	230
3,007	10,629	54,314	0	54,314

CONSOLIDATED CASH FLOW STATEMENT

for the quarter from January 1 to March 31, 2009

in € thousand	01/01/ – 03/31/2009	01/01/ – 03/31/2008
Earnings before taxes	2,496	2,530
Depreciation on capitalized development costs	294	166
Depreciation	801	222
Personnel expenses, stock option program	230	232
Interest income	(221)	(289)
Interest income from discontinued operations	221	289
Interest received	30	7
Interest expenses	(28)	(1)
Interest expenses from discontinued operations	0	(2)
Profit and loss account from fixed asset	(104)	0
Change in receivables and other assets	(2,986)	(2,197)
Change in liabilities and other liabilities	2,206	1,387
Change in deferred income	2,473	1,146
Cash flow from operating activities	5,412	3,490

Capitalization of self-developed software	(825)	(436)
Purchase of other software	(923)	(4)
Purchase of other intangible assets	(3,363)	(81)
Result from the disposal of fixed assets	0	3
Purchase of property, plant and equipment	(370)	(442)
Purchase of consolidation companies (less cash acquired)	(4,619)	(2,574)
Investment in other financial assets	(8)	127
Cash flow from investing activities	(10,108)	(3,407)
Share buyback	(949)	0
Repayment of liabilities from finance leases	(44)	(40)
Interest paid	(2)	(6)
Cash flow from financing activities	(995)	(46)
Change in cash and cash equivalents	(5,691)	37
Cash and cash equivalents at the beginning of the period	42,922	37,844
Cash and cash equivalents at the end of the period¹⁾	37,231	37,881

¹⁾ Cash and cash equivalents are liquid assets.

NOTES ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the first quarter ending March 31, 2009

Basis for preparing the financial statements and accounting methods

The consolidated interim financial statements for the quarter ending on March 31, 2009, have been prepared in accordance with the International Financial Reporting Standard for Interim Financial Statements (IAS 34) adopted by the EU.

The period under review began on January 1, 2009, and ended on March 31, 2009. The corresponding previous year period began on January 1, 2008, and ended on March 31, 2008.

The accounting principles applied to this consolidated interim financial statement are the same as those used for the annual consolidated financial statement for the financial year ending December 31, 2008.

Group of consolidated companies

The group of consolidated companies included in this consolidated interim financial statement is as follows:

	03/31/ 2009 in %	12/31/ 2008 in %	Initial consoli- dation	Sharehol- ders' equity balance 03/31/2009 in € thousand	Result Q1/2009 in € thousand
XING Hong Kong Ltd., Hong Kong, China ¹⁾	100	85	2006	(158)	3
openBC Network Technology (Beijing) Co. Ltd., Peking, China	100	85	2006	84	(86)
Grupo Galenicom Tecnologías de la Información, S.L., (eConozco), Barcelona, Spain	100	100	2007	5	0
XING International Holding GmbH, Hamburg, Germany	100	100	2007	9,578	(1)
XING Networking Spain, S.L., Barcelona, Spain ²⁾	100	100	2007	27	(51)
EUDA Uluslararası Danışmanlık ve Bilisim Hizmetleri Limited Sirketi (cember.net), Istanbul, Turkey ³⁾	100	80	2008	43	5
XING Switzerland GmbH, Sarnen, Switzerland ⁴⁾	100	100	2008	21	3
XING Italy Srl., Mailand, Italy ⁵⁾	100	0	2009	(38)	(63)
Socialmedian, New York, USA ⁶⁾	100	0	2009	458	(56)

¹⁾ On December 15, 2008, openBC China Ltd., headquartered in Hong Kong, was renamed XING Hong Kong Ltd.

²⁾ One hundred percent of shares are held indirectly via shares of 100 percent in the XING International Holding GmbH, Hamburg, Germany.

³⁾ 99.5 percent of shares are held indirectly via the XING International Holding GmbH, Hamburg, Germany, and 0.5 percent of shares are held directly by XING AG.

⁴⁾ XING Switzerland GmbH was founded in Sarnen, Switzerland on September 23, 2008. One hundred percent of the share capital is held indirectly via shares of 100 percent in the XING International Holding GmbH, Hamburg, Germany.

⁵⁾ XING Italy Srl. was founded in Milan, Italy, on January 13, 2009. One hundred percent of the share capital is held indirectly via shares of 100 percent in the XING International Holding GmbH, Hamburg, Germany.

⁶⁾ 100 percent of shares are held directly by XING AG.

Stock option plan

Stock options were issued to new employees under the rubric of the 2006 stock option program. A total of €230 thousand was recognized in the first quarter for a total of three tranches.

Mercer Deutschland GmbH performed a valuation of the stock option plan based on the same valuation methods and updated criteria as apply to the 2006 stock option plan.

Treasury shares

In Q1/2009, the Company purchased treasury shares amounting to €949 thousand (previous period: €0 thousand).

Company acquisitions

In January 2009, XING AG acquired New York-based Socialmedian, Inc., a leading developer in social news networking. The purchase price, comprised of cash and stock, amounted to €2.9 million plus a success-based earn-out of €0.5 to €2.5 million, payable over the next three years.

XING Italy Srl. was founded in Milan, Italy, on January 13, 2009, with €25 thousand in equity.

On February 5, 2009, the Group purchased an additional 20 percent of voting rights of the EUDA Uluslararası Danismanlık ve Bilisim Hizmetleri Limited Sirketi (cember.net), as per terms of contract. The purchase price was €2,180 thousand. The acquisition had no effect on the consolidation, as cember.net was already fully consolidated in financial year 2008.

In January 2009, the Company increased its shares in XING Hong Kong Ltd. from 85 percent to 100 percent. The purchase price was €80 thousand. The acquisition had no effect on the consolidation, as XING Hong Kong Ltd was already fully consolidated in financial year 2008.

Additions and disposals of assets

In the three-month period ending March 31, 2009, the Group recorded payments of €825 thousand for self-developed software (previous period: €436 thousand). The capitalized self-developed software includes costs for improvements and developments, and additional features and functions of the XING website.

In Q1, the Company invested a total of €370 thousand for the purchase of EDP software and hardware, and for other office equipment (previous period: €442 thousand).

Breakdown of other operating expenses

The following table contains a breakdown of the key categories of remaining operating expenses:

in € thousand	01/01/ – 03/31/2009	01/01/ – 03/31/2008
IT services, management services and services for new markets	1,363	516
Legal advice, audit and accounting fees	607	256
Payment costs	335	311
Server-Hosting, management and traffic	310	356
Travel, entertainment and other business expenses	157	102
Other	492	406
Total	3,264	1,947

The remainder of other operating expenses were mostly limited to payments for office space, office supplies, and communications costs.

The Group realized leasing payment expenses amounting to €126 thousand during the reporting period (previous period: €50 thousand).

Segment information

XING AG earned reportable revenues in the segments Subscriptions (including revenues from subscriptions and Premium Groups), Advertising, Jobs, BestOffers, and miscellaneous.

The following tables show the itemized revenues for the reporting period:

in € thousand	01/01/ – 03/31/2009	01/01/ – 03/31/2008
Subscriptions	8,680	5,913
Jobs	1,198	910
Advertising	373	521
BestOffers	113	51
Other	10	18
Total	10,374	7,413

in € thousand	01/01/ – 03/31/2009	01/01/ – 03/31/2008
Dach	9,862	6,919
International	512	494
Total	10,374	7,413

The prior differentiation of geographic regions into the segments Germany, Other Europe, Asia, Americas and Other was changed to Germany, Austria and Switzerland (called "DACH" in German) and International. This change brings the geographic distribution closer in line with the organizational focus of the Company.

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

Contingent liabilities

The future minimum leasing payments from financing leasing contracts amount to €82 thousand within one year and €0 thousand after one year.

Furthermore, the Company has contingent liabilities from the earn-out agreement with Socialmedian amounting to €2.5 million.

Related parties

In the period under review, payments amounting to €213 thousand were made to epublica GmbH (previous period: €458 thousand), before the acquisition.

Major events during and after the end of the interim reporting period

No major events have occurred since the end of the first quarter 2009.

Hamburg, April 30, 2009

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XING AG

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FINANCIAL CALENDAR

Date	Disposition
March 26, 2009	Annual report 2008, Hamburg
May 14, 2009	Interim report Q1, Hamburg
May 28, 2009	Ordinary shareholders' meeting, Hamburg
August 13, 2009	Interim report H1 2009, Hamburg
November 12, 2009	Interim report Q3 2009, Hamburg

MASTHEAD AND CONTACT

This Annual Report is available in both German and English. Both versions and further press information are available for download at <http://corporate.xing.com/deutsch/investor-relations/>

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