For a better working life

ANNUAL REPORT 2014

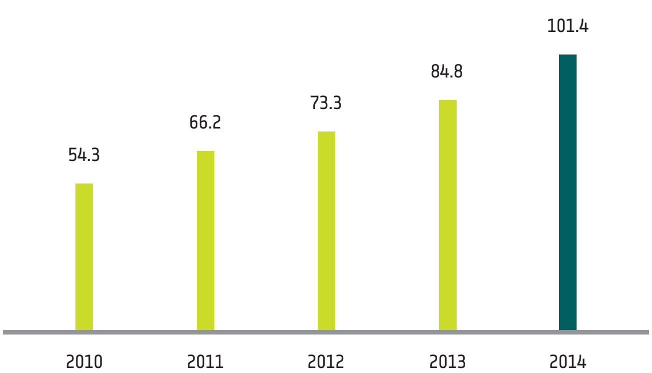
XING AG

Key figures

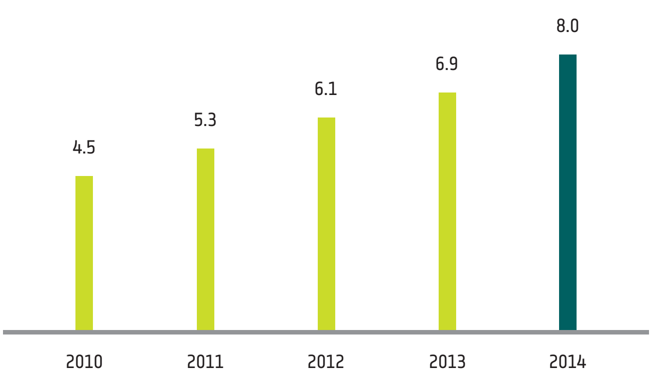
	Unit	2014	2013	2012	2011	2010
Revenues [1]	€ million	101.4	84.8	73.3	66.2	54.3
Network / Premium segment	€ million	61.3	54.7	51.6	49.3	45.7
E-Recruiting segment	€ million	32.9	23.7	16.7	13.3	7.8
Events segment	€ million	5.1	4.9	3.9	2.5	–
EBITDA reported	€ million	29.2	22.8	20.1	22.2	16.7
Reported EBITDA margin	%	29	27	27	34	31
Adjusted EBITDA	€ million	31.6 [6]	24.3 [5]	22.0 [4]	22.2	16.7
Adjusted EBITDA margin	%	31 [6]	29 [5]	30 [4]	34	31
Reported consolidated net profit/loss	€ million	6.2	9.1	7.7	−4.7	7.2
Adjusted consolidated net profit/loss	€ million	15.7 [7]	10.5 [5]	9.2 [4]	9.4 [2]	7.2
Earnings per share (diluted) reported	€	1.10	1.65	1.43	neg	1.37
Adjusted earnings per share (diluted)	€	2.80 [7]	1.90 [5]	1.71 [4]	1.73 [2]	1.37
Regular dividend per share	€	0.92 [8]	0.62	0.56	0.56	–
Operating cash flow	€ million	34.2	23.8	18.9	18.7 [3]	15.6
Equity	€ million	43.4	62.0	51.8	42.6	61.2
XING users Germany, Austria, Switzerland (D-A-CH), total	million	8.33	6.93	6.09	5.28	4.47
thereof platform members	million	8.01	6.93	6.09	5.28	4.47
thereof subscribers	thousand	835	807	783	758	716
B2B customers						
in the E-Recruiting segment	thousand	17,197	16,031	15,731	n/a	n/a
in the Events segment	thousand	2,196	2,246	1,874	n/a	n/a
Employees		649	571	513	456	306

1 incl. other operating income
2 Adjusted for the one-time write down of the market entry costs in Spain and Turkey in the amount of €14.4 million.
3 Adjusted for extraordinary items and prior-period cash inflows and outflows (€+4.8 million) for the payment of taxes from previous years in 2011 (€−3.5 million) arising from the renegotiation of contracts with credit card acquirers and due to an increase in liabilities for income tax in 2010 (€−3.3 million).
4 Adjusted for €1.9 million in one-time costs relating to the mandatory tender offer submitted by Burda Digital GmbH and the kununu GmbH acquisition.
5 Adjusted for €1.5 million in non-operating expenses arising from the earn-out obligation of kununu GmbH.
6 Adjusted for €2.4 million in non-operating expenses arising from the earn-out obligation of kununu GmbH.
7 Adjusted for €7.1 million in non-operating expenses arising from the earn-out obligation of kununu GmbH and the write-down of XING Events.
8 Proposal to be made at the Annual General Meeting (06/03/2015)

Revenues by year (in € million)



XING members, D-A-CH (in million)



XING is the social network for business professionals.

XING is the social network for business professionals. More than 8 million in the German-speaking region alone use the platform for their businesses, their job and their careers. XING is a platform where professionals from all kinds of different industries can meet up, find jobs, colleagues, new assignments, cooperation partners, experts and generate business ideas. Members can meet and exchange views in more than 50,000 specialist groups, while also getting together at networking events. The platform is operated by XING AG.

The Company was established in 2003 in Hamburg, has been listed since 2006 and has been a TecDAX member since 2011.

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01. TO OUR SHAREHOLDERS

Letter to our shareholders

LADIES AND GENTLEMEN,

Dr. Thomas Vollmoeller,
Chief Executive Officer of XING AG

In my letter prefacing last year's report, I informed you about the measures being adopted for XING's strategic repositioning and product innovations, and our ambition to continue our uninterrupted growth.

As I now look back on the 2014 financial year, I am pleased to be able to say: mission accomplished.

In the 2014 financial year, we managed to increase growth in every single quarter. For the first time in our history, revenues at XING passed the € 100 million mark, with total revenues climbing 20 percent to € 101.4 million.

As in the previous year, the largest source of income was our paid membership business in the Network/Premium segment. Steps had already been taken before the end of 2013 to increase the appeal of XING's Premium membership plan and we pursued this approach aggressively during 2014. To our great satisfaction, the comprehensive redesign of our Premium plan paid off handsomely, with growth in this segment more than doubling compared to the previous year. Sales from XING's primary source of revenue rose by 12 percent to € 61.3 million (2013: € 54.7 million).

The strongest driver of growth was once again our corporate business, which is reported within the E-Recruiting segment. Total revenue here rose by 39 percent to € 32.9 million. We introduced several new products in this segment over the last financial year, with one highlight being the launch of "XING Jobs" in fall 2014. XING Jobs gives jobseekers information that is highly relevant in the modern-day world of work and yet not offered by traditional job portals. For example, candidates can look for employers offering particular advantages for staff needing to balance work and family. Or their search can be filtered by companies whose flextime working hours, positive work/life balance or childcare options are highly rated by employees.

The Events division brought in € 5.1 million, with revenue growth of 3 percent only marginally improving on last year's figure (€ 4.9 million). After assessing the new conditions on the market, we decided to write off our investment in XING Events GmbH. This was reported as a loss of € 7.1 million in the consolidated financial statements. The write-off is a non-cash charge and affects neither Group strategy nor XING's long-term business prospects. EBITDA (excluding the kununu earn-out) grew by 30 percent to € 31.6 million. Net profit (excluding the kununu earn-out and XING Events write-down) was € 15.7 million in the past financial year and has thus risen by 49 percent compared to 2013 (€ 10.5 million). Adjusted for the effects stated above, diluted earnings per share also rose significantly from € 1.90 to € 2.80 (+ 48 percent).

And now a particularly satisfying figure: XING welcomed no less than 1.1 million new members over the past financial year. This is the largest growth in membership since our IPO in 2006. This means that XING had over 8 million members at year-end, with total users rising to over 8.3 million.

As you can see: for XING, 2014 has been a year of growth, growth and yet more growth.

Our positioning has also borne fruit. Being designed to move us away from operating as a pure-play career portal and start emphasizing our strengths as a partner, our philosophy is to offer members chances in a changing world of work and enable them to find their ideal, tailor-made job. We help our members to work in ways that ensure a harmonious fit between their working and personal lives. In some cases, this may even involve stepping off the traditional career ladder and taking a part-time job. We help them excel at their work by providing them with the right information and the right contacts. Our network also acts as a safety net that can support them if required. Last but not least, we offer them brand-new opportunities and prospects driven by ground-breaking changes in the world of work.

This positioning continues to be our guiding light, which we follow without reservation. With the "spielraum" portal, for instance, we have created what is now one of the leading portals focused on the topics of jobs and careers. Our positioning has also been the core focus of our marketing – from ad banners through to TV spots. Yet successful positioning must not be limited merely to communications, but must also translate seamlessly into a relevant product experience. A key example of this was offered by last year's "Job" campaign, where we supplemented our traditional goal of optimizing our members' careers by ensuring a continuous emphasis on our concept of "Live better. Work differently." As a result, our new XING Jobs portal was launched on the market as a product that is systematically focused on the candidate's needs and enables jobs to be filtered by criteria that are highly relevant in the modern-day world of work and yet not offered by traditional job portals. One example is site categories, which are used to guide jobseekers to employers offering working conditions particularly favorable to employees with families, or to vacancies offered by companies possessing considerable social and environmental expertise.

The launch of XING Jobs was closely followed by that of XING ProJobs, our first fee-based B2C product since the introduction of our Premium membership. This new product enables XING members to be found even faster by head hunters: ProJobs members are highlighted so as to draw the attention of the 3,000 or more top-flight recruiters who use the XING Talent Manager for candidate research and communication. The enhanced member profile with additional options for self-promotion not only showcases the ProJobs user's key strengths to potential employers, but can also be used to achieve fine-grained control over the visibility of the job search and the enhanced profile – thus ensuring a necessary degree of confidentiality. The icing on the cake: XING ProJobs members have exclusive access to head hunter vacancies offering salaries of € 50,000 and over.

XING further pursued its Jobs campaign with the acquisition of Jobbörse.com in January of this year. With over 2.5 million job advertisements, Jobbörse.com is the leading job search engine for the German-speaking market. XING has also taken care to secure the underlying search technology itself, which currently indexes over 1.5 million corporate websites offered by some 15 million domains. For the current year, we are planning the comprehensive integration of the technology and the job ads into our services.

We have also set ourselves some ambitious goals for the current financial year. We want to offer our members an even more extensive portfolio of products to let them make the most of the new opportunities and flexibility offered by the ever-changing world of work. We want to offer our corporate clients even greater assistance in tackling the skills shortage head on. And for you, valued shareholders, we naturally wish to maintain XING's status as a sound investment. As for 2014, in the process of preparing the 2014 annual financial statements, the Management Board has decided to recommend that the Supervisory Board increase the 2014 regular dividend payout by 48 percent. In total, approx. € 5.1 million – equating to € 0.92/share – is to be distributed to the shareholders of XING AG.

2014 was a great year for XING. We will make every effort to ensure we can say the same about 2015. Our positioning is sound, our strategy is solid and the groundwork has been laid. I thank you for your confidence in XING and hope to count on your continuing loyalty to our company.

Hamburg, March 2015
Kind regards,

Dr. Thomas Vollmoeller
Chief Executive Officer of XING AG

Introducing the Executive Board

DR. THOMAS VOLLMOELLER

Chief Executive Officer since August 2012

2012 – present	Administrative Board member, Conrad Electronic SE
2008 – 2012	Chief Executive Officer, Valora AG
2003 – 2008	CFO and Non-Food division board member, Tchibo GmbH
1998 – 2003	Member of the Executive Board, Tchibo direct GmbH
1988 – 1997	Senior Engagement Manager, McKinsey & Company, Inc.

INGO CHU

Chief Financial Officer since July 2009

2001 – 2009	CFO – later also media penetration, marketing, logistics, RTL Shop GmbH – Bertelsmann
2000 – 2001	Director Business Development, Bertelsmann e-Commerce Group
1999 – 2000	Director International Business, ANDSOLD – Bertelsmann
1998 – 1999	Corporate development project manager, CLT-UFA (now the RTL Group) – Bertelsmann
1995 – 1997	Assistant to the Executive Board, UFA / CLT-UFA (now the RTL Group) – Bertelsmann

JENS PAPE

Chief Technical Officer since March 2011

2010 – 2011	Vice President Online Telefónica o2 Germany GmbH & Co. OHG
2007 – 2010	Director IT, Customer side development, CIO, Alice / Hansenet
2003 – 2007	CTO, AOL Deutschland GmbH & Co. KG

TIMM RICHTER

Chief Product Officer since March 2013

2011 – 2013	CEO, TravelTainment GmbH
2008 – 2010	Managing Director, Berge & Meer Touristik GmbH
2002 – 2007	Division Head, Tchibo GmbH
2000 – 2002	Head of corporate development, Tchibo AG
1995 – 2000	Project manager, McKinsey & Company, Inc.

WORK HAS TO MEET A PERSON'S LIFESTYLE

"Digitalisation is currently driving a new Industrial Revolution. The upheaval triggered by the mobile internet and social media is as far-reaching as the shift from agriculture to an industrial society. This affects every single company in every single industry."

Klemens Skibicki, economic historian and digital expert

CHANGING WORLD OF WORK ▶ Just a few years ago this was only discussed by scientists and forecasters. Now it's on everyone's lips.

Nowadays companies are faced with talented, self-confident people who can clearly convey what they expect of their employer. Employees are now demanding working conditions with a healthy work-life balance, and if employers aren't willing to accommodate their needs, these top performers will simply look elsewhere. Diverse individual CVs are the antithesis of "conventional employment relationships" that have defined the world of work over the last few decades as life is no longer just about CVs.

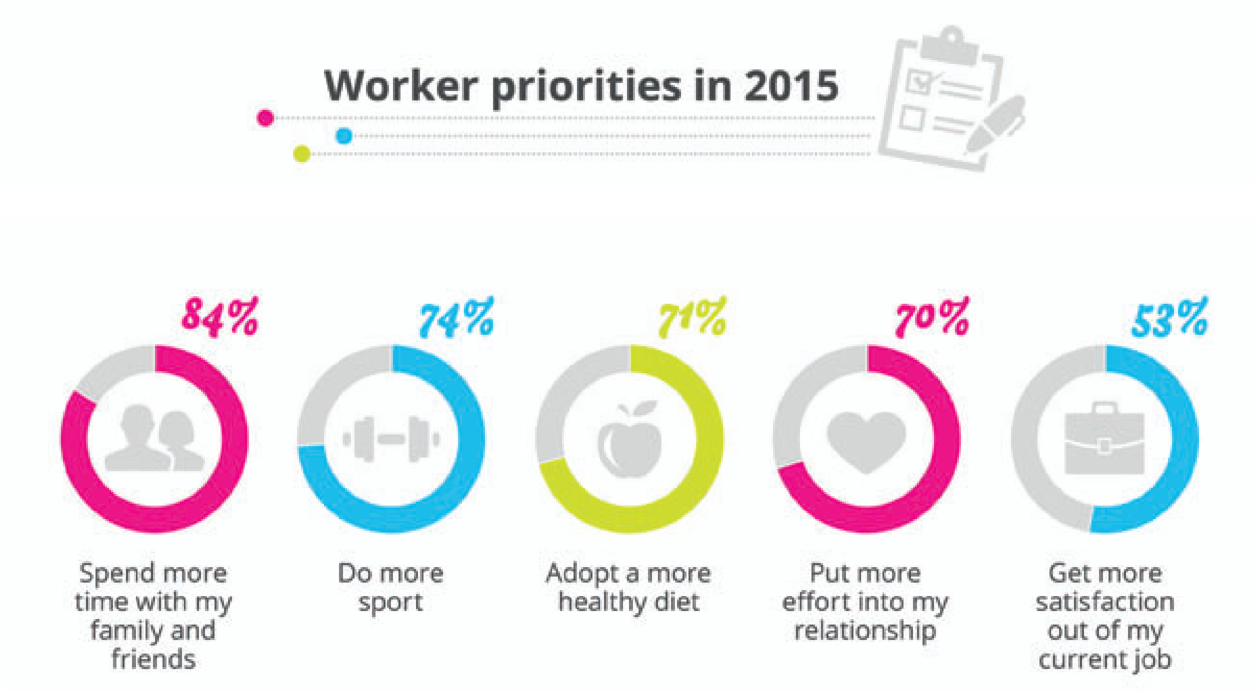
A career is no longer just about chasing titles and a higher salary, it's about making sure your job fits in with your lifestyle.

A representative study conducted in January 2015 confirmed the above statement with the people surveyed stating that the most important aspect of their job is not their salary but a positive working atmosphere (98 percent), immediately followed by the leadership style of their superiors (93 percent). In addition, 81 percent of the survey participants said their job has to provide them with a healthy work-life balance, while 84 percent said that they intend to spend more time with friends and family in 2015.

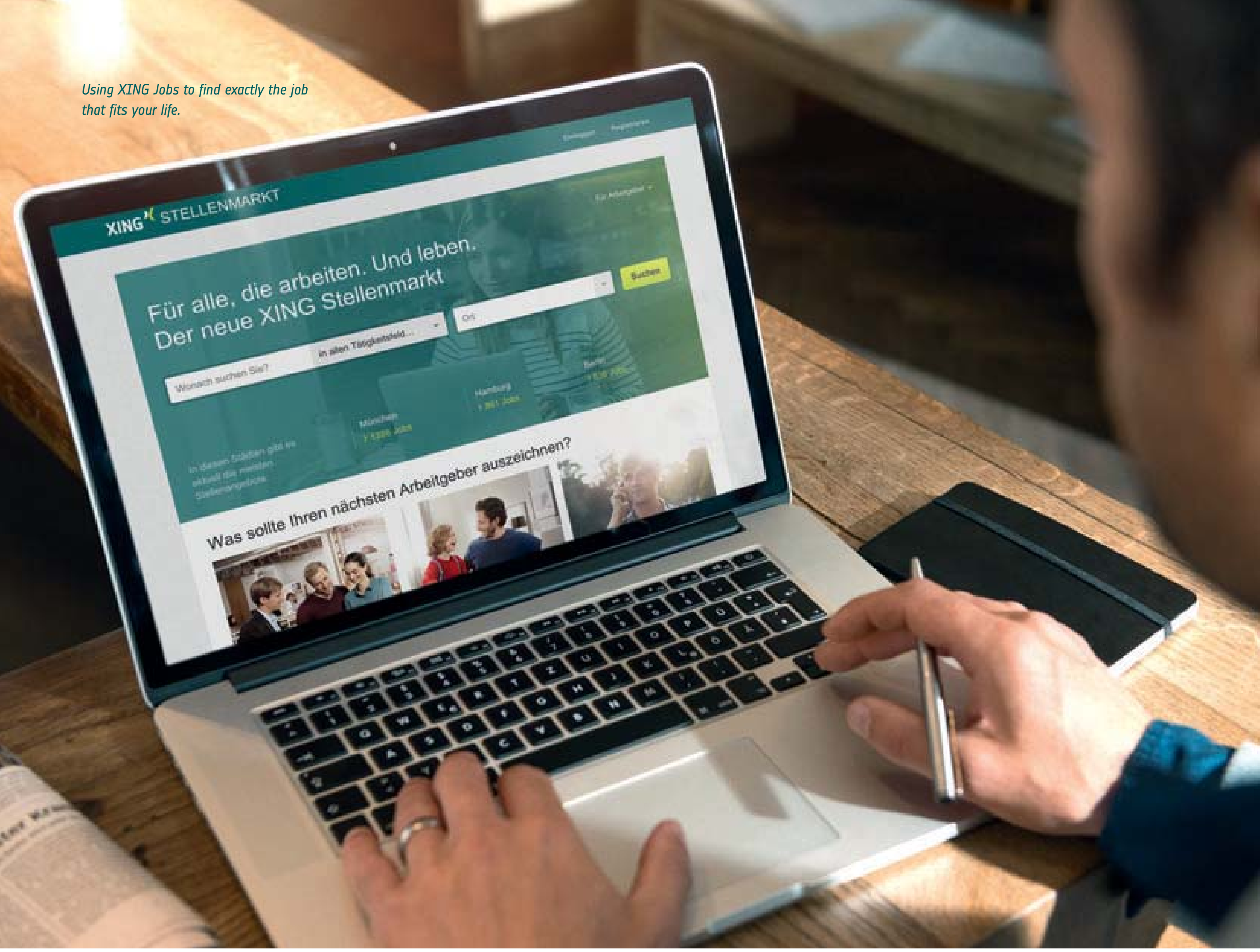
XING is in an excellent position to support this trend as it aims to give everyone access to good contacts. By acquiring kununu, XING intends to drive workplace transparency as everyone should be able to take a look behind the scenes of a company to make sure their vacancy is what jobseekers are really looking for. Another step in this direction was the integration of kununu reviews in job ads posted on XING.

HERE'S TO A BETTER WORKING LIFE IN THE FUTURE!

The changes that have been taking place in the world of work since the Industrial Revolution do in fact pose several risks, but they also offer a number of opportunities. Our task is to help members identify and seize these opportunities. We support this with our product range and content such as the spielraum topic portal that provides readers with information and ideas about today's working world. A cooperative study conducted in January 2015 by XING, Statista and forsa involving 1,000 workers in Germany.



Graphics: statista



Using XING Jobs to find exactly the job that fits your life.

EVOLUTION OF E-RECRUITING

XING LAUNCHES JOBS CAMPAIGN WITH XING JOBS AND PROJOBS ▶

Today's workers have new expectations of their job. Alongside the lack of skilled workers and changes in values, people still want to drive their career but now also expect their job to have "meaning" and "fit in with their family life" and other needs.

They also think that their work should make some kind of contribution to the common good. However, two-thirds of those questioned during a forsa survey commissioned by XING stated that they weren't sure where to look for such jobs.

FREEDOM TO CHOOSE: WORK-LIFE BALANCE OR 100 PERCENT CAREER

As with other job boards, XING Jobs allows users to find job ads based on criteria such as industry, position and radius. However, XING Jobs goes a step further by serving job ads based on criteria that are crucial to today's world of work but simply aren't available on conventional job portals. Jobseekers can browse and look for job ads, e. g. from companies offering family-friendly working conditions or where staff praise the flexitime ruling, enjoy a good work-life balance or childcare. This information was gleaned from reviews submitted by current and former employees on kununu, the largest employer review platform in German-speaking countries.

XING also offers a category containing job ads at companies with social and environmental expertise, while another section serves job ads aimed at people wanting to boost their career.

TARGETED JOB SEARCHES FOR NON-MEMBERS AS WELL

Within the scope of this relaunch, XING also made all of its job ads available to non-XING members for the first time ever. That way employers can target a much larger number of potential candidates than before, while professionals benefit from job offers without having to sign up to XING. Around 300 city and field pages were launched initially so users can look for family-friendly employers or companies with social and environmental expertise in cities like Munich, Hamburg or Zurich. IT specialists looking to drive their career can also find corresponding companies on special field pages. The city and field pages can also be found using a search engine.

Jobs for XING members and non-XING members:
https://www.xing.com/jobs/

XING Jobs also has a section containing popular employers with vacancies in a preferred city as well as reports, analyses, interviews and reports from XING spielraum. Users can also perform searches from each page within XING Jobs.

XING JOBS: THE RIGHT JOB FOR YOUR LIFESTYLE

Career development options

Career & training, interesting duties, leadership style, salary & benefits

Family-friendly conditions

Work-life balance, flexitime, home office, convenient transport links, childcare

Social and environmental awareness

Humanitarian and non-profit services, renewable energy, environmental technology, etc.

Employee benefits

Private internet use, flexitime, events for employees, convenient transport links, car park, company pension, restaurant tickets, home office, canteen, health in the workplace, discounts/special offers, company doctor, dogs welcome, mobile device, company car, training, profit-sharing, childcare

REACH YOUR GOAL FASTER: PROJOBS

GET FOUND FASTER BY HEADHUNTERS THANKS TO PROJOBS ▶ After revamping XING Jobs, the jobs campaign continued in mid-October 2014 with the launch of ProJobs. For the first time in the company's 11-year history, XING introduced an add-on that can be booked by both basic and Premium members.

ProJobs makes it easier for members to be found by headhunters. This is because the ProJobs add-on makes users more prominent among the over 3,000 top recruiters at well-known companies and headhunters on XING who use the XING Talent Manager to identify and contact potential job applicants. This means that jobseekers will be found faster and increase their chances of finding a great job. The extended profile with additional self-portrayal options not only lets ProJobs users present themselves to employers in the best-possible light, it also lets them choose who can see their extended profile details and the fact that they're looking for a job, thus providing the necessary level of discretion. Another highlight is that members with the ProJobs add-on gain exclusive access to headhunter jobs offering annual salaries of € 50,000 or more.

MAXIMUM JOBSEEKER VISIBILITY

The ProJobs add-on lets users specify jobseeker criteria that are available to potential new employers so they know whether it's worth contacting them about current vacancies. As well as the discipline, industry and position, users can enter their ideal employers, salary expectations, preferred cities and preferred working hours. Users can also upload documents such as certificates and references.

ProJobs users can even add more detail to their professional experience, such as specific duties and projects or budget, staff and revenue responsibilities. ProJobs user profiles are also highlighted to top recruiters when they perform a search.

"We want to support people who are looking for new challenges and tasks. ProJobs is a powerful tool to achieve that."

Dr. Thomas Vollmoeller, XING Chief Executive Officer

Discretion is very important for anyone looking to change jobs. ProJobs lets users choose which XING members e. g. just XING contacts or top recruiters, are able to see that someone is looking for a job. Individual XING members can also be prevented from seeing additional ProJobs details.

ProJobs users can also stipulate how and when they'd like to be contacted by recruiters to avoid any potentially embarrassing phone calls while at work.

PROFESSIONAL SELF-PORTRAYAL SUPPORT

At the end of 2014, a professional CV check provided by XING partner CV COACH (http://de.cv-coach.com/ – German only) was added to the package. ProJobs users can sign in to CV COACH with their XING login details and have their CV thoroughly checked by job application experts. Just a few days later the user will receive comprehensive written feedback highlighting any areas that can be improved upon.

PROJOBS: POWERFUL JOB SEARCHES

Get found faster by headhunters thanks to ProJobs
More than 3,000 top recruiters use XING to find the right people for their vacancies.

Access to exclusive headhunter jobs
Top headhunter jobs offering annual salaries of €50,000 or more that are only available to ProJobs users.

More effective presentation among 160,000 employers
ProJobs offers a number of ways to enrich profiles with more detail.

Support from job application experts
XING partner CV COACH provides a free check for ProJobs users to help them tweak their CV and XING profile.

XING ProJobs ensures maximum visibility with recruiters.

Events offer the perfect environment for networking. XING Events combines online and offline world.

OVER 400 EVENTS A DAY

XING EVENT MARKET SERVES SUITABLE EVENTS AND BRIDGES THE GAP BETWEEN THE ONLINE AND OFFLINE WORLD ▶ XING provides a large selection of events ranging from training courses to international trade fairs. More than 150,000 events are posted on XING every year – that's over 400 events a day. This is why it's important to find events that match individual members and their working life.

In October 2014 XING revamped its events section. The new Event Market helps XING members find events that are relevant to them. XING not only brings workers together with the right employers and suitable contacts, it also offers events that help members in their working life. That way the Event Market can bridge the gap between the online and offline world.

MEMBERS BENEFIT FROM INDIVIDUAL EVENT RECOMMENDATIONS

XING member networks and profile details are used to serve event recommendations from among the many listed events. This makes it easier for members to find interesting events in their area. After signing up for an event, participants can use the people2meet feature to see who else is going to be there and decide who they'd like to meet at the event. The people2meet feature uses commonalities from XING profiles as well as information related to shared contacts or XING groups. The Event Market also provides an overview of top events from various industries as well as established official XING events hosted in German-speaking countries.

VIEW EVERY EVENT FROM MOBILE DEVICES AS WELL

The Event Market is also available as an iOS and Android app that lets event participants quickly and easily connect with one another. The app also provides event details such as the agenda, speaker list, venues and sponsors. The app provides mobile access to every event listed on XING and is a great way of finding interesting events in the local area.

THE APP FOR MORE THAN 150,000 EVENTS PER YEAR

The app provides features such as online registration, event recommendations, personal network integration, a matchmaking feature and a messenger service.

The XING EVENTS app for iOS and Android can be downloaded free of charge from the respective app store.

Report of the Supervisory Board

Stefan Winners,
Chairman of the Supervisory Board of XING AG

DEAR SHAREHOLDERS,

For XING, 2014 proved to be the most successful year in the company's history. The groundwork for this success was laid back in 2013, when we initiated a strategic reorientation to accommodate XING's new corporate mission and vision. With organizational restructuring complete by the end of 2013, we then proceeded to implement many new product initiatives. All of these initiatives have borne fruit in 2014 and contributed to an above-average rise in both revenues and EBIT. In 2014, annual revenues passed the €100 million mark for the first time. Key drivers here include the E-Recruiting segment, which posted a significant gain to year-on-year revenues, as well as improved revenue figures for the Network/Premium segment, as a result of the complete product revamp for premium customers triggered in 2013. This was then supplemented by the launch of our "Job" product campaign in fall 2014, which saw the start of the XING Jobs and XING ProJobs membership. But above-average revenue growth wasn't all that XING had to report in 2014: over the last financial year, we have also seen membership growth driven by record numbers of new signups. The annual high of €107 reached by the XING AG share in 2014 also marked the share's highest price since the company's IPO.

Our entirely successful business performance over the 2014 financial year means XING AG is this year once again in a position to distribute a higher dividend than last year to its shareholders. We're very happy about this situation.

Our 2015 financial year also got off to a successful start, with XING announcing the acquisition of Intelligence Competence Center (Deutschland) AG, operator of www.jobbörse.com, the largest job search portal for the German-speaking market. Together with the company's search technology also acquired as part of this deal, XING will now be able to offer its users both a greater volume and an even greater variety of tailor-made job advertisements. Accordingly, the "Job" campaign started in 2014 will continue into the 2015 financial year.

The Supervisory Board exercised with great diligence the duties that is required to perform as a result of the law and Articles of Incorporation. It continued to advise the Executive Board in terms of steering the fast growing company, and also diligently monitored the Executive Board's written and oral reports and meetings. Anette Weber and I, as the Chairman of the Audit Committee and Supervisory Board, exchanged information with the Executive Board by conducting several telephone conferences each month and visiting the XING premises.

The Executive Board regularly informed the Supervisory Board in good time with regard to its business policy and strategy, key corporate planning aspects (including financial, investment and HR planning), the course of business, current revenues, earnings and liquidity, the Company's and Group's economic situation (including the risk situation and risk management), Group-wide compliance and business transactions of importance to the Company and Group. The Executive

Board reported as and when needed, when requested to do so by the Supervisory Board, and periodically as per the Rules of Procedure imposed upon the Executive Board by the Supervisory Board.

When requested, the Supervisory Board also commissioned external consultants and employees from various departments to assist with its consultations in 2014. The Supervisory Board was promptly involved by the Executive Board in all major decisions that were of key importance to the Company. In accordance with its Rules of Procedure, the Executive Board also presented transaction requiring consent to the Supervisory Board which, following their review and deliberation with the Executive Board, were subsequently approved by the Supervisory Board. The Supervisory Board is also deeply involved in strategic and organizational decision processes that go beyond standard monitoring activities.

CHANGES TO THE SUPERVISORY BOARD AND COMPOSITION

The former Deputy Chairman of the XING AG Supervisory Board, Mr. Fritz Oidtmann, resigned his position as member and Deputy Chairman of the Supervisory Board with effect from the close of the 2014 Annual General Meeting on May 23, 2014, pursuant to Article 9.4 of the Articles of Incorporation. The Supervisory Board thanks Mr. Oidtmann on behalf of the Company for his immensely dedicated and valuable work as a Supervisory Board Member, a position he had held since the start of 2010. The Supervisory Board by-election required to be held as a result of Mr. Oidtmann relinquishing his office resulted in Ms. Sabine Bendiek being elected to the Company's Supervisory Board at the 2014 Annual General Meeting. In the reporting year, the Supervisory Board, which pursuant to Section 96 (1), Section 101 (1) sentence 1 of the German Stock Corporation Act (AktG) in conjunction with item 9.1 of the Articles of Incorporation has six members, consisted of Ms. Anette Weber, Ms. Sabine Bendiek (since May 23, 2014), Mr. Fritz Oidtmann (Deputy Chairman until May 23, 2014), Dr. Johannes Meier (since May 23, 2014 as Deputy Chairman), Dr. Jörg Lübcke, Mr. Jean-Paul Schmetz und myself as Chairman of the Supervisory Board.

In the reporting year, the Audit Committee, which pursuant to Section 96 (1), Section 101 (1) sentence 1 of the German Stock Corporation Act (AktG) in conjunction with item 9.1 of the Articles of Incorporation and Article 6 (1) of the Rules of Procedure of the Supervisory Board has three members to be selected from amongst the Supervisory Board members, consisted of Ms. Anette Weber (Chairwoman), Dr. Jörg Lübcke and Dr. Johannes Meier.

SUPERVISORY BOARD MEETINGS

A total of four regular Supervisory Board meetings and one extraordinary meeting were held over the past financial year. All of the current members of the Supervisory Board attended all of the Supervisory Board meetings. A number of telephone conferences and written resolutions also took place involving all of the Supervisory Board members. Each meeting at which the members met in person involved intense discussions on the current state of the business and the Company's KPIs. During the period under report, the Supervisory Board also dealt with the following key aspects:

The Supervisory Board meeting held on March 27, 2014 exhaustively discussed the annual financial statements, management report, consolidated financial statements and Group management report for the 2013 financial year. As recommended by the Audit Committee and following in-depth deliberations by the auditors, the 2013 annual financial statements were adopted by the Supervisory Board. Other key resolutions adopted by this meeting included the Supervisory Board's approval of the Executive Board's recommendation on profit appropriation, and the recommendation by the Company's officers for the choice of annual auditor for the 2014 financial year, to be presented to the Annual General Meeting. The Supervisory Board and Executive Board also discussed the planned agenda items and proposed resolutions for the Annual General Meeting on May 23, 2014. The Supervisory Board also discussed recommendations concerning the filling of the vacancy created by the resignation of Mr. Fritz Oidtmann, and recommended Ms. Sabine Bendiek as a new member of the Supervisory Board. Lastly, the progress of the Executive Board in achieving the qualitative targets set for the 2013 financial year was also confirmed.

In the Supervisory Board meeting of May 22, 2014, Mr. Jens Pape's current position as a Member of the Executive Board was further extended until June 30, 2017 and a corresponding supplement to his existing employment contract was adopted. The progress of the Executive Board in achieving the business targets set for the 2013 financial year was also confirmed. Lastly, the Board also approved a revision to the Declaration of Conformity required by Section 161 of the Stock Corporation Act (AktG) and the planned acquisition of the "Lebenslauf.com" Internet portal.

At the new Supervisory Board's inaugural meeting held directly after the Company's Annual General Meeting on May 23, 2014, I, Stefan Winners, was reelected as Chairman of the Supervisory Board, Dr. Johannes Meier was elected as the Deputy Chairman of the Supervisory Board, and Ms. Anette Weber (Chair), Dr. Johannes Meier and Dr. Jörg Lübcke were reelected to the Audit Committee. The unanimous decision was also taken to not form any further permanent committees other than the Audit Committee, but to only form additional committees as and when needed. Reelections within the Supervisory Board had become necessary as a result of the resignation of Mr. Fritz Oidtmann and the election of Ms. Sabine Bendiek to the Supervisory Board by the preceding Annual General Meeting.

During the annual strategy meeting attended by the Executive Board and Supervisory Board on July 3, 2014, the Company's strategy and development prospects were discussed at length, and a resolution was adopted concerning the allocation of shadow shares to entitled members of the Executive Board as part of the Shadow Share Program ("SSP") applicable during 2012 and 2013.

The Supervisory Board meeting on September 25, 2014 focused largely on the analysis and discussion of the current competitive environment. The Executive Board also informed the Supervisory Board about the core strategic initiatives planned for 2015. Dr. Cai-Nicolas Ziegler, the new Managing Director of XING Events GmbH and Head of the Events segment at XING AG, also presented the Supervisory Board with a report on the future strategy of the Events segment. The Supervisory Board also approved an extension of the rental agreement for XING Events GmbH in Munich.

In the last Supervisory Board meeting of the past year, held on November 27, 2014, approvals were also given to the 2015 budget presented by the Executive Board, the three-year plan for the 2015–2017 financial years and the core initiatives for 2015. Drawing on the budget and three-year plan, new target values were set out for the Long-Term Incentive ("LTI") program for the Executive Board for the financial years 2015 and 2016, and the LTI as a whole extended to the year 2017, with the corresponding target values from the three-year plan. Based on shadow shares, LTI replaces SSP and is valid from the 2014 financial year. The necessity of adjusting the LTI target values for the future stemmed from the planned increase in capital spending, an increase intended to ensure XING's accelerated medium-term growth. The Supervisory Board also discussed the findings of the Supervisory Board's efficiency review conducted prior to the meeting. Lastly, the Supervisory Board also approved the signing of two revolving credit arrangements with Deutsche Bank and Hamburger Sparkasse AG.

Outside meetings attended by Supervisory Board members, urgent decisions were also taken by circulating written motions for approval. These included the two resolutions passed on January 27, 2014, namely to issue the Declaration of Conformity pursuant to Section 161 German Stock Corporation Act, and to adopt the SSP one final time for the 2013 financial year and replace it with LTI from 2014. As with the SSP, LTI constitutes a variable compensation component for the Executive Board measured against long-term, performance-based targets, but is oriented on a longer time frame than the SSP. The agenda items for the 2014 Annual General Meeting were also adopted on April 9, 2014 by means of a written motion circulated for approval.

SESSIONS OF THE AUDIT COMMITTEE

Over the last year, members of the Audit Committee attended four meetings in person, held on February 20, March 26, September 24 and November 26, 2014. During these meetings, the Audit Committee reviewed the financial statements and the consolidated financial statements, discussed auditing issues with the auditors, and dealt with internal audit and risk management. The Audit Committee received the application for the statement of independence of the auditor in accordance with point 7.2.1 of the German Corporate Governance Code, and focused on the proposal on the choice of auditor for the 2014 Annual General Meeting. The resolutions to approve the annual financial statements and the consolidated financial statements were prepared for the Supervisory Board along with the profit appropriation proposal. The key points of the audit for the 2014 annual financial statements were also discussed and decided on with the auditor of the annual financial statements. Lastly, the Audit Committee also regularly answered questions by the annual auditor concerning fraud/entity level controls. Other recurring topics at Audit Committee meetings included the monitoring of the existing risk management system, the preparation of accounts, the effectiveness of the internal control and compliance systems, and the audit activities of the auditor of the annual financial statements.

AUDIT OF THE 2014 ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements, which were prepared by the Executive Board in accordance with the rules of German commercial law and the management report of XING AG for the 2014 financial year were audited by PricewaterhouseCoopers AG, Hamburg, and issued with an unqualified auditor's report. The consolidated financial statements and Group management report of XING AG for the 2014 financial year, which were prepared in accordance with the International Financial Reporting Standards (IFRSs) pursuant to Section 315a German Commercial Code, were also issued with an unqualified auditor's report by the auditor. Pursuant to Section 312 AktG, the Executive Board has prepared a report on relations with affiliated companies to be prepared by the Executive Board due to Burda Digital GmbH's majority shareholding in XING AG. The auditors have examined this report and issued the following opinion: "In our opinion, based on the examination which we have carried out in accordance with professional standards,

1. the factual information contained in the report is correct,

2. the consideration given by the Company for the legal transactions referred to in the report was not unreasonably high, and

3. there are no circumstances supporting a judgment materially different from that reached by the Executive Board with regard to actions referred to in the report."

The annual financial statements and the consolidated financial statement, including the Group management report and the management report, the report on relations with affiliated companies as well as the audit reports of the auditor and the profit appropriation proposal of the Executive Board were submitted to the Supervisory Board prior to the Audit Committee's meeting on March 23, 2015 and the Supervisory Board's meeting on March 24, 2015 for them to be audited and intensively discussed. The auditors attended Audit Committee and Supervisory Board meetings concerning the submitted documents and reported on the main findings of their audits. They were available to the Supervisory Board at all times in order to answer questions and provide information. As part of auditing the financial statements, the Supervisory Board and Audit Committee also discussed the Executive Board's accounting policy and financial planning. Other specific matters discussed with the Executive Board and the auditor of the annual financial statements included findings from the audits conducted by the auditor on the agreed key points of the audit and any special accounting topics that arose. One such topic was the write-down of the investment in XING Events GmbH to reflect the changed market value, which was recognized as a non-cash charge of € 7.1 million in the consolidated financial statements and € 8.1 million in the annual financial statements of XING AG.

Following the final result of its own audit, the Supervisory Board did not have any reservations with regard to the annual financial statements which were submitted, the management report as well as the consolidated financial statements and the Group management report and the report on relations with affiliated companies and, following its own audit, approved the results of the auditors concerning the audit of the financial statements and the consolidated financial statements as well as the management report and Group management report of XING AG and the report on relations with affiliated companies during its meeting on March 24, 2015. The Supervisory Board has approved the annual financial statements prepared by the Executive Board and the consolidated financial statements of XING AG. The annual financial statements of XING AG have thus been adopted.

The Supervisory Board has conducted a thorough audit and considered all of the arguments in connection with the Executive Board's profit appropriation proposal. As a result, the Supervisory Board will propose to the Annual General Meeting on June 3, 2015 to distribute a dividend of around € 5.13 million, or € 0.92 per share.

CORPORATE GOVERNANCE

As per item 3.10 of the German Corporate Governance Code, the Executive Board and the Supervisory Board provide information on Corporate Governance at XING AG on the Investor Relations section of the XING AG website. In February 2014, the Executive Board and Supervisory Board submitted the annual Declaration of Conformity pursuant to Section 161 German Stock Corporation Act and published an update in May 2014. The wording used in the Declaration of Conformity and other disclosures in accordance with Section 289a German Commercial Code are available on the XING website at https://corporate.xing.com/english/investor-relations/corporate-governance/corporate-governance-code/. XING AG complies with almost all of the recommendations of the German Corporate Governance Code and is committed to sound corporate governance as an integral part of management.

CONFLICTS OF INTEREST

In the 2014 financial year, no topics or transactions arose with the potential to cause conflicts of interest for members of the Executive Board or Supervisory Board.

CLOSING REMARKS

The Supervisory Board would like to thank all of XING's members and its shareholders for the trust they have vested in the Company. The Supervisory Board would also like to thank the Executive Board and all employees in the XING Group for all the hard work they have put in. Together they have made 2014 a tremendously successful financial year.

Hamburg, March 24, 2015

Stefan Winners
Chairman of the Supervisory Board

Introducing the Supervisory Board

STEFAN WINNERS, Chairman

SABINE BENDIEK

DR. JOHANNES MEIER

DR. JÖRG LÜBCKE

JEAN-PAUL SCHMETZ

ANETTE WEBER

XING shares

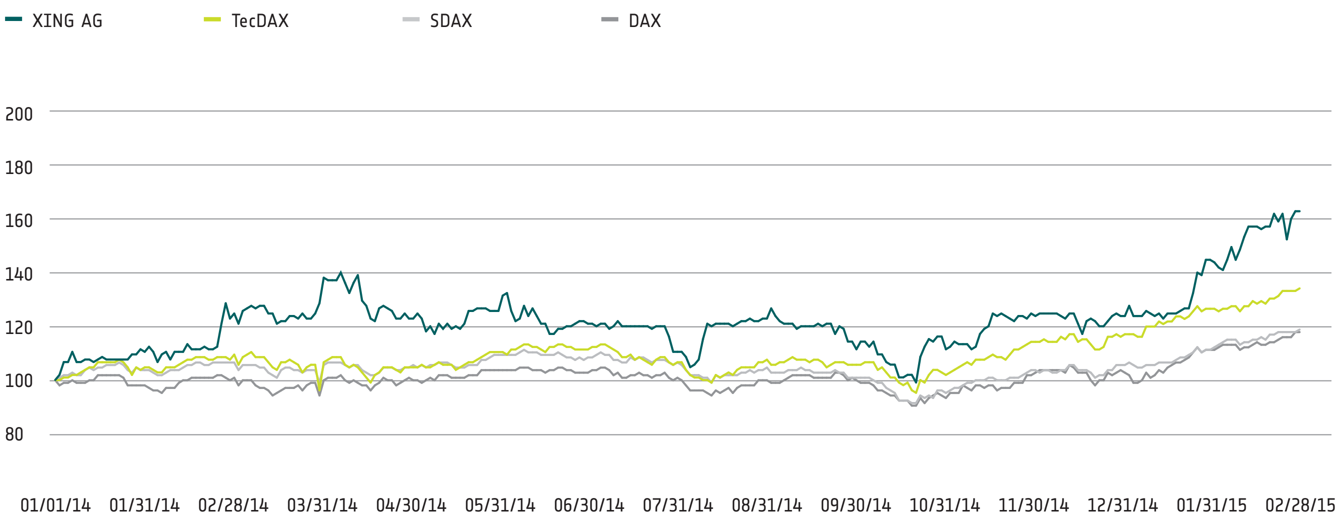
Basic data about the XING share

Number of shares	5,592,137
Share capital in €	5,592,137
Share type	Registered shares
IPO	December 7, 2006
ISIN	DE000XNG8888
Bloomberg	O1BC
Reuters	OBCGn.DE
Transparency level	Prime Standard
Index	TecDAX
Sector	Software

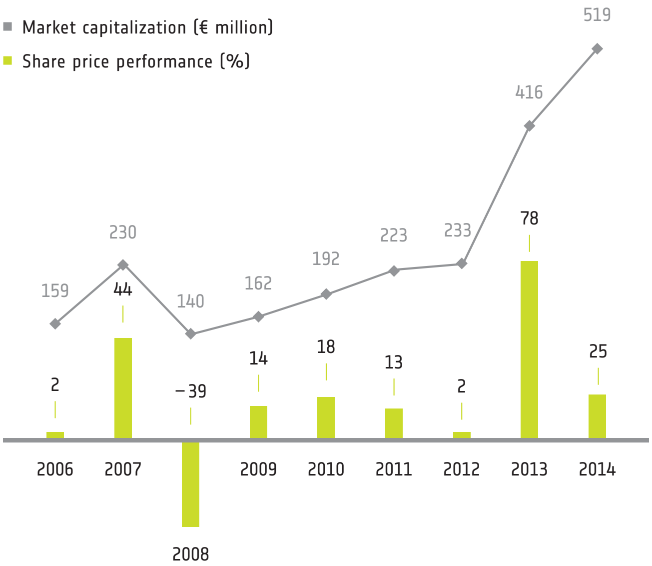
INVESTORS ACKNOWLEDGE GROWTH REVITALISATION WITH SOLID GROWTH IN SHARE PRICE

At the end of 2013/start of 2014 XING repositioned itself with a new vision (For a better working life) and mission (Enable professionals to grow), and this is already bearing fruit. Today we are no longer just a careers portal, we're increasingly becoming a platform that shows members the opportunities presented by the changes taking place in the world of work and help them find the right job suited to their lifestyle. We have regularly reported on the progress we made in implementing our new strategy which has seen quarterly increases in growth rates during the course of 2014. Overall, we grew by 20 percent in 2014 (2013: 16 percent, of which 10 percent organically). The capital market has warmly welcomed these developments with the Commerzbank increasing its share price target from 90 to € 120 in March 2014 with total growth of 25 percent for 2014. Publication of our provisional results for the 2014 financial year on 20 February 2015 saw another rise in analyst and investor trust in our mid-term growth targets to double our 2012 revenues (€ 74 million) after having reported 24 percent growth during Q4. The share price growth seen in 2014 continued into 2015 where our share has grown by around 50 percent since the start of the year. A number of analysts also published updates estimates as well as predominantly positive recommendations (6 recommendations to buy by 9 banks). In the first 2 months of 2015 alone, XING's stock market value has grown by over € 260 million to more than € 780 million.

Comparison of share price performance from January 1, 2014 to February 28, 2015 (indexed)



Share price performance and market capitalization since the IPO



Stock market performance

In %	2014	2013
XING share	25	78
TecDax	18	41
SDAX	6	29
DAX	3	25

MAJOR VALUE GROWTH SEEN AGAIN ON INDEXES

Following a strong 2013, the general recovery on the capital markets continued in 2014. The DAX index grew by 3 percent in 2014, while the SDAX saw improved growth of 6 percent and the TecDAX even rising by 18 percent. As was the case in 2013, the XING share easily topped all of these indexes with growth of 25 percent to end 2014 at a price of € 92.81.

Key data on the XING share

	2014	2013	2012	2011	2010
XETRA closing price on Dec. 31	€ 92.81	€ 74.40	€ 41.87	€ 41.05	€ 36.35
High	€ 105.85	€ 86.00	€ 58.50	€ 63.00	€ 36.75
Low	€ 73.55	€ 38.00	€ 33.51	€ 36.95	€ 26.50
Market capitalization as of Dec. 31	€ 519 million	€ 416 million	€ 232 million	€ 223 million	€ 192 million
Average trading volume per day (XETRA)	6,817	9,292	17,035	22,540	9,619
TecDAX ranking					
based on trading volume	28	28	25	25	35
based on free-float market capitalization	31	30	37	25	44
Earnings per share (diluted)	€ 2.80 [5]	€ 1.90 [4]	€ 1.71 [3]	€ 1.73 [1]	€ 1.37
Number of shares	5,592,137	5,592,137	5,554,243	5,426,321	5,291,996
Dividend per share	€ 0.92 [6]	€ 0.62	€ 0.56	€ 0.56	–
Special dividend per share[2]	–	€ 3.58	–	€ 3.76 [2]	–

1) Adjusted for the one-time write down of the market entry costs in Spain and Turkey in the amount of €14.4 million.
2) Special distribution of funds agreed on at the 2011 AGM and paid out in 2012
3) Adjusted for €1.9 million in one-time costs relating to the mandatory tender offer submitted by Burda Digital GmbH and the kununu GmbH acquisition.
4) Adjusted for €1.5 million in non-operating expenses arising from the earn-out obligation of kununu GmbH.
5) Adjusted for €7.1 million in non-operating expenses arising from the earn-out obligation of kununu GmbH and the write-down of XING Events.
6) Proposal to be made at the Annual General Meeting (06/03/2016)

ANALYSTS INCREASE TARGET PRICES FOLLOWING PUBLICATION OF 2014 FINANCIAL RESULTS

Ten banks (2013: eight banks) currently analyse the XING share. These independent brokers intensively monitor our company's development by conducting competitive analyses, preparing a risk/reward profile and modelling the anticipated development of our business. The discounted cash flow method is often used to calculate a target price, and the majority of XING analysts use this method as well. After publishing the provisional results for 2014, almost all of the analysts revised their estimates and commented on our figures. After reviewing our provisional results published on 20 February 2015, eight out of ten analysts issued brief studies and generally increased their target prices by a large margin. This led to an average target price of € 131 with the range extending from € 74 to € 170.

Visit our Investor Relations site (https://corporate.xing.com/english/investor-relations/shares/analysts/) for the latest target prices.

Analyst recommendations March 2015

Broker	Analyst	Recom-mendation	Price target
Berenberg Bank	Sarah Simon	Buy	€ 128
Commerzbank	Heike Pauls	Buy	€ 160
Close Brothers Seydler	Marcus Silbe	Buy	€ 200
Deutsche Bank	Benjamin Kohnke	Buy	€ 145
Goldman Sachs	Carl Hazely	Buy	€ 130
Hauck & Aufhäuser	Sascha Berresch	Buy	€ 160
Jefferies	James Lockyer	Buy	€ 170
J.P. Morgan	Marc O'Donnell	Underweight	€ 74
Montega AG	Alexander Braun	Sell	€ 100
Warburg Research	Jochen Reichert	Hold	€ 106

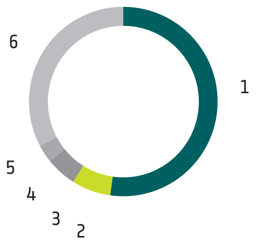
INCREASED FOCUS OF IR ACTIVITIES

Following an extremely intensive 2013 with 20 appointments, in 2014 we stepped down to 17 appointments and used our investor targeting analyses to focus more on the main financial cities. In doing so, we slightly increased our activities in Frankfurt and London while also visiting investors in Chicago for the first time ever. We also took the time to meet with existing and potential investors in New York, Munich, Geneva and of course Hamburg. We are very happy with the outcome of these activities as we were able to acquire a new major shareholder, New York-based investor Oppenheimer, who took a 5.1 percent stake in the company. Union Investment also chose to increase its stake from 3.1 to over 5 percent. Burda Digital GmbH remains a key strategic investor with its over 50 percent share in the Company's share capital.

AGM

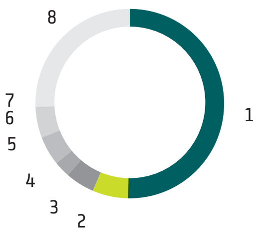
Our Annual General Meeting was again held at the Hamburg Chamber of Crafts on 23 May 2014. As was the case in previous years, we encouraged our shareholders to make use of their voting rights and right to get involved. As a result, attendance rose from 80 percent in 2013 to 81.5 percent in 2014. With a 50.5 percent share of voting rights regarding the Company's share capital, Burda Digital is XING's largest individual shareholder and was again present at the AGM. The remaining 31 percent was largely represented by institutional domestic and international investors. At the AGM, a shareholder dividend of € 0.62 per share was proposed with 99.99 percent voting in favor of the proposal. The upcoming AGM to be held on 3 June 2015 will see the Executive Board propose a 48 percent increase in this dividend to € 0.92 per share.

Shareholder structure in March 2014



1	Burda Digital GmbH	52.26 %
2	Deutsche Asset & Wealth Management	6.66 %
3	Treasury shares	0.23 %
4	Schroders	5.05 %
5	Union Investment	3.10 %
6	Other shareholders	32.70 %

Shareholder structure in March 2015



1	Burda Digital GmbH	50.51 %
2	Deutsche Asset & Wealth Management	5.97 %
3	Schroder Investment Management North America Limited	4.97 %
4	Schroders PLC	2.97 %
5	Union Investment	5.00 %
6	Oppenheimer	5.07 %
7	Treasury shares	0.22 %
8	Others	25.29 %

XING AG SOCIAL MEDIA CHANNELS

http://corporate.xing.com/deutsch/investor-relations/
(XING AG Investor Relations site)
http://blog.xing.com
(The XING AG corporate blog is available in four languages)
www.xing.com/net/pri1a41bcx/Anlegerforum_XING_Aktie
(German-language group for XING investors)
Twitter: xing_ir
(Information and news related to the capital markets)
Twitter: xing_de
(Topics and news related to the Company in general – German only)
Twitter: xing_com
(Corporate information and news in English)

Slideshare: http://de.slideshare.net/XING_com (German) and
http://www.slideshare.net/patmoeller
Youtube: http://www.youtube.com/user/XINGcom7ghDE
Facebook: www.facebook.com/XING

The XING AG Investor Relations department is happy to take questions and comments:

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02.

GROUP MANAGEMENT REPORT

for the financial year from January 1 to December 31, 2014

Business and strategy

Business models and internal management system

The Group management report is structured in accordance with the following reportable segments:

1. **Network/Premium**
2. **E-Recruiting**
3. **Events**

We generate our revenues from a large number of fee-based product offerings for consumers and companies. A model in which our customers pay for most of the services provided in advance.

NETWORK / PREMIUM SEGMENT

The Network subsegment involves all of the XING platform's basic features, thus representing the basis for all of the other divisions. This also includes the XING API (application programming interface between the XING platform and external developers) as well as a large portion of XING's mobile apps.

The Premium subsegment pursues to key business models:

"Premium membership" model

This includes the prepaid subscription fees for Premium memberships, which are available with two membership terms: Three-month membership costs € 9.95 per month while twelve-month membership costs € 7.95 per month. As a rule, member subscriptions are currently received in advance.

The key reasons for becoming a Premium member are:

1. Premium members can see who visited their profile and how visitors were attracted to their profile.
2. Premium members can utilize advanced search features with special search fields and filters.
3. Premium members can send up to 20 messages per month to non-contacts as well.
4. Premium members receive exclusive access to offers from cooperation partners like Design Offices®, Statista (only CH), SBB (only CH), getAbstract®, Lecturio®, HRS®, Fitness First®, Sixt®, Axel Springer and REWE®. Further partners will follow.
5. Premium members can send attachments of up to 100 MB in size to any of their contacts.
6. Premium members have their own clearly structured Premium section on the XING website in which they can easily access all key Premium benefits.

Premium memberships are largely marketed by way of upselling campaigns on the XING platform.

"Advertising & Partnerships" model

The Advertising & Partnerships team is largely in charge of selling advertising space on www.xing.com. Advertisers have access to conventional forms of advertising either directly or via a marketing company based on the click price and CPM (cost-per-mille) model, meaning that they can post super banners, logout page ads, network news headline ads, wallpaper ads, or advertise in the weekly newsletter.

E-RECRUITING SEGMENT

The E-Recruiting division includes Active Recruiting and Passive Recruiting products and services as well as Employer Branding.

The Passive Recruiting subdivision allows recruiters to post various kinds of job ads on the XING platform. Two basic billing models are available: Either a performance-based method based on a pay-per-click model (€ 0.85 per click on an ad) or the conventional fixed-price model (from € 395 per ad) with a predefined term of 30 days.

In the Active Recruiting subdivision, the XING Talent Manager (XTM) was established as an active candidate search and management product. XTM is aimed at businesses and recruiters that regularly use the XING platform to search for and get in touch with people to fill their current vacancies. This product is monetized via fixed-term contracts with single licenses priced at € 249 (per "seat") per month.

The Employer Branding subdivision includes the employer branding profiles. Employers can use their company profile to showcase their employer brand and provide potential candidates with more information about their company's general working environment. Revenues are generated based on a company's number of employees: the monthly fee for an employer branding profile is between € 395 and € 1,095, depending on company size.

Our E-Recruiting offers are mainly marketed by the more than 70-strong permanently employed sales and marketing staff.

EVENTS SEGMENT

XING AG's Events division generates revenues by processing events. Event organizers can use the XING platform to take advantage of the XING Events GmbH technology for their event management work, including registration, ticketing and billing services. XING charges a fee of € 0.99 per participant plus 5.9 percent of the ticket price for these services. XING AG also generates additional revenue through the professional marketing of events. Using an online tool, event organizers can select suitable target groups for events they post on XING and then advertise them on the platform. As with the display advertising product, monetization is based on the CPM (cost-per-mille) model, i. e. on the selected range. The event services are marketed mainly by the permanent staff of the Events division.

Strategy

		OBJECTIVE	CORE INITIATIVES
	NETWORK	Growing member base and level of activity	Increasing the user value Content Mobile products
	PREMIUM	Accelerate subscriber growth Increase ARPU (average revenue per user)	Additional online and offline partner offers Price adjustments/adaptations
	E-RECRUITING	Develop and expand market for Active Recruiting and Employer Branding Further develop Passive Recruiting business	Product development in line with positioning Integration of Jobbörse.com into XING Jobs
	EVENTS	Establish the leading destination for job-related or professional events via XING Events marketplace Use Event business to attract members	Restructure B2B ticketing business Expand B2C marketplace

By focusing on German-speaking countries (the D-A-CH region), we operate in Europe's largest and strongest economic region. With over 8 million members, we are the biggest and also the most frequently used social network (in terms of page impressions) for business professionals. Thanks to this strong basis, we are superbly placed to continue growing in the next few years by establishing new product offerings and services for members and companies. At approximately 10 percent, the penetration rate of social networks used for business purposes in the D-A-CH region is still very low by international standards. We also believe there is considerable growth potential to be tapped in the area of e-recruiting when we consider the size of the market and compare it with our existing market share.

We derived our Group strategy from the strategies for our three segments.

1. Network / Premium segment

The strategic objective of this segment is to attract greater numbers of users in the coming years, continuing the trend of recent years. With over 8.3 million users, we are the market leader in Germany, Austria, and Switzerland and, thanks to a potential target group of over 20 million people in these three countries, have considerable opportunities to expand in our market. To achieve this strategic objective, we need to further boost our innovative capacity and develop relevant functions for our members. In the 2015 financial year, this will mainly involve new products and tools in line with the positioning "For a better working life."

The strategic objective of the Premium subsegment is to offer the over 800,000 XING subscribers a larger number of relevant offerings ("The Best of XING") in order to drive up the rate of conversion from free basic membership to paid membership and accelerate subscriber growth.

2. E-Recruiting segment

The strategic steps that we took over the last two years to expand the product offering and the acquisition of kununu GmbH in the E-Recruiting segment were important contributory factors to this segment's dynamic revenue growth.

We intend to further expand our penetration in the active recruitment subsegment, in which companies themselves search directly for candidates. XING has by far the largest database, we have a competitive product in our XING Talent Manager, and we have a sales team of over 70 people selling this product across Germany, Austria, and Switzerland.

Employer branding is another area in which we generate revenues. We have observed that because the war for talent is still extremely relevant for companies, demand for paid company representation through our employer branding profiles is growing. Here, too, we are striving to deepen our market penetration by expanding our sales activities and achieve dynamic revenue growth again in the coming years.

In the Passive Recruiting subsegment, i. e. the business of marketing online job advertisements on the XING platform, we implemented important strategic measures in the past year to speed up our penetration of this large market, which is very well established in the D-A-CH region. By relaunching the innovative XING Jobs and acquiring the jobbörse.com platform in January 2015, we are poised to offer an attractive recruitment platform in the future that has much greater relevance for our members and will also translate into higher revenues in the coming years.

3. Events segment

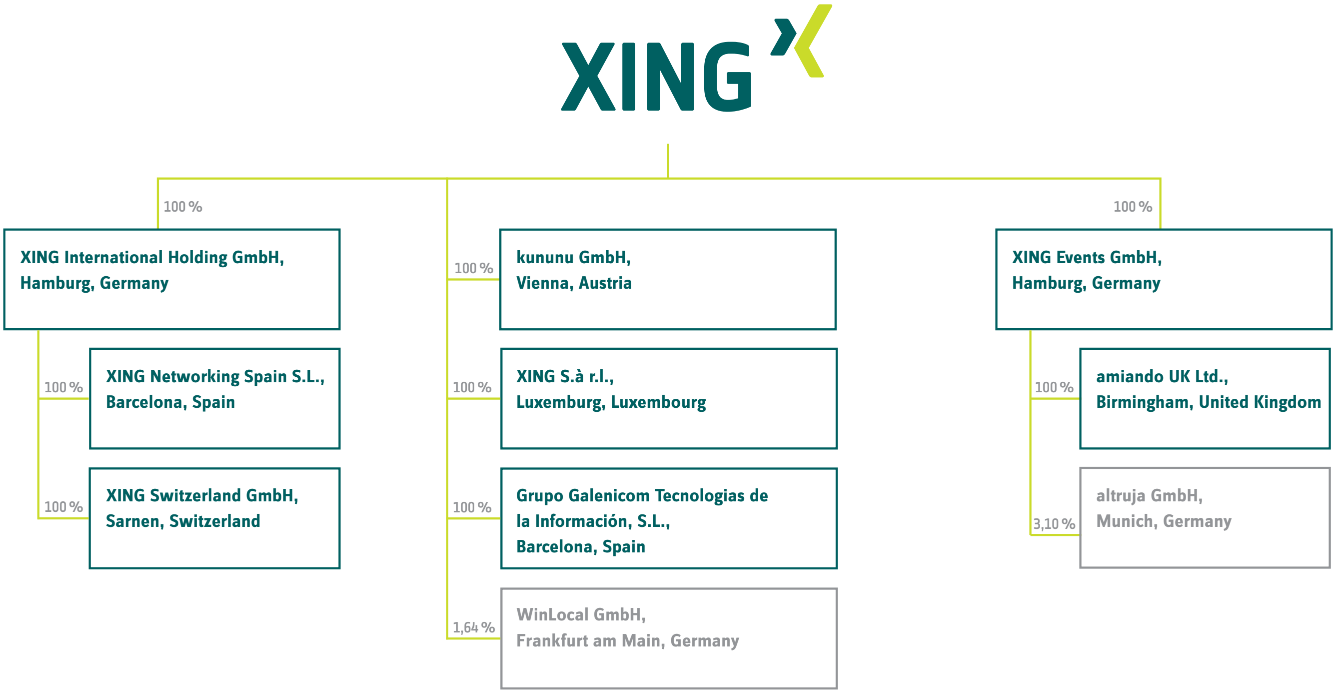
XING generates revenues by providing the technological infrastructure for better marketing, management, and execution of professional events. Since 2014, we have also increasingly concentrated on expanding the XING Events marketplace to become the primary destination for business-related events in the D-A-CH region. Thus, not only are we increasingly setting ourselves apart from the competition, but we also offer our members attractive opportunities for advancement or networking in line with the positioning "For a better working life." Here, our aim is to create a stronger link between organized events and the XING platform at the same time to make it easier to convert attendees at business events into XING platform members.

The segment-specific strategies are aimed at underpinning our market lead in professional networks in the D-A-CH region and making us stand out further from our competitors. Our product development efforts are aimed squarely at the needs of our local target groups. This allows us to differentiate ourselves from other products on the market that are less suited to national or regional requirements.

Strategic financing measures

Thanks to the favorable market conditions, the Company secured credit lines totaling € 20 million in financial year 2014 with the principal aim of increasing its short-term flexibility. These credit lines have not yet been drawn down.

Organizational structure of the Group



In the past financial year, XING AG had a total of ten active investments in companies in and outside Germany, of which six were direct investments and four were indirect investments through intermediate companies. Eight of the ten investees are controlled by XING AG and are therefore fully consolidated in XING AG's consolidated financial statements. XING AG and XING Events GmbH hold only insignificant interests in two other investees. These two entities are therefore not included in the consolidated financial statements; the value of the investment is reported as Equity investments under Financial assets.

XING AG also has equity investments in two inactive entities domiciled in Istanbul, Turkey, and one inactive entity domiciled in Wilmington, Delaware, USA, all of which are in liquidation and no longer shown in the consolidated financial statements.

Employees

"FOR A BETTER WORKING LIFE" – OUR VISION

This is a measuring stick we apply to ourselves not only in terms of XING users but also our employees. Every week in our company meetings, we bring out the Mood-O-Meter. Employees can use it to anonymously rate how well XING as a company is pursuing our vision and how positively we are perceived as an employer.

The Executive Board then addresses critical comments directly and, based on this feedback, initiates improvement projects.

Staff development has a high priority at XING. This is based on our firm conviction that employees work best in the areas where their real talents lie and that their motivation is highest when they have found their place in the Company that encourages their strengths the most. Our task is to find the right job for each individual in which their strengths and the job profile are a perfect fit. For instance, we were able to promote from within for one-third of open positions in 2014.

For employees who are looking to go into management, we hold regular potential evaluations at which we jointly identify management talents and the skills to be developed along the way to becoming a manager, be it through coaching on the job or individual coaching sessions with external trainers. All told, 14 employees from within the Company were promoted to executive positions in 2014.

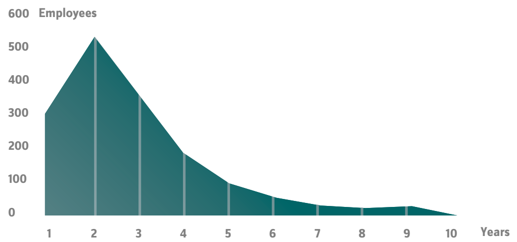
Our employees' satisfaction with the Company is also evident in the high hiring rate based on employee recommendations. In 2014, 25 percent of hires from outside the Company came to us through recommendations from employees.

It goes without saying that our senior executives also welcome feedback in order to continuously improve their leadership skills and grow with the team. For this reason, a system of structured management feedback was introduced in 2014 that is subsequently moderated, with the team giving feedback to the executive in question. This creates a constructive exchange, and the executive and the team have the opportunity to review mutual accomplishments, address problems openly, and initiate improvements together.

Reconciliation of family life, leisure time and work is also part of our vision. We offer individual working arrangements tailored to employees' personal needs and the realities of their department. For instance, we help employees to return to work after parental leave and create part-time management positions. We create flexible offers such as working at a home office, jogging around the Alster river during lunch break or taking a sabbatical.

As diverse as our working arrangements are, so too are the people who work under the XING roof: people of 50 different nationalities speaking 10 languages have found a home at XING.

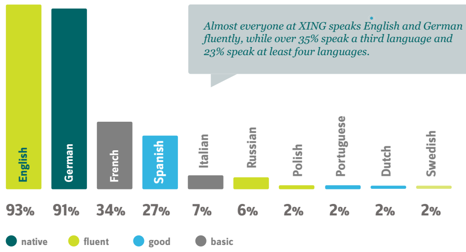
EMPLOYMENT DURATION



EMPLOYEE GROWTH

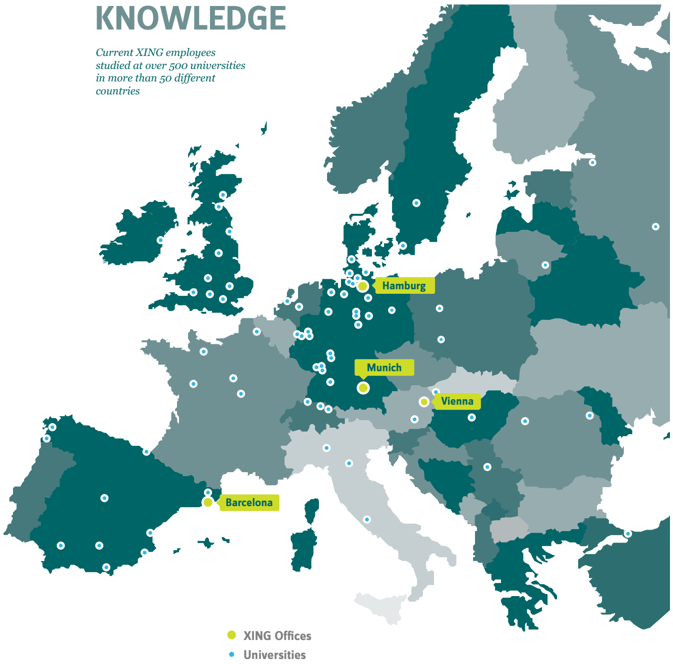
LANGUAGES

Almost everyone at XING speaks English and German fluently, while over 35% speak a third language and 23% speak at least four languages.



KNOWLEDGE

Current XING employees studied at over 500 universities in more than 50 different countries



MOST PROMOTED JOB POSITIONS

Around 30% of all XING employees have been promoted at least once since joining the company.

Top Promoted

1. **Software Engineer**
   Junior Software Engineer
2. **Quality Assurance Manager**
   Junior Quality Assurance Manager
3. **Senior Software Engineer**
   Software Engineer

Runners-up

4. **Senior Product Manager**
   Product Manager
5. **Front End Engineer**
   Junior Front End Engineer
6. **Senior Quality Assurance Manager**
   Quality Assurance Manager

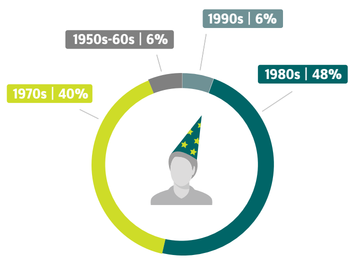
OUR SKILLS

Fun fact: it seems that our hobbies do depend on the city we work in, for example in Hamburg we like Yoga, in Munich hiking, in Vienna art and in Aschaffenburg football.

MOST COMMON BIRTHDAYS

19 June 1981
23 August 1967
Our most common birthdays

20 May
27 January
4 August
1 February
Birthdays of employees with the highest career levels



Business and operating environment

Macroeconomic and sector-specific environment

MACROECONOMIC ENVIRONMENT

According to figures published by the German Federal Statistical Office, the German economy expanded by 1.6 percent in 2014. This growth was fueled by private consumer demand and exports. The upturn on the labor market and rising real wages brought about a sharp rise in consumer spending among private households. At the same time, despite the difficult economic situation worldwide, exports grew faster than imports, enabling net exports to make a positive contribution to growth on the whole. The self-supporting upswing in investment hoped for at the beginning of the year largely failed to materialize, however. Geopolitical risks continued to make companies reluctant to invest. According to the Austrian Institute of Economic Research, the Austrian economy grew by 0.3 percent, while Switzerland's GDP was up 1.8 percent (Swiss State Secretariat for Economic Affairs (SECO)).

SECTOR-SPECIFIC ENVIRONMENT

The German labor market remained in good shape throughout the year. Although the jobless figure rose marginally, figures released by the Federal Statistical Office showed that the number of people in work progressively increased. An average, Germany had 42.65 million people in gainful employment in 2014, around 0.9 percent more than in the previous year. At the end of 2014, roughly 2.9 million people in Germany were unemployed. The situation on the Austrian labor market remained strained. Figures published by the Austrian Institute of Economic Research show that unemployment increased again in 2014, rising to a new record level of 8.4 percent averaged over the year. The Swiss labor market followed a similar trend to the previous year, with an average unemployment rate of 3.2 percent for the year. A slight downtrend in the number of people out of work was apparent in the second half of the year. Employment edged up 0.7 percent (figures from SECO).

Overall, there were significant regional disparities between the labor markets in the D-A-CH region (Germany, Austria, Switzerland). Some areas still had high unemployment levels, whereas others experienced a shortage of labor, especially skilled labor. The large disparities in the European labor markets have given rise to much greater mobility among workers, particularly among younger people, who use the Internet to find information and send out applications. This tool is becoming an increasingly important source of information for the labor market.

At the same time, the acceptance of the Internet is steadily growing. In 2014, 87 percent of the population in Germany were online, putting the number of Internet users at over 71 million. The number of people using social networks also rose: According to a BITKOM study, 76 percent of all Internet users in Germany in the reporting year were registered in one of the social networks and 73 percent were also active users of social networks. In the 14 to 29 age bracket, as many as 94 percent were active in one or more networks.

Financial and non-financial key performance indicators

We use segment-specific financial and non-financial key performance indicators for effective management of our business activities and to measure the success of the strategic objectives of the Network/Premium, E-Recruiting, and Events divisions. The overriding goal of our corporate activities is to increase the number of members and people using our services in the long term while also expanding our revenue base. To this end, we focus on two financial key performance indicators and at least one non-financial key performance indicator in each segment. These indicators are continually monitored and compared with a rolling forecast as well as budget targets on a daily, weekly and monthly basis.

FINANCIAL KEY PERFORMANCE INDICATORS

Revenues

We have defined revenue growth in the corresponding segments as the main financial key performance indicator. At XING, revenue growth is an important measure of our customers' satisfaction in the B2C and B2B areas. Revenue growth is a direct consequence of the growth in paid memberships as well as a corresponding increase in the uptake of our enterprise solutions, especially in the E-Recruiting segment.

Accordingly, revenue growth is continuously measured in all three segments and reported to the Executive Board and Supervisory Board.

Segment EBITDA

The second important financial key performance indicator is EBITDA, the segment operating result. To calculate EBITDA, all segment-related costs and expenses such as personnel, rental, and other operating expenses are subtracted from segment revenues.

Non-financial key performance indicators

We employed three important non-financial key performance indicators in the past financial year:

1. **Number of XING members**
2. **Number of XING Premium members**
3. **Number of corporate customers**

The first two key performance indicators are used in the Network/Premium segment. We use the number of corporate customers as a key performance indicator in the E-Recruiting and Event segments because these divisions generate their revenue exclusively from the sale of services to corporate customers.

Results of operations, net assets, and financial position

COMPARISON OF OUTLOOK FOR 2014 WITH ACTUAL DEVELOPMENT IN THE 2014 FINANCIAL YEAR

We formulated detailed objectives based on the new GAS regulations for the first time in our 2013 Annual Report and reported regularly on developments and departures from these objectives in the quarterly reports for last year.

The interim report for the third quarter of 2014 set out the EBITDA forecast of € 28 - € 29 million including earn-out obligations. With EBITDA of € 29.2 million in 2014, we are at the upper end of the published forecast. On the whole, we are very satisfied with the development of our financial key performance indicators. We reached or even exceeded our objectives in all essential dimensions. Only in the Events segment did we fail to achieve our projection of double-digit revenue growth on account of the change in the market situation and the strategic realignment with greater emphasis on expanding the B2C business.

Financial key performance indicators	Forecast 2014	Actual 2014
Consolidated revenues	Double-digit percentage growth	+ 20 %
EBITDA (adjusted for extraordinary items) Group	Significant increase in EBITDA	(€ 31.6 million) + 30 %
Revenues, Network/Premium segment	High single-digit percentage growth	+ 12 %
EBITDA (adjusted for extraordinary items), Network/Premium segment	Significant increase in segment EBITDA	+ 15 %
Revenues, E-Recruiting segment	Double-digit percentage growth	+ 39 %
EBITDA (adjusted for extraordinary items), E-Recruiting segment	Significant increase in segment EBITDA	+ 62 %
Revenues, Events segment	Double-digit percentage growth	+ 3 %
EBITDA (adjusted for extraordinary items), Events segment	Slightly negative segment EBITDA	€ − 2.1 million

Dividend targets

We announced a sustainable dividend policy in 2012. Accordingly, we are also planning to propose to the Annual General Meeting to be held on June 03, 2015 that a dividend be paid amounting to € 0.92 per no-par value share carrying dividend rights. The liquid funds of € 64 million as of the end of 2014 and XING's cash-generative business model enable the Company to pay a dividend without affecting its business strategy, which is aimed at achieving growth. We intend to continue to make regular dividend payments in the future.

Liquidity and financial targets

On account of our highly profitable, cash-generative business model, our liquidity requirements are very low. We therefore anticipate a further increase in cash funds in the 2015 financial year excluding extraordinary items such as acquisitions or special dividends.

Planned capital expenditures

Following an increase in the investment volume (CAPEX) of € 1.6 million to € 12.1 million in the 2014 financial year (excl. acquisitions), we anticipate a similar level of capital expenditures for the 2015 financial year. As in previous years, capital expenditures will be concentrated on server capacity, software licenses, and internally developed software.

As regards the non-financial key performance indicators, we clearly achieved all the main targets in the Events segment except for business customer growth. Only for B2B corporate customers in the Events segment was the anticipated revenue growth not achieved on account of the change in the market situation and the strategic realignment with greater emphasis on expanding the B2C business.

Non-financial key performance indicators	Forecast 2014	Actual 2014
Network/Premium segment: Members in the D-A-CH region	Year-on-year growth (2013: +839,000)	+ 1,076,000
Network/Premium segment: Subscribers in the D-A-CH region	Stronger growth in absolute terms (2013: + 24,000)	+ 28,177
E-Recruiting segment: Number of corporate customers (B2B)	Sharp increase	+ 1,166
Events segment: Number of corporate customers (B2B)	Sharp increase	– 50

The forecast in terms of all financial and non-financial key performance indicators for the 2015 financial year is explained in detail in the report on opportunities and risks.

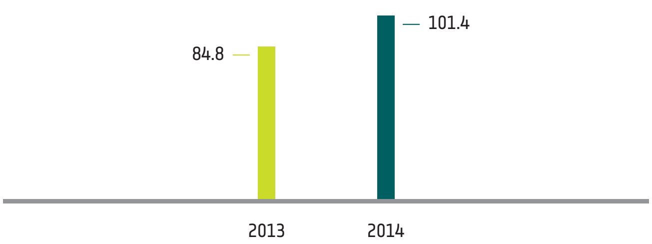
RESULTS OF OPERATIONS

Revenues

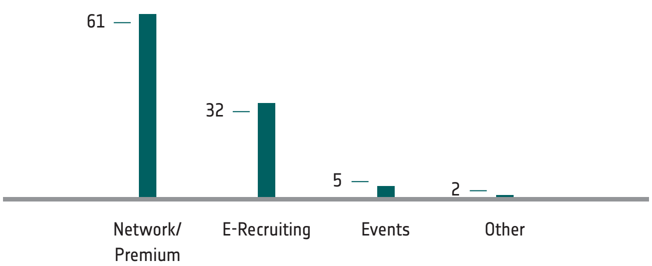
Revenues of the XING Group including other operating income rose from € 84.8 million in the 2013 financial year to € 101.4 million in 2014. This corresponds to a relative growth rate of 20 percent or year-on-year growth of € 16.5 million in absolute terms. Similar to in the previous year, we lifted our growth rates on a quarter-on-quarter basis. Revenues increased by 16 percent in the first and second quarters, by 21 percent in the third quarter, and by as much as 22 percent in the fourth quarter.

The fast-growing E-Recruiting segment contributed over € 9 million to the Group's growth. However, the core business with paid memberships also expanded by € 6.6 million in the course of the year. Other operating income, i. e. income from offsetting non-cash benefits, income from returned bank transfers and dunning fees, and income from exchange rate differences, amounted to € 2.2 million, up on the prior-year figure of € 1.5 million.

Total revenues, Group (in € million)



Revenue split (in %)



Personnel expenses

At the end of 2014 we had 649 employees. Our highly qualified employees are the most important building block for XING's commercial success. For this reason, we continued to invest in the acquisition of motivated people again in the 2014 financial year as well as in internal training programs. As a result, our headcount increased from 571 as of December 31, 2013 to 649 at the end of the reporting period. Personnel expenses consequently rose from € 35.8 million in 2013 (including € 1.5 million in non-operating expenses from the earn-out obligation for the acquisition of kununu GmbH) to € 41.8 million in the reporting period (including an earn-out obligation of € 2.4 million). Not including the earn-out obligation, the personnel expenses ratio decreased slightly from 40 percent to 39 percent of revenues.

Marketing expenses

In connection with our new positioning of XING "For a better working life," we upped our marketing spend to € 9.1 million in the financial year ended (previous year: € 6.1 million), mainly for broadcasting a television campaign in the first quarter of 2014. Marketing activities in the Network/Premium segment focused on the areas of SEM (search engine marketing), affiliate marketing, mailshots and conventional display advertising. Marketing campaigns were also conducted in the E-Recruiting segment. As a result, marketing expenses rose slightly from seven percent (2013) to nine percent of revenues in the 2014 financial year.

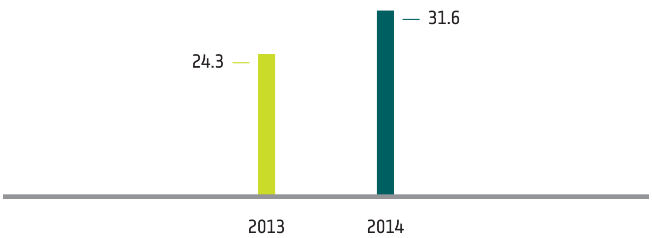
Other operating expenses

Other operating expenses rose only slightly, from € 20.0 million by € 1.2 million to € 21.2 million. The main operating expenses here include IT and other services (€ 5.9 million compared to € 4.7 million in 2013), expenses for premises (€ 4.0 million compared to € 4.0 million in 2013), legal consulting fees (€ 0.5 million compared to € 0.5 million in 2013), payments relating to bank balances (€ 2.0 million compared to € 2.0 million in 2013), travel, entertainment and other business expenses (€ 1.7 million compared to € 1.7 million in 2013), and server hosting, administration and traffic costs (€ 2.2 million compared to € 2.0 million in 2013). Section 10 of the notes to the financial statements includes a detailed table of all items reported under other operating expenses.

EBITDA

After deducting expenses, the operating result (EBITDA) of the XING Group in the reporting period was € 29.2 million. Compared with the prior-year figure, this constitutes an increase of € 6.4 million or 28 percent. Excluding the non-operating earn-out obligation from the kununu transaction, the operating result rose by as much as € 7.3 million in the 2014 financial year, from € 24.3 million to € 31.6 million, which represents an increase of 30 percent.

EBITDA excl. kununu earn-out obligations (in € million)



Depreciation, amortization and impairment losses

Current depreciation, amortization and impairment losses increased only slightly year-on-year to € 8.6 million in the reporting period (previous year: € 8.5 million). This item includes impairment charges of € 0.5 million for platform modules that are no longer in use. Other amortization of € 5.6 million relates to purchased and internally developed software as well as other intangible assets. On account of the change in the market situation, the Company also recognized a one-off impairment charge of € 7.5 million for the Events segment.

Financial result and taxes

Reflecting the continuation of XING's conservative investment policy, interest income fell due to the low level of interest rates. Interest expense is mainly due to the unwinding of discounts on non-current liabilities.

Current taxes are determined by the companies of the XING Group based on the tax laws applicable in their country of domicile. Tax expense including the impairment charge on XING Events amounted to € 6.9 million in the 2014 reporting period, up from € 5.3 million in the previous year.

Net profit and earnings per share

After deducting all costs and the impairment charge for XING Events, net profit in 2014 amounted to € 6.2 million, down from € 9.1 million in 2013. This gives rise to basic earnings per share of € 1.11 for financial year 2014 compared with € 1.65 per share in 2013. Excluding the kununu earn-out obligations and the impairment charge for XING Events, net profit was € 15.7 million (previous year: € 10.5 million). Adjusted for these effects, earnings per share therefore amounted to € 2.81 (previous year: € 1.90).

Dividend distribution

Based on the 2014 results and the implementation of a long-term dividend policy, the Executive Board and Supervisory Board will propose to the next Annual General Meeting to be held on June 3, 2014 that the shareholders be paid a dividend of € 0.92 per share (previous year: € 0.62). This figure is based on the Company's net profit and also on benchmarks of TecDAX companies with comparable growth figures.

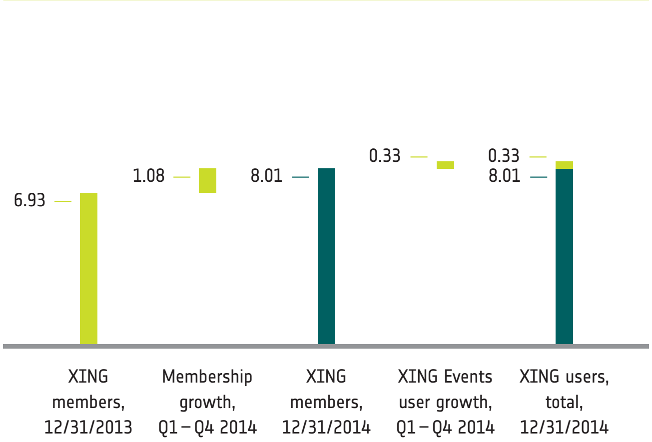
SEGMENT PERFORMANCE

The 2013 Group management report was the first report to include segment-based income statements. This methodology is continued in the present report. In addition to the explanation of the segments' key performance indicators, the main product changes and developments for the segments in question are also outlined here.

Network / Premium segment

The Network/Premium segment is the backbone of the XING platform. At the end of financial year 2014, more than eight million members were using the XING platform. Including XING Events users, the number of users at the end of 2014 was 8.33 million. The new positioning, "For a better working life," and the related product developments and other measures in the Network subsegment have significantly accelerated member growth. Whereas around 839,000 new members had registered on the XING platform in 2013, there were almost 1.1 million new registrations in 2014. We achieved new record quarter-on-quarter growth of 337,000 registrations in the fourth quarter, which is traditionally the weakest period.

Member and user growth 2014 (in million)



(Rounding differences are possible)

Key product developments and innovations in the Network business

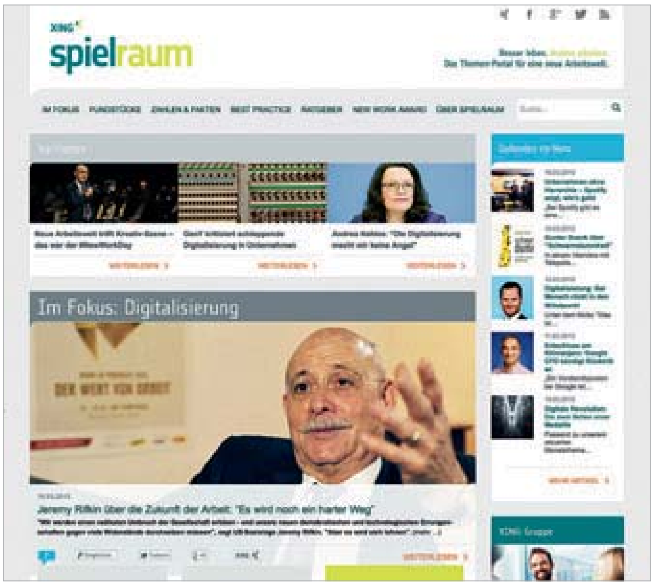
Skills shortages, digitization, and the changing values of the new generation of employees (Generation Y) are shaping the framework on which we have defined our positioning "For a better working life." We also consistently focus our product development on this to assist our members with their career planning or career advancement or to show them ways to improve their work/life balance.

FutureMe — Finding inspiration for my career, discovering prospects, advancing my career

What career options do I have? Which career paths lead to a job that interests me? The innovative "FutureMe" product addresses these questions and more. There are profiles for more than 2,300 different professions on FutureMe. Based on the information provided by XING members, we show the typical qualifications and career paths for a wide range of professions. The training required to enter the profession and the salary range are as much a part of a FutureMe job profile as the main places where people in that job are based. Anyone who is curious to see the next step in the career of someone who previously held a similar position to them can therefore find this out here.

XING spielraum — the topics portal for the new world of work

Only a few months after our XING spielraum print magazine hit the newsstands, the web portal of the same name went live. The print version comprised over 100 pages of stories, interviews, and interesting facts on the topic of the new world of work. We are continuing this idea with https://spielraum.xing.com, a web portal focused on the new world of work that will keep visitors up to date with a mix of exclusive and selective content. In addition to interviews with experts, the portal will contain recent studies, interesting facts and figures, as well as a whole series of useful tips and best practices about the new world of work.



In this day and age, we no longer want to work for life's sake, or count down the hours in a nine-to-five job. What we actually want today is for our work to make just as much sense as all other decisions we take in life. The increasing shortage of skilled labor and demographic change gives us the freedom to do this. However, this freedom not only presents opportunities but also poses challenges and risks; guidance is needed more than ever before. Our aim in creating XING spielraum is to offer some guidance to modern-day employees, the "knowledge workers."

New group product

Groups are one of the main products on XING. They have been part of XING since the very beginning. Well over two million XING members are registered in the more than 66,000 groups, providing valuable tips and updating each other on the latest developments in their areas of specialization or interest. We have now reinterpreted the group product, adding a series of contemporary features such as the possibility of incorporating photos and videos into postings. Another new feature: At the request of many of our members, the groups are also available on smartphones for the first time. This enables members to follow and participate in current discussions on the go using the iOS or the Android app.

Lebenslauf.com becomes a XING service

We acquired the portal www.lebenslauf.com in May 2014. This service enables job seekers to create a résumé as a PDF file. Since its integration, XING members have been able to use the service free of charge. Lebenslauf.com will be turned into the one-stop shop for application documents. However, jobseekers generally need a full application rather than just a résumé.

By enhancing existing products and establishing new offerings in line with the portal's positioning, we further expanded the range of functions and their relevance. A recent survey of XING members conducted by Burda Digital GmbH showed that XING members are particularly satisfied with their network. XING is well ahead of the competition in terms of customer support, appearance, user friendliness, customization options, and relevance of content.

Development in the Premium subsegment

In 2014, we also made significant progress with the regeneration of revenue growth in the Premium subsegment. This had slowed considerably to four percent in the first quarter of 2013 due to the temporary focus on basic members. The strategic focus is now once again on the paid memberships business as part of the new positioning. For example, we rolled out "The New Premium" for our members at the end of 2013/beginning of 2014. This revamped offering for Premium members, which in addition to greatly improved online functions also includes partner offerings from the real world for the first time, gives our users new incentives to opt for extended membership.

Subscribers can use the offerings of our Premium partners at no further cost. The current partner offer comprises the offerings and services of REWE®, HRS®, lecturio®, SIXT®, Axel Springer, and, since the end of 2014/beginning of 2015, also the services of getAbstract®, SBB® and Statista® (exclusively for members in Switzerland).

The three new partners provide additional attractive services for our Premium members:

In pursuit of the goal of offering compact knowledge for quick, easy absorption, we found an attractive partner for our Premium offering in **getAbstract**. Alongside all their other professional and private obligations, most people simply do not have the time to read a non-fiction book in peace from cover to cover. With summaries of business books and a focus on the essentials, Premium members can get an overview and absorb the relevant information quickly and easily. getAbstract makes its library comprising over 10,000 summaries of business books, TED talks, and financial reports available to all 850,000 XING customers members free of charge. Premium members can select one abstract per week. The abstracts can be read or listened to on the fly on their smartphone, at work on their PC or at home on their tablet.

Exclusively for Premium customers in Switzerland, we have two new partners who will enhance our offering in local markets as well: **Swiss Federal Railways (SBB)** and **Statista**.

In **Swiss Federal Railways (SBB)** we have gained a partner that gives our Premium members the flexibility to continue their work at the train station after a flight to Bern, for example, by booking one of the modern meeting rooms (holding between 2 and 40 people) and individual workstations at the business points in the Bern and Geneva railway stations. This gives them the opportunity to work while they are waiting and hold meetings in a central location. The two business points in Berlin and Geneva are available to all XING Premium members free of charge. Premium members may use the offering of individual workstations in the "think pod" and the lounge area at no charge for two hours per day, with complementary WiFi access, coffee and fruit.

The new partner **Statista** gives our Premium members in Switzerland exclusive access to the site's expanded offering. Knowledge workers invest a great deal of time in research to gain knowledge of markets and their potential for development, consumers, and the competition. Statista has countless statistics, company data, and forecasts at its disposal. Switzerland alone is covered by 13,000 statisticians and 320 studies. Sources of the surveys are market research and scientific institutions, trade journals and publications, as well as international organizations. In addition, the statistics, which are in German, can easily be downloaded as PowerPoint, Excel, PDF or PNG files and integrated directly into presentations.

Thanks to the cooperation between XING and Statista, all XING Premium members in Switzerland now have free access to the premium content on the statistics portal for one year. This normally costs over CHF 50 per month.

XING launches self-booking tool for advertisements

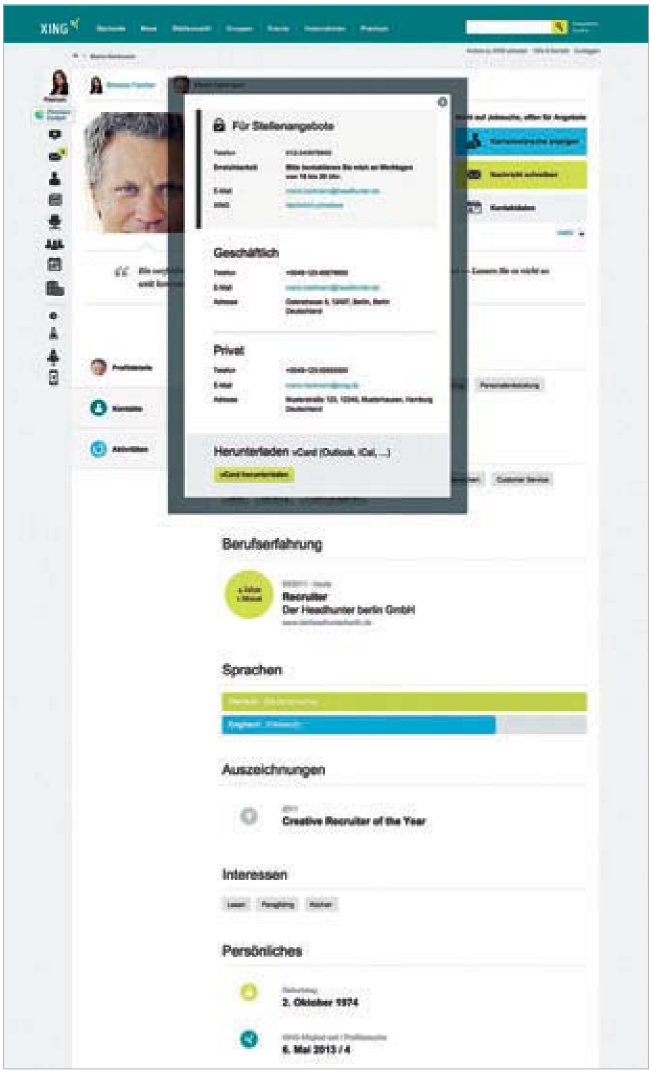
In mid-September we presented a new feature for advertisers. With this feature, XING content such as job advertisements or even certain member or company profiles can be independently promoted simply, rapidly, and efficiently. The special advertisements additionally enable advertisers to promote external websites and offerings in the XING network conveniently and selectively. An automated auction model is used to deliver the advertisements. For this, the advertiser enters a total or daily budget. Each time someone clicks on the advertisement or the ad fades in, payment is made. All advertisers receive comprehensive statistics for measuring performance and optimizing their advertising campaigns.

XING establishes expanded ProJobs membership

According to a representative study of the German working population commissioned by XING, around 40 percent of those surveyed at the beginning of the year could see themselves changing jobs during 2014.

The new “XING ProJobs” Premium add-on will enable headhunters to find our members even more easily than before. ProJobs profiles are highlighted to make it easier for well over 3,000 top recruiters on XING to find them, including both recruiters at well-known companies and headhunters that use the XING Talent Manager (XTM) to look for and get in touch with potential candidates. This allows recruiters to find jobseekers faster, who then have a better chance of receiving interesting job offers. The enhanced profile provides additional self-portrayal options. As well as field, industry and position, ProJobs users can enter the names of preferred employers, salary expectations, preferred locations and working hours. On top of that, they can upload documents such as references. ProJobs also gives users the option to choose who can see their job search and enhanced profile in order to ensure discretion. In addition, XING ProJobs users have exclusive access to vacancies posted by personnel consultants or headhunters that offer annual salaries upwards of € 50,000.

ProJobs membership is an add-on costing between € 24.95 a month (for a term of 18 months) and € 39.95 per month (for a term of three months) on top of regular Premium membership.



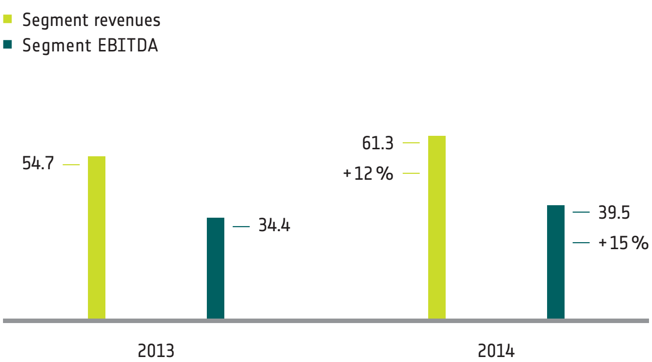
Revenue and earnings development in the Network / Premium segment

Last year, through the higher prioritization and successful strategic realignment in keeping with the positioning "For a better working life," we succeeded in substantially stepping up the pace of growth in the Network/Premium segment once again.

Revenue in the year under review rose by 12 percent to € 61.3 million (previous year: € 54.7 million; 6 percent).

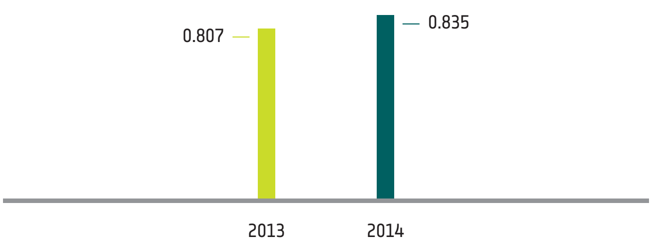
We thus doubled the growth rate in twelve months. In the previous year, the growth rates were just six percent. Revenue climbed by a substantial 15 percent in the fourth quarter of 2014 due to the increase in the volume, mostly of Premium subscribers, as well as to the price increases in the monthly fees for Premium subscription implemented in mid-2013 and in the first half of 2014. After deducting directly attributable costs and expenses, we generated segment EBITDA of € 39.5 million for the 2014 financial year with a margin of 65 percent (previous year: € 34.4 million with a 63 percent margin). This division thus generates a significant part of XING's consolidated profit.

Network/Premium — Segment revenues and EBITDA (in € million)



We also generated solid growth in paid memberships, slightly exceeding the targets for this area. The portfolio of paying members in the D-A-CH region was increased by around 28,000 members to approximately 835,000 at year-end (previous year: 807,000). It should be noted that as a result of the price increases for existing customers during the financial year approximately 10,000 Premium members terminated their contract. Adjusted for this one-time effect, the number of paying members in the D-A-CH region grew by about 38,000 in the financial year (+ 58 percent compared with 2013).

Paying members in D-A-CH (in million)



E-Recruiting segment

In the E-Recruiting reportable segment, revenues and income are chiefly generated by three subsegments:

1. **Passive Recruiting** – Marketing of job advertisements on the XING platform to B2B customers
2. **Employer Branding** – Marketing of paid employer branding profiles (EBP) to B2B customers
3. **Active Sourcing** – Marketing of the XING Talent Manager (XTM) to B2B customers for proactive recruitment on the XING platform

With the exception of the Passive Recruiting offerings, the E-Recruiting products are fixed-term contracts of twelve months which, similar to paid memberships, are paid by our customers in advance.

Thanks to the extremely dynamic developments in all three subsegments, revenues and income in the fast-growing E-Recruiting segment again developed exceedingly well in the year under review. For example, the number of employer branding profiles sold in 2014 doubled, and revenues in the Active Sourcing subsegment actually tripled.

This dynamic development is attributable to the wealth of product developments based on our vision "For a better working life" and our mission "Enable professionals to grow" and also to the three general megatrends that are dramatically changing the world of work at present.

1. *Digitization.* What can be digitized is being digitized. This has repercussions for work processes and the division of labor – gives knowledge workers the opportunity to do their work anywhere.

2. *Demographic trends.* This results in a shortage of skilled labor – something that companies in German-speaking countries are feeling ever more acutely. An ever increasing number of businesses are competing for an ever decreasing number of skilled personnel.

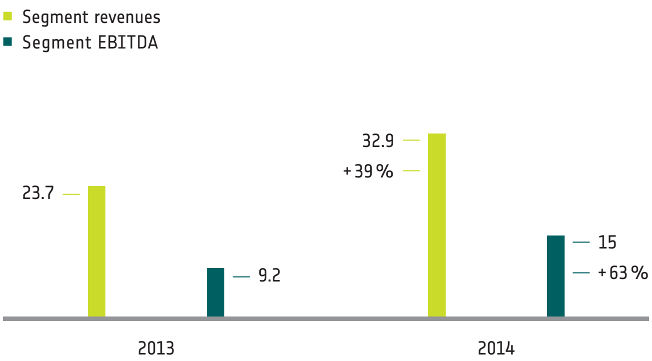
3. *Changing values.* Many observers believe that this change started with the demanding attitude of what has been dubbed "Generation Y." A key aspect of this is the claim that work must fit in with a person's lifestyle, not the other way round.

Revenue and earnings development in the E-Recruiting segment

Segment revenues subsequently rose by 38 percent, from € 23.7 million to € 32.9 million in 2014. After deduction of the costs that are directly attributable to the segment including the € 2.4 million in non-operating expense from the earn-out obligation from the kununu acquisition, segment EBITDA amounted to € 15.0 million for 2014 (previous year: € 9.2 million incl. earn-out obligation of € 1.5 million). Not including the non-operating expense, segment EBITDA amounted to as much as € 17.3 million, compared with € 10.7 million in 2013.

The number of corporate customers (B2B customers) in Germany, Austria, and Switzerland rose to 17,197 in the 2014 financial year (previous year: 16,031).

E-Recruiting — Segment revenues and EBITDA (in € million)



Major product innovations and launches in 2014

In the 2014 financial year, we pressed ahead with the jobs campaign that we had kicked off on the product side in 2013. We made significant advances in terms of products and sales in all three subsegments.

XING Talent Manager for targeted recruitment

In 2014, we focused very much on our customers' needs when refining the XING Talent Manager, completely revamping the XTM home page and the news function, adding new administrative functions, launching a new search mask, and much more. Once the introductory phase was over, we also modified our end customer prices. Corporate customers now pay the regular price of € 249 per month for a single workstation license. Our customers are still very happy with the offering. According to a survey conducted in February 2014 by Statista asking the question "Which active sourcing platforms are developing in the direction that meets your requirements?", almost 90 percent of those surveyed named XING. Reflecting the high level of customer satisfaction, the churn rate in this business continued to fall in the 2014 financial year.

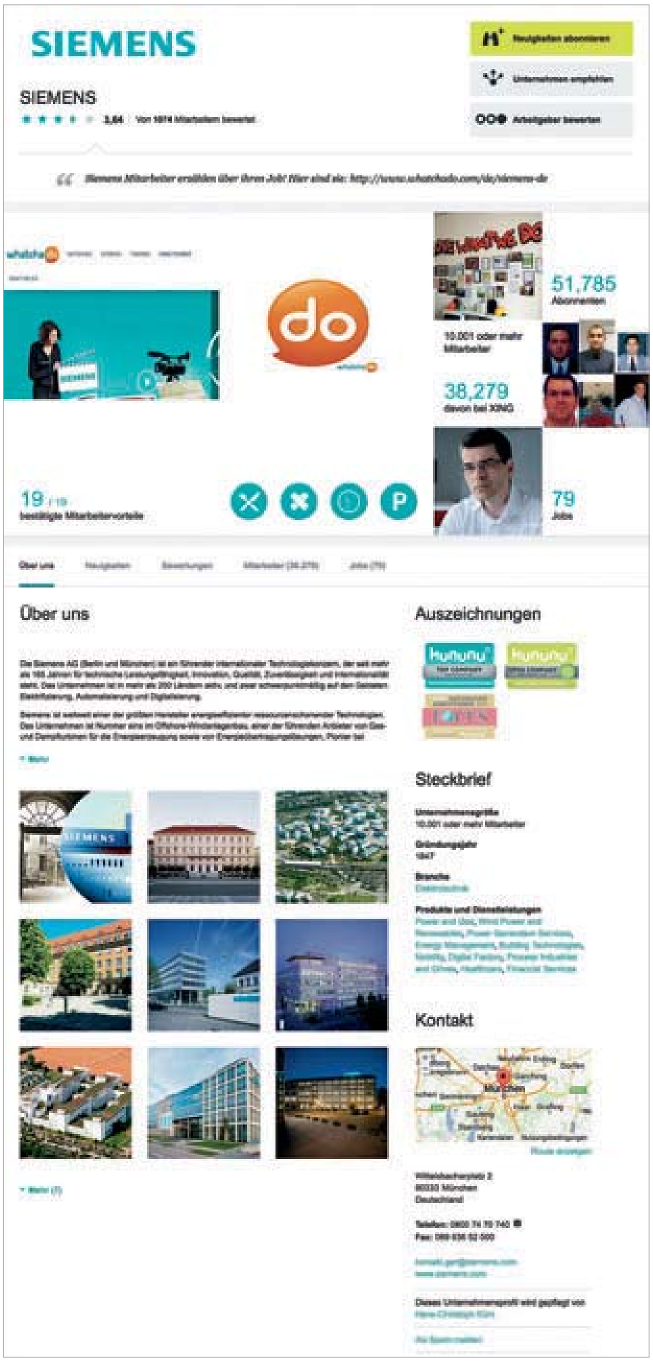
We have added 863 new B2B customers to the XING Talent Manager portfolio since December 2013. This means that more than 2,000 companies already used XING's active sourcing product as of the end of the year.

Employer branding offering completely updated

According to ICR, "More than 90 percent of employers have had difficulties filling vacancies for several years now. Employer image or employer branding is the top priority for human resources departments."

Here, via the kununu.com platform it acquired in 2013 as well as through companies' employer branding profiles in the XING platform, XING provides the right offerings for customers so as to have the right answers to the challenges of strengthening an employer's image. In March 2014, we added valuable supplementary functions to the employer branding profile.

The new XING employer branding profile has a company platform right on the homepage, a perfect opportunity for companies to upload photos and videos and show what they offer. In addition, the feature gives potential job candidates direct access to all areas of the profile. Job advertisements, which are automatically integrated into the corresponding company profile, are also placed in a prominent and clearly visible position. Through better organization of relevant information and the benefits for employees, more detailed information about the company, and a breakdown of the corporate network, employers not only provide an insight into their company, but also leave a lasting impression on potential candidates and create trust through transparency. Last but not least, they benefit from greater reach through the dual presence on XING and kununu, thereby attracting more attention.



Further development of the Passive Recruiting business

The megatrends on the labor market – digitization, skills shortages, and the associated change in values of Generation Y – are leading to a reverse in the balance of power between applicants and companies. For more and more people, the job is no longer just the means to an end. In addition to the goal of career advancement, aspects such as “meaning” and “family-friendliness” are coming to the fore. A recent forsa survey showed that eight out of ten of the 1,011 German specialists and managers surveyed (82 percent) wished their jobs gave them more time to spend with their family, partner or friends. The desire for a meaningful occupation for the common good is also becoming increasingly important. However, about two-thirds of those surveyed do not know where to find such jobs.

We presented the revamped XING Jobs in the third quarter to help companies and potential candidates find each other even better and more efficiently. The new jobs platform is focused squarely on candidates’ needs. In the revamped XING Jobs, the job seeker sees not only the employment ad inserted by the company, which appears in a long list of results found using typical search criteria such as industry, position, and location, but also information that is highly relevant in the modern-day world of work and yet not available on traditional job portals. For example, a separate section contains job advertisements from companies at which work and family life can be reconciled particularly well. By clicking here, potential candidates can find job advertisements from employers whose employees praise aspects such as flextime, a good work/life balance or childcare options. The votes submitted by current and former employees on kununu. XING Jobs also has a section for positions at companies that have particular expertise in the social or environmental sector. The third section lists jobs for people for whom professional development and career advancement are especially important. The visibility of XING Jobs also for non-members is another new feature.

Acquisition of jobbörse.com strengthens positioning in the Passive Recruiting business

After relaunching XING Jobs in October of last year, we are focusing our M&A activities on filling the marketplace, which is set up to meet the needs of users, even faster with more job advertisements to create a better user experience for our members.

In just a few months after rolling out the new XING Jobs platform, we announced our acquisition of Aschaffenburg-based Intelligence Competence Center (Deutschland) AG in January 2015. Among other things, Intelligence Competence Center AG is the operator of the website www.jobbörse.com, the largest job search engine in German-speaking regions with over 2.5 million job advertisements. We are also securing the search technology of Jobbörse.com, which now searches around 15 million domains including more than 1.5 million company websites.

This will enable us to offer our users a significantly higher volume and a much wider variety of job advertisements in the future, thus giving our members a greater chance of finding a job that fits their lifestyle. However, non-members will also be able to search XING Jobs for suitable vacancies in the future.

With the recruitment products and services established in 2014, we have positioned ourselves in line with this major trend and hope to continue our dynamic growth in the E-Recruiting segment in particular.

Events segment

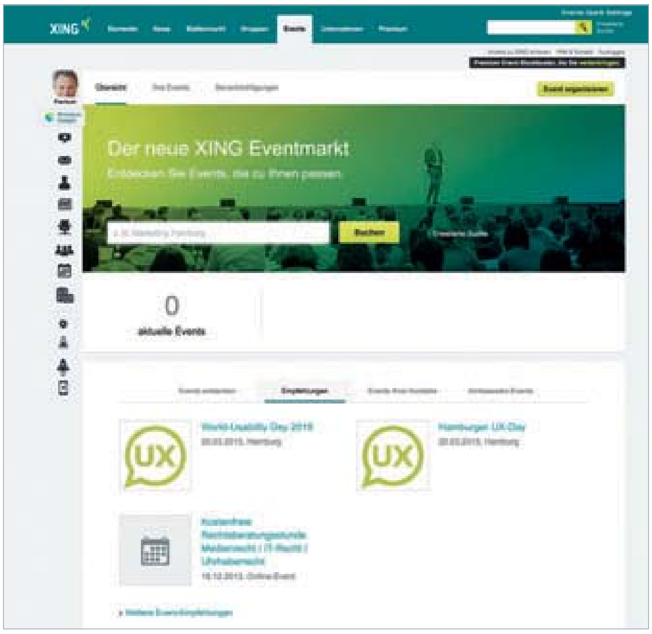
In recent years, our activities in the Events segment were heavily concentrated on building up our portfolio of event organizers. With this pure B2B focus we had acquired a total of 2,246 event organizers for our technological services by the end of 2013. The B2B customer base decreased slightly to 2,196 in the financial year ended. As a consequence, revenues – mainly generated from ticketing and fulfillment services for event organizers –in this segment, which is small for XING, also rose by just three percent to € 5.1 million. The negative contribution to earnings on an EBITDA basis was € – 2.1 million in the financial year ended (previous year: € – 2.7 million). We also revised our planning assumptions for the B2B business following the radical change in the market situation at the end of 2014. We subsequently decided to write down the investment in XING Events GmbH in full. This one-time, non-cash, effect reduced consolidated net profit by € 7.1 million. However, this decision does not affect the change in strategy introduced in mid-2014 in line with the new positioning, “For a better working life.” Last year, we additionally focused on the launch of the XING Events marketplace and on achieving greater integration between the events platform and the XING network.

Against this backdrop, we launched the XING Events marketplace in the third quarter. Our goal is to become the leading address for business-related events in the D-A-CH region. In this way, not only are we increasingly setting ourselves apart from the competition, but we also offer our members attractive opportunities for advancement or networking in line with the new positioning. Here, our aim is to create a stronger link between organized events and the XING platform at the same time to make it easier to convert attendees at business events into XING platform members.

Events — Segment revenues and EBITDA (in € million)

XING Events app launched

In January, in connection with the strategic realignment of XING Events, we presented our new XING Events app. XING members and Events users can now access all events in a single app on their smartphone. The personal XING network has also been integrated into the app for the first time. people2meet not only allows users to see which of their contacts they will be able to meet at which events, but with the matchmaking function they also receive practical recommendations for new contacts who may be worth contacting at a given event. To make it easier to establish contact, we state reasons why users should interact with another attendee. And, of course, they can communicate directly in the app with all event participants or add them to their personal network.



New XING Event Market launched

More than 150,000 events are posted on XING every year. This means over 400 events per day.

In the past, users found it difficult to identify which events were relevant for them. In October 2014, to cater even better to the needs of our users, we rolled out the new XING Event Market, which enables users to find suitable, relevant events quickly and easily.

In the new marketplace, we designed the overview page in line with users' needs. All members receive personalized event recommendations based on their profile information and their own network.

The Event Market compiles the most relevant events for the user's industry and for their career. With the industry highlights we provide a wide selection of events on topics such as online marketing, finance or design.

The new, stronger focus on users will continue to shape the development of our Events segment in the future. In 2014, 327,000 people who previously did not have a XING profile registered for events. Giving people the opportunity to network and get to know each other not just online but also in real life is a key milestone in the success of any network.

NET ASSETS

Non-current assets decreased by € 4.6 million from € 30.9 million in the previous year to € 26.3 million as of December 31, 2014. This is mainly due to the full write-down of the assets of the XING Events segment (€ 7.5 million). A substantial expansion of activities in the development of new modules for the XING platform had an offsetting effect, raising the internally developed software item by € 3.8 million. With current assets remaining virtually constant, the share of total assets accounted for by non-current assets (€ 81.8 million, previous year: € 81.4 million) accordingly fell by 5.3 percentage points (29.6 percent) year-on-year to 24.3 percent. As a result, current assets accounted for a higher proportion of total assets, increasing to 75.7 percent (previous year: 70.4 percent).

On December 31, 2014, the Group's liquid funds of € 67.2 million (previous year: € 69.0 million) accounted for 62.3 percent (previous year: 61.4 percent) of the total assets of € 108.1 million (previous year: € 112.3 million).

Liquid funds as of December 31, 2014 included third-party cash of € 3.2 million from the XING Events segment (previous year: € 2.8 million). The Company has € 64.0 thousand in cash, which accounts for 59.2 percent of total assets (previous year: € 66.2 million or 58.9 percent). Amid a further increase in revenues (+ € 15.9 million), an improved operating result (EBITDA + € 6.4 million), and additional advance customer payments (+ € 6.6 million), the decrease in liquid funds is mainly due to the payment of a special dividend of € 20.0 million in 2014.

The increase in receivables from services from € 8.6 million in the previous year to € 12.0 million as of December 31, 2014 was largely related to the further rise in revenues. Receivables from services mainly include receivables from paid memberships and B2B receivables.

Apart from an advance paid in the previous year (€ 0.9 million), which was offset in 2014, other assets remained virtually unchanged.

Investments in purchased software in 2014 largely corresponded to the amortized amount, which means the value rose only marginally by € 0.1 million. Internally generated intangible assets include the internally generated parts of the XING platforms that qualify for capitalization as well as the XING mobile applications and a testing tool. Internally generated intangible assets were reduced by amortization and impairment losses of € 1.6 million (previous year: € 0.3 million), mainly resulting from the write-down in full in the XING Events segment as described above (€ 1.0 million). The remaining € 0.6 million was attributable to the overhaul and redesign of the platform.

Following the impairment of goodwill in the reporting period in the full amount (€ 5.6 million) in connection with the acquisition of XING Events GmbH in 2011, the remaining goodwill relates exclusively to kununu GmbH, which was acquired in financial year 2013 (€ 2.2 million).

The value of other intangible assets was reduced by € 1.3 million to € 2.2 million (previous year: € 3.5 million) through amortization expense (€ 1.1 million) and impairment charges (€ 0.4 million) with simultaneous new investments of € 0.2 million. The impairment charges are also connected to the write-downs in the XING Events segment.

FINANCIAL POSITION

Equity and liabilities

As was the case in previous years, XING AG is financed solely from equity and the Company does not have any bank loans or other such loans.

As of the closing date, the Company's equity ratio amounted to 40.1 percent compared with 54.0 percent in 2013. The decrease against the backdrop of a consolidated net profit of € 6.2 million is due exclusively to the special dividend of € 20.0 million and the regular dividend of € 3.4 million paid in 2014. This puts XING in an excellent position for future growth.

The Company's equity still amounted to a clear 165.4 percent surplus over the non-current assets (previous year: 196.3 percent). The decrease results from the special dividend paid. The full write-down in the XING Events segment, which reduced non-current assets, lowered equity by almost the same amount through its effect on earnings. The only compensating factor was a tax effect of € 0.4 million. The current assets (including liquid assets) amounted to a 142.5 percent surplus over the current liabilities (previous year: 186.0 percent).

The decrease in the surplus results from the increase in current liabilities due to additional advance customer payments of € 6.6 million and an earn-out obligation of € 3.9 million that arose in connection with the acquisition of kununu GmbH.

Cash flows from operating activities

The cash flows from operating activities for the reporting year amounted to € 34.2 million, up from € 23.8 million in the previous year. This increase is chiefly attributable to the € 6.3 million increase in operating profit before depreciation, amortization and taxes over the previous year and the increase in liabilities that was significantly higher than in the previous year (€ + 5.2 million; previous year: € + 2.9 million).

Cash flows from investing activities

In 2014, the cash flows from investing activities included a final payment of € 0.9 million for the acquisition of kununu GmbH (previous year: € 4.3 million). In contrast to the previous year, significantly higher amounts were invested in platform development (€ 7.5 million compared with € 3.8 million). However, at € 1.8 million, investments in property, plant and equipment were significantly lower than in the previous year (€ 4.3 million). On the whole, capital expenditure remained essentially constant (€ 13.0 million, previous year: € 13.4 million).

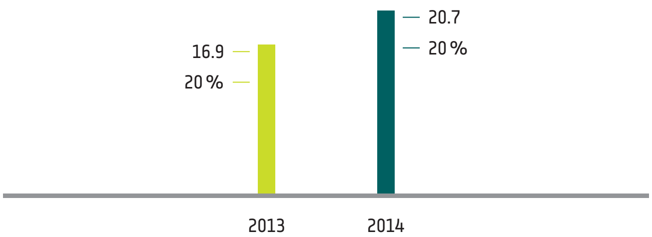
Cash flows from financing activities

During financial year 2014, there were no significant proceeds from financing activities (previous year: € 2.7 million from the exercise of employee stock options). Cash payments were made for the distribution of the regular dividend of € 3.4 million as well as a special dividend of € 20.0 million (previous year: regular dividend of € 3.1 million).

SPENDING ON RESEARCH AND PRODUCT DEVELOPMENT

Internet companies typically spend a significant portion of their expenses on research and product development, and XING is no exception. Accounting for € 20.7 million of total revenues, research and product development expenses in 2014 were substantially higher than in the previous year and thus make up approximately 20 percent of total revenues, as in the previous year. The largest single item in these expenses relates to development and programming. The total amount capitalized for the development of new products was € 7.2 million in the past financial year. Amortization and write-downs of capitalized development costs amounted to € 2.6 million in the reporting period (previous year: € 2.5 million).

Research and product development expenses
(in € million and in % of total revenues)



Additional disclosures on development costs and changes to the carrying amount for internally developed software is listed in the notes under intangible assets.

Management's summary of the Company's economic position

We are extremely satisfied with our operating and financial results in the past financial year. As a key component of strategic product development, the new positioning – "For a better working life" – provided important stimulus for growth in the Network/Premium and E-Recruiting core segments in particular. We implemented a large number of product innovations in these two segments, consequently generating the highest revenues in the history of the Company of over € 100 million and the largest consolidated profit of € 15.7 million (adjusted for the kununu earn-out and the XING Events write-down). We intend to continue along this path in the current financial year. What is more, XING is debt-free and has a structurally high level of profitability in conjunction with low capital intensity due to the fact that the lion's share of revenues generated is paid in advance. This means that XING has a highly cash-generative business model. This extremely comfortable basis enables us not only to continuously invest in the expansion of our business and the development of new business models, but also to make regular dividend distributions to our shareholders. The proposed dividend is explained in the section on the results of operations.

Remuneration report

This remuneration report follows the German Act regarding the Appropriateness of the Management Board's Remuneration (VorstAG), the recommendations of the German Corporate Governance Code and the regulations of GAS 17 adopted by the German Accounting Standards Committee (reporting on the compensation of members of executive bodies). The remuneration report contains disclosures which form part of the notes or management report in accordance with the requirements of the International Financial Reporting Standards (IFRSs). The report explains the structure and the level of remuneration applicable to the Executive Board and the Supervisory Board as well as the presentation of shareholdings in the reporting year. The structure of the remuneration system is regularly reviewed by the Supervisory Board.

REMUNERATION OF THE EXECUTIVE BOARD

This section outlines the principles governing the remuneration of the Executive Board and, as recommended by the German Corporate Governance Code, specifies the total Executive Board remuneration as well as the remuneration of its individual members.

Responsibility for determining the remuneration of the Executive Board

The Supervisory Board is responsible for determining the remuneration of the individual members of the Executive Board.

Components of the Executive Board remuneration

The total remuneration and the individual remuneration components for the Executive Board are all in correlation with the responsibilities of the respective member of the Executive Board, their personal contribution, the overall contribution of the Executive Board as a whole and the financial situation of XING AG. As recommended by the German Corporate Governance Code, the remuneration of the Executive Board consists of fixed components as well as variable, performance-based components.

The fixed remuneration component that is not performance-based consists of a fixed amount as basic remuneration paid out monthly in the form of a salary. The respective amount for each Executive Board member is set out in their contract and is regularly reviewed and, if necessary, updated by mutual agreement with the Executive Board member concerned. In addition to their fixed remuneration, the Executive Board members are granted non-cash benefits on a commensurate scale plus other voluntary benefits. Furthermore, Executive Board members are reimbursed for travel expenses, phone calls, and other expenses. All non-cash benefits are taxed by the Company in accordance with the applicable laws.

The variable remuneration components comprise two parts: For one, the Executive Board is granted performance-based remuneration that is measured by the achievement of (i) specific qualitative individual targets set for each Executive Board member and (ii) quantitative corporate objectives, each relating to the current financial year, and calculated using key performance indicators reported in the consolidated financial statements, other key operating indicators or with regard to the personal targets based on other target achievement parameters. For another, shadow shares granted to the Executive Board members entitled to subscribe for shares within the scope of the Long-term Incentive Program (LTI) are a component of the variable remuneration for the Executive Board.

The following applies to the performance-based remuneration of the Executive Board: The qualitative individual targets are set by the Supervisory Board for each specific Executive Board member at the beginning of each financial year. The degree of target achievement for the qualitative, personal targets ranges from 0 to 100 percent and is set by the Supervisory Board at its own discretion at the beginning of a given financial year for the preceding financial year. The quantitative corporate objectives for performance-based Executive Board remuneration are based on two of the Company's budgeted financial targets for the relevant financial year, currently Group EBITDA and consolidated revenues, but also on another non-financial key performance indicator (such as subscriber growth or activity on the XING platform). The degree of target achievement for the quantitative corporate objectives ranges from 0 to 200 percent. The target achievement of the quantitative corporate objectives is defined following the approval of the Company's consolidated financial statements by the Supervisory Board based on the parameters of the approved consolidated financial statements or by using analyses of key operating indicators on the basis of the calculation parameters specified in the relevant Executive Board contracts or the setting of targets.

The shadow shares from the LTI are a virtual replication of shares to be allocated to the beneficiaries in annual tranches. The number of shadow shares to be allocated in an annual tranche corresponds to the allocation amount calculated annually divided by the average closing price of the Company's shares over the 100 trading days immediately preceding the Annual General Meeting in which the consolidated financial statements, which are the basis for determining target achievement, are adopted. The annual allocation amount depends on the achievement of quantitative corporate goals that are stipulated by the Supervisory Board as part of its three-year plan in advance for the relevant financial year in the three-year plan, currently consolidated revenues and Group EBITDA. Following a waiting period of three years from allocation, the beneficiary (Executive Board member) acquires an entitlement to a cash payment tied to the share price or, at the Company's discretion, to the allocation of XING AG shares. In addition, the beneficiary is paid dividends, if any, for three financial years ("cumulative dividend"). If cash is paid, then the total amount paid is limited to three times the relevant allocation amount of the respective tranche of shadow shares. If the payment is settled in shares, then the number of shares to be granted is equal to the number of shadow shares allocated. If the total of the share price at the time of exercise and the cumulative dividend is greater than three times the relevant allocation amount of the respective tranche of shadow shares, then the number of shares granted is equivalent to three times the allocation amount. Through the granting of shadow shares a remuneration component is used that takes account of the performance of the Company's shares and therefore provides a sustainable, long-term incentive for the members of the Executive Board.

Executive Board remuneration in financial year 2014 pursuant to GAS 17

The total and individual remuneration of the Executive Board for the 2014 financial year is detailed in the following tables.

Remuneration of the Executive Board (presentation of benefits pursuant to GAS 17)

All figures in € thousand	Dr. Thomas Vollmoeller CEO since 10/16/2012		Ingo Chu CFO since 07/01/2009		Jens Pape CTO since 03/01/2011		Timm Richter CPO since 03/01/2013		Dr. Helmut Becker until 05/31/2013	Dr. Stefan Groß-Selbeck until 01/15/2013	Total	Total
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2013	2013	2014
Fixed remuneration	386	386	229	245	234	230	191	230	102	15	1,157	1,091
Incidental benefits	1	1	1	3	1	3	1	3	1	0	5	10
Total	**387**	**387**	**230**	**248**	**235**	**233**	**192**	**233**	**103**	**15**	**1,162**	**1,101**
One-year variable remuneration Bonus (cash)	209	207	91	137	79	109	75	125	183	0	637	578
Multi-year variable remuneration Long-term incentive[1]	217	216	49	98	0	98	82	98	0	0	348	510
Total	**813**	**810**	**370**	**483**	**314**	**440**	**349**	**456**	**286**	**15**	**2,147**	**2,189**

1 The value of the phantom stocks shown in the table is calculated by multiplying the contractually agreed grant amount with the target achievement for 2014. The phantom stocks for the 2014 financial year are granted after the Annual General Meeting at which the adopted consolidated financial statements for the 2014 financial year are presented.

Executive Board remuneration in financial year 2014 pursuant to the German Corporate Governance Code (GCGC)

The GCGC recommends that individual remuneration components be disclosed individually for each Executive Board member according to certain criteria. It also recommends that the sample tables provided in the GCGC be used for this presentation, which differs in some respects from German Accounting Standard No. 17 (GAS 17).

Benefits granted in accordance with the GCGC

The following table outlines benefits granted for the 2013 and 2014 financial years, including incidental benefits, and the minimum and maximum possible remuneration earnable in financial year 2014. In contrast to GAS 17, the target figure, i. e. the amount granted to the Executive Board member at a target achievement level of 100 percent, must be presented for one-year, performance-based remuneration in line with the requirements of the GCGC.

Remuneration of the Executive Board 2014 (presentation of benefits pursuant to GCGC)

All figures in € thousand	Dr. Thomas Vollmoeller CEO since 10/16/2012				Ingo Chu CFO since 07/01/2009				Jens Pape CTO since 03/01/2011			
	Base value		Minimum	Maximum	Base value		Minimum	Maximum	Base value		Minimum	Maximum
	2013	2014	2014	2014	2013	2014	2014	2014	2013	2014	2014	2014
Fixed remuneration	386	386	386	386	229	245	245	245	234	230	230	230
Incidental benefits	1	1	1	1	1	3	3	3	1	3	3	3
Total	**387**	**387**	**387**	**387**	**230**	**248**	**248**	**248**	**235**	**233**	**233**	**233**
One-year variable remuneration Bonus (cash)	190	190	0	315	85	125	0	215	100	100	0	170
Multi-year variable remuneration Long-term incentive	217	216	0	648	49	98	0	294	0	98	0	294
Total	**794**	**793**	**387**	**1,350**	**364**	**471**	**248**	**757**	**335**	**431**	**233**	**697**

All figures in € thousand	Timm Richter CPO since 03/01/2013				Dr. Helmut Becker until 05/31/2013	Dr. Stefan Groß-Selbeck until 01/15/2013	Total	Total
	Base value		Minimum	Maximum	Base value	Base value	Base value	Base value
	2013	2014	2014	2014	2013	2013	2013	2014
Fixed remuneration	191	230	230	230	102	15	1,157	1,091
Incidental benefits	1	3	3	3	1	0	5	10
Total	**192**	**233**	**233**	**233**	**103**	**15**	**1,162**	**1,101**
One-year variable remuneration Bonus (cash)	63	115	0	190	183	0	621	530
Multi-year variable remuneration Long-term incentive	82	98	0	294	0	0	348	510
Total	**337**	**446**	**233**	**717**	**286**	**15**	**2,131**	**2,141**

Allocation in accordance with the GCGC

Because the remuneration granted to members of the Executive Board for the financial year is not always paid out in the same financial year, a separate table indicates the remuneration they were allocated in financial year 2014 in line with the corresponding GCGC recommendation. Pursuant to the GCGC recommendations, the fixed and one-year, performance-based remuneration components must be listed as an allocation for the given financial year. The total remuneration according to the GCGC accruing to the individual members of the Executive Board for the 2014 financial year broken down by components is presented in the following table:

Remuneration of the Executive Board 2014 (presentation of allocation pursuant to the GCGC)

		Dr. Thomas Vollmoeller CEO since 10/16/2012		Ingo Chu CFO since 07/01/2009		Jens Pape CTO since 03/01/2011		Timm Richter CPO since 03/01/2013		Dr. Helmut Becker until 05/31/2013	Dr. Stefan Groß-Selbeck until 01/15/2013	Total	Total
All figures in € thousand		2013	2014	2013	2014	2013	2014	2013	2014	2013	2013	2013	2014
Fixed remuneration		386	386	229	245	234	230	191	230	102	15	1,157	1,091
Incidental benefits		1	1	1	3	1	3	1	3	1	0	5	10
Total		**387**	**387**	**230**	**248**	**235**	**233**	**192**	**233**	**103**	**15**	**1,162**	**1,101**
One-year variable remuneration	Bonus (cash)	209	207	91	137	79	109	75	125	183	0	637	578
Multi-year variable remuneration	AOP 2006	0	0	0	0	0	0	0	0	209	0	209	0
	AOP 2009	0	0	1,185	0	0	0	0	0	663	160	2,008	0
	AOP 2011	0	0	0	0	0	0	0	0	0	319	319	0
Total		**596**	**594**	**1,506**	**385**	**314**	**342**	**267**	**358**	**1,158**	**494**	**4,335**	**1,679**

In addition to the base salary and the aforementioned variable remuneration components, Executive Board member Jens Pape as a beneficiary of a legacy stock option plan of the Company, the SOP 2010, held 40,000 stock options as of the reporting date that were granted to him in March 2011 by the Company under the conditions approved at the Annual General Meeting on May 27, 2010. These stock options were issued at an exercise price of € 41.23 per option. In August 2011, the exercise price was reduced to € 37.47 on account of the special dividend paid out by XING AG in February 2012. The fair value of these options was € 6.07 on March 29, 2011, the day on which Mr. Jens Pape subscribed for the stock options. The total fair value of these options was therefore € 243 thousand. The exercise gain on the stock options granted to Mr. Jens Pape is limited to € 35 per option. (For more information on the respective SOP see the "Other disclosures" section in the consolidated notes).

Exercise of options under the stock option plan

In previous year, Dr. Groß-Selbeck, Dr. Becker, and Mr. Chu exercised their stock options under the 2006, 2009, and 2011 stock option plans. Dr. Groß-Selbeck generated gross proceeds from disposal of € 478 thousand, Dr. Becker generated gross proceeds from disposal of € 869 thousand, and Mr. Chu generated gross proceeds from disposal of € 1,185 thousand.

In the financial year ended, no member of the Executive Board exercised stock options from the legacy stock option plans. Mr. Jens Pape is not entitled to exercise his 40,000 stock options granted under the 2010 SOP until the end of March 2015. As a rule, reports on transactions by persons with executive functions (directors' dealings) in accordance with Sec. 15a WpHG are published at www.dgap.de under Directors' Dealings and can also be found in the notes to the consolidated financial statements and in the Investor Relations section of XING AG's website.

Premature termination of employment as a member of the Executive Board

In the event of the death of an Executive Board member during the term of the director's contract, the Company is obligated to pay the proportionate annual base salary for the month of death and the following three months, but not beyond the end of the Board contract, to the heirs of the deceased Board member. Otherwise, as of December 31, 2014, all Executive Board contracts contain severance cap clauses in the event of the premature termination of the contract without good cause based on the recommendations set out in item 4.2.3 of the German Corporate Governance Code.

The contract of one Executive Board member in office – Mr. Ingo Chu – also contains provisions associated with a change in control at the Company that are customary for chief financial officers. In the event of a change in control, this Executive Board member has a right to be released from the director's contract provided other requirements are met. In the event of the justified exercise of this right, the Executive Board member in question is entitled to settlement of all remuneration components (basic salary, variable remuneration, remuneration from the SSP or LTI), the total amount of which is subject to the severance cap as recommended by item 4.2.3 of the German Corporate Governance Code.

Other

No pension obligations were agreed for the members of the Executive Board and none of the members in office held shares of the Company as of December 31, 2014. Likewise, no loans, interest or advances were granted to members of the Executive Board and no members received or were promised benefits or similar assurances from third parties in connection with their Executive Board mandate. Furthermore, no commitments were made concerning the granting of such benefits.

XING AG has taken out Directors & Officers (D&O) insurance for the members of its Executive Board covering the personal liability risk in the event of the Executive Board being held liable for pecuniary loss within the scope of or as a result of their Executive Board mandate. The insurance policy includes a deductible for the members of the Executive Board in keeping with the stipulations of the German Stock Corporation Act (AktG) and the recommendations of the German Corporate Governance Code.

Remuneration of the Supervisory Board

Supervisory Board remuneration was fixed by the Annual General Meeting in May 2010 and additionally by the Annual General Meeting in May 2014 based on a proposal by the Executive Board and Supervisory Board, and is detailed accordingly in the Articles of Incorporation.

The members of the Supervisory Board receive fixed remuneration of € 40,000 thousand for each full financial year in which they serve on the Supervisory Board. The Chairman of the Supervisory Board receives twice the amount of the fixed remuneration. In addition to their fixed remuneration, the chairmen of committees actually formed receive an additional € 5,000 for each full financial year in which they serve on the Supervisory Board. Members of the Supervisory Board who join or leave the Supervisory Board during a financial year receive their fixed remuneration on a pro rata basis.

In addition to their fixed remuneration, the members of the Supervisory Board do not receive any performance-based remuneration. This is intended to ensure the necessary independent function of the Supervisory Board and avoid financial incentives connected with short-term success of the Company.

The Vice Chairman of the Supervisory Board and members of committees currently do not receive additional remuneration. As the number of committee meetings and instances in which the Vice Chairman has represented the Chairman and the associated workload has been insignificant in the past and since the Vice Chairman already receives commensurate basic remuneration, both the Executive Board and the Supervisory Board still consider separate remuneration for the Vice Chairman and committee members to be unnecessary.

An overview of Supervisory Board remuneration for the 2014 financial year is broken down in the following table.

Remuneration of the Supervisory Board in accordance with the Articles of Incorporation for the 2014 financial year

Current Supervisory Board members as of December 31, 2014	Total remuneration 2014 in €	Total remuneration 2013 in €
Stefan Winners, Chairman since 05/24/2013	80,000	48,438
Dr. Johannes Meier, Vice Chairman of the Supervisory Board since 05/23/2014	40,000	40,000
Anette Weber, Chairwoman of the Audit Committee since 05/24/2013	45,000	24,219
Dr. Jörg Lübcke	40,000	40,000
Jean-Paul Schmetz	40,000	40,000
Sabine Bendiek since 05/23/2014	24,329	0
Former Supervisory Board members		
Dr. Neil V. Sunderland, Chairman until 05/24/2013	0	31,562
Fritz Oidtmann, Vice Chairman of the Supervisory Board (until 05/23/2014)	15,671	40,000
Simon Guild (until 05/24/2013)	0	15,781
Total	**285,000**	**280,000**

The members of the Supervisory Board were also reimbursed for reasonable travel expenses as part of their work. No further commitments were made by the Company. None of the Supervisory Board members were granted loans, interest or advance payments by the Company. The Supervisory Board member Dr. Johannes Meier held 1,000 shares in the Company as of December 31, 2014. More information on reports on transactions by persons with executive functions (directors' dealings) in accordance with Sec. 15a WpHG in the past financial year is published at www.dgap.de under Directors' Dealings and can also be found in the Investor Relations section of XING AG's website.

Other

XING AG has taken out Directors & Officers (D&O) insurance for the members of the Supervisory Board that does not include a deductible. This covers the personal liability risk for the Supervisory Board members in the event of the Supervisory Board being held liable for pecuniary loss within the scope of or as a result of their Supervisory Board mandate. Taking out D&O insurance without a deductible constitutes a deviation from the German Corporate Governance Code and was explained by the Executive Board and the Supervisory Board in the Declaration of Conformity last updated in February 2015 and also published online at http://corporate.xing.com/english/investor-relations/corporate-governance/hgb-289a/.

Risk report

PRINCIPLES OF RISK MANAGEMENT

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. One of their tasks is 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 and kununu 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.

The risk management system covers only risks but not opportunities.

INTERNAL CONTROL SYSTEM

In accordance with Section 315 (2) no. 5 HGB, as a publicly traded company, we are obliged to describe the key features of the internal control and risk management system relevant for the financial reporting process.

We consider the internal control and risk management system to be a comprehensive system, and use the definitions of the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf, concerning the financial reporting-related internal control system and the risk management system. An internal control system is defined as the principles, procedures, measures and controls which have been introduced by management in the Company, and which are designed to ensure the organizational implementation of the decisions of management for the purpose of

- ensuring the effectiveness and profitability of the Company's business (which includes protecting its assets, as well as preventing and detecting any impairment of its assets);
- ensuring that both the internal and the external financial reporting processes are proper and reliable; and
- ensuring compliance with all statutory requirements applicable to the Company.

The risk management system comprises all organizational rules and measures for recognizing risk and for handling the risks associated with business activities.

The following structures and processes are implemented at XING with regard to the financial reporting processes of the integrated companies and the Group financial reporting process:

The Executive Board of the Group bears overall responsibility for the internal control and risk management system with regard to the financial reporting processes of the integrated companies and the Group financial reporting process. All companies integrated in the consolidated financial statements are involved via a defined management or reporting organization. Within this reporting organization, the Group Executive Board is (constantly) provided with information concerning the following measures: definition of the risk fields which might result in developments posing a threat to the continued existence of the Company as a going concern; risk recognition and risk analysis; risk communication; allocation of responsibilities and tasks; and establishment of a monitoring system; documentation of the measures which have been taken. In addition, this reporting organization defines that material risks are reported immediately to the Group's Executive Board when they occur.

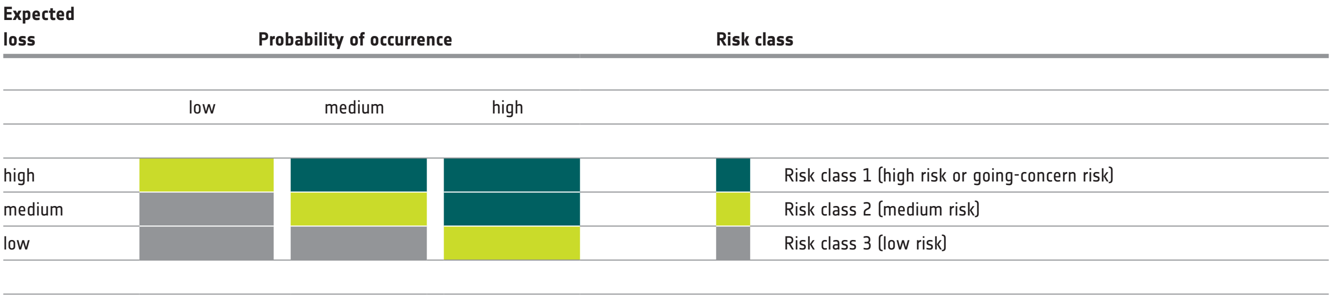
The principles, the structure and procedure organization as well as the processes of the financial reporting-related internal control and risk management system are summarized in guidelines and organizational instructions throughout the Group; these are adapted and brought into line with current external and internal developments at regular intervals. With regard to the financial reporting processes of the integrated companies and the Group financial reporting process, we consider those features of the internal control and risk management system report to be material that can have a major impact on the Group's financial reporting and the overall tenor of the consolidated financial statements including the Group management. These comprise in particular the following elements:

- Identification of the main risk fields and control areas which are relevant for the Group-wide financial reporting process;
- Controls for monitoring the Group-wide financial reporting process and the related results at the level of the Group Executive Board also at the level of the companies included in the consolidated financial statements;
- Preventative control measures in the financial and accounting systems of the Group and of the companies included in the consolidated financial statements, as well as in operational management processes which generate major information for preparing the consolidated financial statements including the Group management report, including functional segregation and predefined approval processes in relevant areas;
- Measures that ensure proper IT-based processing of Group financial reporting-related items and data;
- The tasks of the internal audit system for monitoring the financial reporting-relevant internal control and risk management system are not carried out by an "internal audit" staff department; instead, this is the responsibility of the Controlling and Accounting departments. In this context, the Group also makes use of the expertise of external specialists.

The Group has also implemented a risk management system which comprises measures for identifying and measuring material risks as well as appropriate measures for limiting risk in order to ensure the adequacy of the consolidated financial statements. The Executive Board and Supervisory Board also continually look into ways of further optimizing the risk management system processes.

RISK ASSESSMENT

Risks are assigned to risk classes based on their estimated probability of occurrence and the expected loss.



We consider a risk that is very likely to occur and that is expected to cause a high loss to be a potential going-concern risk.

The probability of occurrence and the expected loss is based on the following criteria:

	quantitatively	qualitatively
PROBABILITY OF OCCURRENCE		
high	51 – 100 %	at least once per year
medium	11 – 50 %	once within 24 months
low	0 – 10 %	less frequently than once within 24 months
EXPECTED LOSS		
high	more than € 500 thousand	large damage to the Company's image, large damage for customers
medium	€ 100 thousand to € 500 thousand	Services impacted over a long period of time
low	€ 50 thousand to € 100 thousand	Service impacted in isolated cases

SIGNIFICANT INDIVIDUAL RISKS

In the explanations below, the significant risks identified at XING are aggregated to a greater extent than for internal risk management purposes. Unless otherwise specified, all risks described affect all of the Company's segments to varying degrees.

STRATEGIC RISKS

Competition

XING already competes with companies that offer similar services. New competitors might enter the market in the future. Revenues would probably be negatively affected if XING were to lose customers to these current or future competitors. Competitors might be able to capture market share from XING by offering services that are superior to the services offered by XING or through particularly aggressive and successful marketing. In addition, as a result of strategic partnerships between foreign competitors and companies with extensive reach in the D-A-CH region, competitors might be able to penetrate XING's domestic market even more rapidly and exert additional pressure on XING with their prices and services. In the Network/Premium segment, in addition to the direct competition posed by other social networks, companies that are closely related to the sector might also succeed in capturing market share from XING. Some conceivable examples are search engines that extend their portfolio by way of community structures or major portal providers that already have a large number of users, for example by offering e-mail services. The increasing availability of mobile devices with Internet capability can also lead to competition from mobile communities. We categorize the competition risk existing in the Network/Premium segment as a potential going-concern risk. We counteract this risk primarily by undertaking extensive product development and marketing activities. Thanks to better services, continual expansion of our user base, and strong customer loyalty, we have reduced competition risk to such a degree that we currently no longer consider it a going-concern risk in view of the countermeasures taken.

Collaboration with service providers for payment and receivables management

Because payment defaults would result in loss of revenues, the efficient billing of payments and the entire receivables management are extremely important for the Company. The involvement of external service providers means that there are certain dependencies in this particular field. The Company counters this risk, which is considered a medium risk, by designing the respective partnerships with external service providers using the help of legal professionals. Appropriate contract forms in particular ensure that the reliance on service providers is minimized, the necessary service standards are met, and that the risk of technical failures is minimized.

MARKET AND SALES RISKS

Generally, there is a risk of a significant increase in customer losses due to unforeseen external or internal factors. In the E-Recruiting segment, a weak market environment or the launch of copycat products that use publicly available XING data in particular can result in such a loss of customers. We categorize these risks as medium to high. XING mainly counters them by constantly improving and extending its own services, and also by means of strategic partnerships. In addition, XING permanently monitors the development in user numbers and can take a response in plenty of time by means of prepared measures and crisis plans in the event of sudden signs of customer losses.

RISKS OF CUSTOMER SUPPORT

At XING, customer satisfaction enjoys maximum priority not only with regard to financial success. Because of XING's own stringent requirements regarding the quality of its platforms, user expect that the Company will refuse to accept any compromises in terms of quality. This comprises in particular the identification of incorrect profiles and tracing inappropriate or offensive comments or fraudulent activities. We categorize the risks of customer support as low to medium.

As a result of the strong identification of many user with XING, the Company usually receives direct and rapid feedback with regard to certain processes on its platforms. This means that XING is able to respond promptly where necessary and to avert membership cancellations which would result in losses in terms of revenues.

FINANCIAL RISKS

The Premium memberships offered by XING generate regular cash inflows and provide the Company with adequate liquidity. In addition, XING prepares a liquidity forecast. XING AG invests its cash and cash equivalents exclusively with banks with high ratings and in short-term deposits. This means that the solvency of the Company is guaranteed at all times. Defaults in the Network/Premium and E-Recruiting segments accounted for less than 0.4 percent of the total revenues in the previous financial year, and is thus not of material significance. We therefore categorize the counterparty credit risk and the liquidity risk as a low risk overall.

In the Events segment, we generally see a more significant foreign exchange risk and currency risk. This risk is managed by maintaining separate bank accounts for all relevant currencies.

IT RISKS

Risks in network security, hardware and software

For internal purposes and in order to perform its services, XING is dependent on the use of automated processes, the reliability and efficiency of which are, in turn, dependent on the functionality, stability and security of the underlying technical infrastructure. The servers used by XING and the related hardware and software are vital to the success of the Company's business.

The Company's systems, websites, internal processes, and services could be materially impacted by failures or disruptions to its IT systems as a result of physical damage, power outages, system crashes, software problems, malware (such as viruses and worms), operating errors, abuse or malicious attacks (including denial-of-service attacks). Attacks, operating errors and abuse, for instance, might result in the destruction, alteration or loss of stored data, or might mean that data could be used for unlawful purposes or without approval. These risks include but are not limited to identity theft, credit card fraud or other cases of fraud, advertising emails and spam emails from companies which are not affiliated with XING.

The above problems might cause interruptions to operations which increase operating expenses and considerably damage the Company's reputation. We categorize this risk as a potential going-concern risk.

XING is permanently engaged in ensuring the security of its systems and its network through the ongoing development of its technology and the deployment of its own employees. The measures initiated to date have proven to be effective. In view of the countermeasures taken, we therefore no longer consider this a going-concern risk. At the same time, however, the possibility of future breaches cannot be excluded.

PROCESS AND ORGANIZATION RISKS

Product development risks

XING aims to achieve constant and proactive improvement of its platforms. The Company is aware that defective or low-quality products and functions can have a considerably negative impact on the Company. We categorize this risk as a high risk.

In order to minimize risk, a special team of employees has been set up to test new products and functionalities and has also been made responsible for constant quality assurance. In addition, the process of developing new functionalities and changes on the platforms will usually be accompanied by a process of exchanging information between XING AG and its customers.

Data protection and personal rights

XING users provide extensive personal data to the Company, trusting that the data will be processed and used for the intended purpose and in compliance with the applicable provisions of the law.

XING's data centers for direct data processing are located in Germany. In addition, XING commissions selected service providers to process data. This data is accessible to users located both within and outside the European Union. In addition, XING allows its users to transmit personal data worldwide.

If XING or its providers were to violate these statutory provisions on data protection, telecommunications secrecy or the protection of personal rights, it could become the subject of government investigations, data protection orders or claims for damages from customers, including non-pecuniary damages. Under certain circumstances, criminal proceedings or proceedings for administrative offenses could even be initiated against XING or its management.

Any violation of data protection regulations and laws designed to protect personal rights or any processing, use or disclosure of data contrary to its intended purpose might also have an adverse effect on the Company's reputation and its ability to sign up new members and to retain the loyalty of existing members. Indeed, this might even mean that the Company will no longer be able to offer and provide some or all of its services temporarily or permanently in some countries. We categorize this risk as a medium risk.

XING charges specific employees with the task of monitoring adherence to data protection legislation. Corresponding contractual and, if necessary, technical safety measures are taken to prevent infringements of the law by service providers.

In addition, amendments to data protection provisions are identified on an ongoing basis in conjunction with the Company's legal advisers, and measures for monitoring and complying with these provisions are reviewed and revised as necessary. The Company reviews potential implications for data protection law of new functionalities of the platform before they are introduced. Such new functionalities are only released if compliance with all relevant data protection regulations is guaranteed.

MANAGEMENT'S SUMMARY REGARDING THE COMPANY'S RISK SITUATION

As part of an overall assessment of the Group risks, the most significant are IT risks as well as the risks attributable to the satisfaction of existing customers and the signing-up of new customers. Overall, the risks in the Group are of manageable proportions. The future of the Company as a going concern is also assured.

Report on expected developments and opportunities

ECONOMIC OUTLOOK

The global economy will gradually regain momentum in 2015, particularly in the industrialized countries. Oil-importing countries are benefitting from the drop in oil prices, which ultimately boosts real income and lowers production costs. Conversely, oil-exporting nations are seeing real income and profits decline. At the same time, economic growth is being hampered by ongoing structural problems in regions such as the euro zone, Russia, Japan, Brazil, and Argentina. Nonetheless, in 2015, the global economy is projected to expand at an overall rate of 3.5 percent, somewhat faster than in the previous year, according to a forecast by the International Monetary Fund (IMF).

The general international data points to the economy picking up more speed next year. The IMF and the Hamburg Institute of International Economics (HWWI) estimate that under these conditions Germany can expect to grow by around 1.3 percent in 2015. Consumer spending remains the most important pillar of growth. Capital expenditure will also pick up. With an upturn in the global economy and recovery in the euro zone, foreign trade is expected to provide momentum. In Austria, there are currently few signs of a significant upswing in the economy, and the Austrian Institute of Economic Research only anticipates a real growth rate of 0.5 percent. The most recent, surprising step by the Swiss National Bank in which the country's currency was decoupled from a minimum euro exchange rate caused the value of the Swiss franc to shoot up and consequently adversely impact export-oriented companies. Key leading indicators signal a sharp economic downturn in early 2015[1]. In this context, the possibility of a sustained and noticeable slowdown or, in the extreme scenario, a sharp slump in the Swiss economy cannot be ruled out.

EXPECTED SECTOR TRENDS

The German labor market is set to be robust again in 2015, with employment up (+ 0.5 percent) and only stagnation in annual average jobless numbers. HWWI estimates that on average around 2.9 million people will be out of work in 2015. The situation in the Austrian labor market will remain strained. Although employment and labor force potential will grow further, economic growth will not be sufficient to push down the jobless rate. On the contrary, unemployment is expected to rise in 2015. Consequently, the jobless rate should average around 8.9 percent for 2015 as a whole. The labor market in Switzerland faces major challenges in 2015 following the recent appreciation of the Swiss franc. Switzerland conducts by far the majority of its trading with the euro zone. If the new euro exchange rate were to remain at this new level for the entire year, large, international companies especially may slash their workforces. The disparities within the German-speaking region will not diminish in 2015.

In the euro zone, the labor force will become more mobile in the coming years. The imbalances in the labor markets will disappear, albeit exceedingly slowly. This will increase the importance of e-recruiting, which could especially benefit social media offerings. Against this backdrop, it must be noted that the XING platform continues to grow robustly. In January 2015, we surpassed the 8-million user mark in Germany, Austria, and Switzerland.

1 *Purchasing Managers Index PMI, January 2015: "Stärkster Einbruch seit November 2008" ["Sharpest Downturn since November 2008"] (www. procure.ch/ueber-uns/medien/pmimedienmitteilungen/)*

EXPECTED DEVELOPMENT OF XING

The results achieved in 2014 underscore the fact that we are on the right track with our new positioning and strategy to use target group-specific products and services to exploit the megatrends described in XING's favor. Ours is the largest business and social networking platform in the D-A-CH region, but XING's market penetration rate is still low in our core markets, which puts us in an ideal position for further growth in the coming years. Due to the continual diversification of our revenue sources, we operate in several markets, some of them well established. Our e-recruiting and employer branding offerings have unlocked new opportunities for growth in existing markets. Yet we also have considerable potential to continue growing in our core business with paid memberships, thanks to the steady growth in the number of basic members. Recently, we again stepped up growth rates in the Network/Premium segment.

A year-on-year change in the market situation for the Events segment led us to adjust our (long-term) projected results.

Organic growth is a key element of our strategy. In addition, we continuously monitor our business environment and the market to identify suitable acquisition opportunities for supporting our organic strategy. Just a few weeks following the end of financial year 2014, we announced the acquisition of www.jobbörse.com in January 2015. This step will help us further expand the Passive Recruiting business going forward as well as improve our market position.

Revenue and earnings targets

In our financial key performance indicators, we expect revenues and earnings to continue to increase at Group level. Accordingly, as things currently stand, we can provide the following detailed overview of the revenue and earnings targets for the Group as well as the main segments.

Financial key performance indicators	Forecast for 2015
Consolidated revenues	Double-digit percentage growth
EBITDA (adjusted for extraordinary items) Group	Significant increase in EBITDA
Revenues Network/Premium segment	Double-digit percentage growth
EBITDA (adjusted for extraordinary items) Network/Premium segment	Significant increase in segment EBITDA
Revenues E-Recruiting segment	Double-digit percentage growth
EBITDA (adjusted for extraordinary items) E-Recruiting segment	Significant increase in segment EBITDA
Revenues Events segment	Slight increase
EBITDA (adjusted for extraordinary items) Events segment	Slightly improved, negative segment EBITDA in the single-digit million euro range

Dividend targets

We have been pursuing a sustainable dividend policy since 2012. In the current financial year, we again plan to propose to the Annual General Meeting to be held on June 3, 2015 that a regular dividend amounting to € 0.92 per no-par value share carrying dividend rights be paid for the financial year ended. The liquid funds of € 64 million as of the end of 2014 and XING's cash-generative business model enable the Company to pay dividend regularly without changing its business strategy, which is aimed at achieving growth. We intend to continue to make regular dividend payments in the future.

Liquidity and financial targets

On account of our highly profitable, cash-generative business model, our liquidity requirements are very low. We therefore anticipate a further increase in cash funds in the 2015 financial year excluding extraordinary items such as acquisitions or special dividends.

Planned capital expenditures

Following an increase in the investment volume (CAPEX) of €1.6 million to €12.1 million in the 2014 financial year, we anticipate a less substantial increase for the 2015 financial year. As in previous years, capital expenditure will be concentrated on server capacity, software licenses, and internally developed software.

Forecast of non-financial key performance indicators

The non-financial key performance indicators reported for the first time in the annual report for 2013 are important measures of the success and attractiveness of our offerings. Accordingly, we defined the number of members in the D-A-CH region as well as the number of subscribers in this region as key performance indicators for the Network/Premium segment. Our objective is to generate more growth in the D-A-CH region in 2015 than in the financial year just ended (2014: +1,076,000) and to grow our portfolio of subscribers compared with the previous year (2014: +28,000 new subscribers) as well. This guidance is essentially based on the measures planned (new products, expanding sales, enhancing existing products) and the continued, high market potential due to the fact that penetration rates of networks used by professionals in German-speaking countries are low compared with other countries.

Relationships with business customers are the most important measure in the E-Recruiting and Events segments. This is because unlike in the Network/Premium core business, revenues in these segments are generated exclusively from the sale of services to corporate customers (B2B). For this reason, the primary goal is to increase the number of corporate customers significantly in the E-Recruiting segment in the 2015 financial year. We expect the number of corporate customers in the Events segment to remain at the same level as in 2014.

Non-financial key performance indicators	Forecast for 2015
Network/Premium segment: Members in the D-A-CH region	Year-on-year growth (2014: +1,076,000)
Network/Premium segment: Subscribers in the D-A-CH region	Stronger growth in absolute terms (2014: +28,000)
E-Recruiting segment: Number of corporate customers (B2B)	Sharp increase
Events segment: Number of corporate customers (B2B)	Similar level as in 2014

REPORT ON OPPORTUNITIES

Our two largest divisions, Network/Premium and E-Recruiting, operate in attractive growth markets. In recent years, we have proven that our monetization strategy for different products for members and corporate customers has been implemented successfully to date. Internet-based business models in particular are marked by rapid change and require companies to possess the ability to adapt. In this respect, opportunity management is an integral part of our business activities aimed at safeguarding our enterprise value in the long term and achieving our goals. Opportunity management at XING therefore focuses heavily on the divisions' individual strategies. Market developments and trends along with the competitive environment are discussed at regular meetings on business performance, and the resulting opportunities for the divisions are assessed. Any opportunities identified are discussed with the individual divisions as part of the planning and controlling process in order to perform a qualitative and quantitative assessment. One of the tasks of the divisions themselves is to identify strategic opportunities in their respective submarkets and to develop measures for product development and its focus from these.

As the market leader in the fields of business social networking and social recruiting in the D-A-CH region, we believe we have further opportunities for expanding our market position and continuing our penetration of these markets, which are important to us.

Opportunities presented by positive economic developments

The economic conditions also affect the development of business at XING to varying degrees. As our assessment of the future development of the results of operations is based on the assumptions about economic developments described in the management report, a substantial improvement in the economic conditions could have an extremely positive influence on our business activities.

Opportunities presented by product development and innovation

XING is a growth company. Our business success therefore depends to a large extent on our speed of innovation and ability to implement ideas when developing new product and services for our members and business customers in all of our lines of business. Continual process improvements and the efficient use of development resources as well as identification of important trends might provide further opportunities for improving growth rates. If we make progress in this area faster than expected and establish relevant offerings for our customers even faster, this would have additional positive effects on XING AG's revenues and earnings development.

Opportunities presented by faster penetration of important growth markets

In the E-Recruiting division, additional opportunities could arise if companies come to accept the implementation of active recruitment measures and employer branding quicker than anticipated. The megatrends identified by us could play an important role in this context. Digitization, the shortage of skilled labor and the demands of Generation Y (Gen Y) dominate the labor market today and will do so in the next years.

If this trend continues in the German-speaking markets at a faster rate than expected, it may have extremely positive effects on our revenue and earnings development, especially in the E-Recruiting segment.

Overall, the penetration of key growth markets at a faster pace than projected provides a wealth of opportunities for XING, especially given the low level of penetration in these markets up to now. Further opportunities could be provided by the establishment of new sources of revenues or business models.

Legal information

The following section mainly contains information and explanations in accordance with Section 315 (4) of the German Commercial Code (HGB). This information relates to company law structures and other legal relationships.

CORPORATE GOVERNANCE DECLARATION

The corporate governance declaration issued in accordance with Section 289a HGB is published on our website at http://corporate.xing.com/english/investor-relations/corporate-governance/hgb-289a/. It contains a description of how the Executive Board and Supervisory Board operate, the declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG), and information on key corporate governance practices.

REMUNERATION REPORT

The remuneration report details the amount and structure of Executive Board earnings, and summarizes the principles used as the basis for the remuneration of the XING AG Executive Board. It also contains information on the principles and amount of Supervisory Board remuneration. The remuneration report also includes information concerning the shareholdings of the Executive Board and of the Supervisory Board. The remuneration report is part of the management report.

TAKEOVER-RELATED DISCLOSURES

The following details in accordance with Section 315 (4) HGB describe the situation as of December 31, 2014. The following explanation of this information also meets the requirements of an explanatory report as per Section 176 (1) line 1 of the German Companies Act (AktG).

Share capital

The share capital of the Company amounted to € 5,592,137 on December 31, 2014 (previous year € 5,592,137), and consists of 5,592,137 no-par value shares with a nominal amount of € 1.00 each. The share capital is fully paid in. All shares have the same rights.

Treasury shares

The Company itself held 12,067 no-par-value shares of XING AG as of December 31, 2014 (previous year: 12,832). This corresponds to 0.22 percent (previous year: 0.23 percent) of the Company's share capital. These treasury shares are largely designated for fulfilling obligations arising from current stock option plans.

Restrictions on voting rights or on the transfer of shares

The Executive Board is not aware of any restrictions in terms of voting rights or share transfers.

Shareholders with more than 10 percent of the Company's voting rights

As of December 31, 2014, the Company was aware that Burda Digital GmbH, Munich, held 50.51 percent (previous year: also 50.51 percent) of XING AG's voting rights. The Company is not in possession of any further information or notifications in accordance with Sections 21 et seq. of the German Securities Trading Act (WpHG) concerning shareholders who directly and/or indirectly hold more than 10 percent of the capital and voting rights.

Appointment and dismissal of members of Executive Board/ changes to the Articles of Incorporation

Any appointment and dismissal of members of the Executive Board is subject to Sections 84, 85 AktG as well as item 7 of the Articles of Incorporation as amended on May 23, 2014. In accordance with item 7 (1) of the Articles of Incorporation, the Executive Board consists of one or more persons. The Supervisory Board determines the number of members of the Executive Board. The Articles of Incorporation do not include any special rules for the appointment and dismissal of individual or all members of the Executive Board. Any such appointment or dismissal is the responsibility of the Supervisory Board.

Changes to the Articles of Incorporation are made in accordance with the provisions of Sections 179 and 133 AktG. The Company's Articles of Incorporation have not taken advantage of the option of specifying further requirements applicable for changes to the Articles of Incorporation. Unless required otherwise by law, the resolutions of the Annual General Meeting shall be passed with a simple majority of the votes cast. In the event that the law stipulates a capital majority in addition to the majority vote, resolutions shall be passed with a simple majority of the share capital represented at the time the resolution was passed. In accordance with items 5.3 to 5.5 and 18 of the Articles of Incorporation, the Supervisory Board is authorized to make changes to the Articles of Incorporation to the extent that they only relate to their wording.

Powers of the Executive Board to issue and repurchase shares

The powers of the Executive Board of the Company to issue or repurchase shares are all based on corresponding authorization resolutions of the Annual General Meeting, the contents of which are detailed in the following.

Authorized and contingent capital

Authorized and contingent capital are described in "Equity" in the notes to the consolidated financial statements.

Authorization to purchase own shares

Pursuant to the resolution of the Annual General Meeting of May 23, 2014, and in view of the cancellation of the resolution of May 27, 2010, the Executive Board was authorized to purchase treasury shares as follows:

a) Authorization to purchase treasury shares

Until May 22, 2019, the Executive Board is authorized, with the approval of the Supervisory Board, to purchase treasury shares for up to a total of 10 percent of the Company's share capital amounting to € 5,592,137.00 at the time at which the resolution is adopted. The shares purchased in this way, together with other treasury shares which are owned by the Company or which are attributable to the Company in accordance with Sections 71a et seq. AktG must not at any time exceed 10 percent of the share capital. Furthermore, the prerequisites of Section 71 (2) sentences 2 and 3 AktG must be observed. This authorization must not be exercised for the purpose of trading treasury shares. The authorization may be exercised in whole or in part, once or on multiple occasions, to pursue one or more purposes.

b) Types of acquisition

The Executive Board may decide to purchase the shares (1) via the stock exchange or (2) by means of a public offer directed at all shareholders or a public invitation directed at all shareholders to submit offers to sell the shares.

1) If the shares are purchased via the stock exchange, the amount per share paid by the Company (excl. ancillary purchase costs) must not differ by more than 10 percent from the price of the Company's shares in Xetra trading (or an equivalent successor system) on the Frankfurt stock exchange determined on the market trading day by the opening auction.

2) If the shares are acquired via a public offer to purchase shares directed to all shareholders or a public invitation to submit offers to sell shares directed to all shareholders, then the purchase price offered or limits on the purchase price range per share (excluding ancillary purchase costs in each case) must not differ by more than 10 percent from the average of the closing prices of the shares of the Company in Xetra trading (or an equivalent successor system) on the Frankfurt Stock Exchange during the five market trading days prior to the day of the public announcement of the offer or the public invitation to submit offers to sell shares. If there are considerable changes to the relevant price after the publication of a public offer or after a public invitation to submit offers to sell the shares, the offer or the invitation to submit offers to sell the shares can be adjusted. In this case, the price will be based on the average of the prices of the Company's shares determined in the closing auction in Xetra trading (or an equivalent successor system) on the Frankfurt stock exchange during the five market trading days prior to the public announcement of any adjustment. The volume of the offer or the invitation to submit offers to sell shares can be limited. In the case of a public offer to purchase or a public invitation to submit offers to sell shares, if the volume of the tendered shares exceeds the planned repurchase volume, the acquisition can be carried out in proportion to the subscribed or tendered shares in each case; the right of shareholders to tender their shares in proportion to

their ownership interests is excluded to this extent. Preferential acceptance of low numbers of up to 100 tendered shares per shareholder and commercial rounding to avoid fractions of shares can be stipulated. Any further right to tender by the shareholders is hereby excluded. The public offer or the public invitation to submit offers to sell the shares may specify further conditions.

c) **Use of treasury shares**
With the approval of the Supervisory Board, the Executive Board is authorized to use the treasury shares purchased on the basis of this or an earlier authorization for all lawful purposes, and in particular for the following purposes:

1) The treasury shares may be sold for cash consideration in ways other than via the stock exchange or on the basis of an offer to all shareholders if the purchase price to be paid in cash is not significantly lower than the market price of the already listed shares with essentially the same rights. The number of shares sold in this way must not exceed 10 percent of the share capital, either at the time at which this authorization becomes effective or at the time at which this authorization is exercised. Other shares which have been sold or issued with the exclusion of subscription rights during the life of this authorization upon the direct or corresponding application of Section 186 (3) sentence 4 AktG must be offset against this maximum limit. Shares which have to be issued for serving option and/or conversion rights or conversion obligations arising from convertible and/or option bonds or stock options, to the extent that these bonds or stock options have been issued during the life of this authorization with the exclusion of the subscription rights upon corresponding application of Section 186 (3) Clause 4 AktG, also have to be offset in relation to the maximum limit.

2) The treasury shares can be issued in return for a non-cash contribution, in particular for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets in connection with an acquisition project or in connection with business combinations.

3) The treasury shares may be used by the Executive Board for serving subscription rights relating to shares of the Company which have been granted or which will be granted to members of the Executive Board of the Company, selected senior executives, other key members of staff and employees of the company, as well as members of management, selected senior executives, other key members of staff and employees of enterprises which are affiliated with the Company in accordance with Section 15 AktG

- within the framework of the stock option plan 2008, which was authorized to be issued by the Annual General Meeting of May 21, 2008, pursuant to the resolution regarding item 7 of the agenda, most recently modified by the resolution of the Annual General Meeting of May 28, 2009, to item 10 of the agenda, or
- within the framework of the stock option plan 2010, which was authorized to be issued by the Annual General Meeting of May 27, 2010, pursuant to the resolution regarding item 8 of the agenda, or
- as part of the share price-based shadow share program of XING AG dated November 29, 2012, and the long-term incentive program for Executive Board members of XING AG dated January 27, 2014, as long as the Company wishes to allocate to the beneficiaries shadow shares through shares according to this program.

If members of the Company's Executive Board are beneficiaries in the above cases, the Supervisory Board shall decide on whether to use treasury shares to serve subscription rights.

4) Treasury shares may be used for serving options or conversion rights relating to shares of the Company. If treasury shares are to be transferred to members of the XING AG Executive Board, this authorization shall apply to the Supervisory Board.

5) The treasury shares can be offered for sale, or transferred, to persons who are employed by the Company or an enterprise affiliated with the Company in accordance with Section 15 AktG. They may also be offered for sale or transferred to members of the Executive Board of the Company or members of the management of an enterprise affiliated with the Company in accordance with Section 15 AktG. If members of the XING AG Executive Board are beneficiaries, the Supervisory Board is responsible for selecting the beneficiaries and determining the volume of shares to be granted to them.

6) The treasury shares may be retired without such retirement or the performance of such action requiring a further resolution of the Annual General Meeting. They may also be retired in a simplified procedure without a capital reduction by adjusting the proportionate theoretical interest of the other no-par value shares in the Company's share capital. If the shares are retired using the simplified procedure, the Executive Board is authorized to adjust the number of shares in the Articles of Incorporation.

The shareholders' subscription rights relating to the treasury shares purchased on the basis of this authorization are excluded if these shares are used in accordance with the authorizations detailed under (1) to (5).

The authorizations detailed under a) to c) may be exercised by the Company in whole or in partial amounts, once or on multiple occasions, to pursue one or more purposes. The authorizations – with the exception of the authorization to cancel treasury shares – can also be exercised by dependent enterprises or enterprises which are majority owned by the Company or by third parties acting for their account or for the account of the Company.

Compensation agreements of the Company with members of the Executive Board or employees in the event of a takeover bid

In the event of a change in control, XING AG grants the Executive Board member Ingo Chu the right to be released from the director's contract provided other requirements are met. In the event of the justified exercise of this right, the Executive Board member in question is entitled to settlement of all remuneration components (basic salary, variable remuneration, remuneration from the SSP or LTI), the total amount of which is subject to the severance cap as recommended by item 4.2.3 of the German Corporate Governance Code.

Further disclosures

The other information required in accordance with Section 315 (4) HGB relates to circumstances which do not exist at XING AG. There are no holders of shares with special rights conferring control powers, nor are there any voting right controls attributable to employees owning a share of the Company's capital, nor are there any major agreements which are subject to the condition of a change of control following a takeover bid.

LEGAL FACTORS

The Company largely operates as a social business network via the online platform www.xing.com where millions of people enter their personal details along with their CV. It is therefore imperative that XING provides its registered users with a secure and trustworthy environment. The legislation in place in Germany, in particular German privacy law, sets the standard for how XING handles its users' sensitive data.

Executive Board report on relations with affiliated companies

As set out in Section 312 AktG, the Executive Board has prepared a report on relations with affiliated companies, which contains the following final declaration: "We declare that XING AG received an appropriate consideration for each transaction and measure listed in the report on relations with affiliated companies under the circumstances known to us at the time the transactions were made or the measures taken or not taken."

Report on post-balance sheet date events

Effective January 1, 2015, XING AG acquired all of the shares of Intelligence Competence Center (Deutschland) AG, Aschaffenburg, Germany. XING AG initially paid the vendor € 5.0 million upon signing the contract. A further purchase price payment of € 1.3 million is expected to be paid in April 2015. Additional purchase price payments totaling € 2.4 million could be reduced if certain covenants are not fulfilled.

Hamburg, March 24, 2015

The Executive Board

Dr. Thomas Vollmoeller   Ingo Chu

Timm Richter   Jens Pape

03. CONSOLIDATED FINANCIAL STATEMENTS

for the financial year from January 1 to December 31, 2014

Consolidated income statement of XING AG

for the financial year from January 01 to December 31, 2014

Consolidated income statement

In € thousand	Note No.	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Service revenues	7	99,217	83,330
Other operating income	7	2,156	1,453
TOTAL OPERATING INCOME		**101,373**	**84,783**
Personnel expenses	8	–41,820	–35,782
Marketing expenses	9	–9,118	–6,144
Other operating expenses	10	–21,225	–20,031
EBITDA		**29,210**	**22,826**
Depreciation, amortization and impairment losses	14	–16,155	–8,453
EBIT		**13,055**	**14,373**
Finance income	11	76	131
Finance costs	11	–104	–32
EBT		**13,027**	**14,472**
Taxes on income	12	–6,852	–5,335
CONSOLIDATED NET PROFIT/LOSS		**6,175**	**9,137**
Earnings per share (basic)	13	1.11	1.65
Earnings per share (diluted)	13	1.10	1.65

Condensed consolidated income statement excl. kununu earn-out and write-down of XING Events business[1]

for the financial year from January 01 to December 31, 2014

Condensed consolidated income statement excl. kununu earn-out and write-down of XING Events business[1]

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Total operating income	101,373	84,783
EBITDA excl. kununu earn-out	31,621	24,311
EBIT excl. kununu earn-out and write-down of XING Events	23,013	15,857
Consolidated profit excl. kununu earn-out and write-down of XING Events	15,738	10,544
Earnings per share (basic) excl. kununu earn-out and write-down of XING Events	€ 2.81	€ 1.90
Earnings per share (diluted) excl. kununu earn-out and write-down of XING Events	€ 2.80	€ 1.90

1 *Unaudited additional information*

Consolidated statement of comprehensive income of XING AG

for the financial year from January 01 to December 31, 2014

Consolidated statement of comprehensive income

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Consolidated net profit/loss	**6,175**	**9,137**
Currency translation differences	0	0
Other comprehensive income	**0**	**0**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME	**6,175**	**9,137**

Consolidated statement of comprehensive income excl. kununu earn-out and write-down of XING Events business[1]

for the financial year from January 01 to December 31, 2014

Consolidated statement of comprehensive income excl. kununu earn-out and write-down of XING Events business[1]

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Consolidated profit excl. kununu earn-out and write-down of XING Events	**15,738**	**10,544**
Currency translation differences	0	0
Other comprehensive income	**0**	**0**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME PROFIT EXCL. KUNUNU EARN-OUT AND WRITE-DOWN OF XING EVENTS	**15,738**	**10,544**

1 Unaudited additional information

Consolidated statement of changes in equity of XING AG

for the financial year from January 01 to December 31, 2014

Consolidated statement of changes in equity

In € thousand	Note No.	Subscribed capital	Capital reserves	Treasury shares	Other reserves	Net retained profits	Total equity Total
AS OF 01/01/2013		**5,554**	**17,393**	**−2,039**	**16,302**	**14,552**	**51,762**
Currency translation	5	0	0	0	0	0	0
Total income and expense for the period recognized directly in equity		**0**	**0**	**0**	**0**	**0**	**0**
Consolidated net profit/loss		0	0	0	0	9,137	9,137
Consolidated total comprehensive income		**0**	**0**	**0**	**0**	**9,137**	**9,137**
Capital increase from share-based payment		38	1,084	0	0	0	1,122
Sale of treasury shares		0	0	1,584	0	0	1,584
Dividend for 2012		0	0		0	−3,089	−3,089
Personnel expenses, stock option program	8	0	0	0	66	0	66
AS OF 12/31/2013	16	**5,592**	**18,477**	**−455**	**16,368**	**20,600**	**60,582**
AS OF 01/01/2014		**5,592**	**18,477**	**−455**	**16,368**	**20,600**	**60,582**
Currency translation	5	0	0	0	0	0	0
Total income and expense for the period recognized directly in equity		**0**	**0**	**0**	**0**	**0**	**0**
Consolidated net profit/loss		0	0	0	0	6,175	6,175
Consolidated total comprehensive income		**0**	**0**	**0**	**0**	**6,175**	**6,175**
Capital increase from share-based payment		0	0	0	0	0	0
Sale of treasury shares		0	2	21	0	0	23
Dividend for 2013		0	0	0	−14,000	−9,434	−23,434
Personnel expenses, stock option program	8	0	0	0	61	0	61
AS OF 12/31/2014	16	**5,592**	**18,479**	**−434**	**2,429**	**17,341**	**43,407**

Consolidated statement of financial position of XING AG

as of December 31, 2014

Assets

In € thousand	Note No.	12/31/2014	12/31/2013
NON-CURRENT ASSETS			
Intangible assets			
Software and licenses	14	3,645	3,534
Internally generated software	14	12,631	8,752
Goodwill	14	2,169	7,743
Other intangible assets	14	2,168	3,510
Property, plant and equipment			
Leasehold improvements	14	442	490
Other equipment, operating and office equipment	14	4,687	5,805
Financial assets			
Equity investments	14	51	51
Other financial assets	14	25	42
Deferred tax assets	12	483	941
		26,301	**30,868**
CURRENT ASSETS			
Receivables and other assets			
Receivables from services	15	12,013	8,621
Income tax receivables	15	0	389
Other assets	15	2,622	3,443
Cash and short-term deposits			
Cash	15	63,951	66,160
Third-party cash	15	3,248	2,820
		81,834	**81,433**
		108,135	**112,301**

Equity and liabilities

In € thousand	Note No.	12/31/2014	12/31/2013
EQUITY			
Subscribed capital	16	5,592	5,592
Treasury shares	16	−434	−455
Capital reserves	16	18,479	18,477
Other reserves	16	2,429	16,368
Net retained profits	16	17,341	20,600
		43,407	**60,582**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	12	4,503	3,557
Deferred income	17	2,314	2,082
Other provisions	17	249	215
Other financial liabilities	17	0	1,485
Other liabilities	17	251	592
		7,317	**7,931**
CURRENT LIABILITIES			
Trade accounts payable	18	2,489	2,015
Deferred income	18	35,780	29,368
Other provisions	18	489	703
Other financial liabilities	18	3,896	0
Income tax liabilities	18	1,089	0
Other liabilities	18	13,668	11,702
		57,411	**43,788**
		108,135	**112,301**

Consolidated statement of cash flows of XING AG

for the financial year from January 01 to December 31, 2014

Consolidated statement of cash flows

In € thousand	Note No.	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Earnings before taxes		13,027	14,472
Amortization and write-downs of capitalized development costs	14	3,652	1,920
Depreciation, amortization and impairment losses on other fixed assets	14	12,503	6,533
Personnel expenses, stock option program	8	61	66
Interest income	11	−76	−131
Interest received		110	163
Interest expense	11	104	32
Taxes paid		−3,970	−5,013
Non-capitalizable payments for the acquisition of consolidated companies		0	372
Profit from disposal of fixed assets		0	−52
Change in receivables and other assets		−2,588	−2,133
Change in liabilities and other equity and liabilities		5,181	2,859
Non-cash changes from changes in basis of consolidation		0	−1,431
Change in deferred income		6,644	6,338
Elimination of XING Events GmbH third-party obligation		−428	−206
CASH FLOWS FROM OPERATING ACTIVITIES		**34,220**	**23,789**
Payment for capitalization of internally generated software	14	−7,531	−3,791
Payment for purchase of software	14	−2,532	−2,408
Payments for purchase of other intangible assets	14	−216	−123
Proceeds from the disposal of fixed assets		0	200
Payments for purchase of property, plant and equipment	14	−1,784	−4,314
Payments for the purchase of financial assets	14	0	−19
Payment for acquisition of consolidated companies (less cash acquired)	3	−944	−2,949
CASH FLOWS FROM INVESTING ACTIVITIES		**−13,007**	**−13,404**

Consolidated statement of cash flows

In € thousand	Note No.	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Proceeds from the exercise of options		0	1,122
Proceeds from the sale of treasury shares		23	1,584
Payment of regular dividend		−3,460	−3,089
Payment of special dividend		−19,974	0
Interest paid		−11	−1
CASH FLOWS FROM FINANCING ACTIVITIES		**−23,422**	**−384**
Net change in cash funds		−2,209	10,001
Cash funds at the beginning of the period		66,160	56,159
CASH FUNDS AT THE END OF THE PERIOD [1]	15	**63,951**	**66,160**
Third-party cash funds at the beginning of period		2,820	2,614
Change in third-party cash and cash equivalents		428	206
THIRD-PARTY CASH FUNDS AT THE END OF THE PERIOD		**3,248**	**2,820**

1 *Cash and cash equivalents consist of liquid funds.*

Notes to the Consolidated Financial Statements

(A) Principles and methods

1. Information on the Company

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 higher-level parent company that prepares consolidated financial statements is Burda Gesellschaft mit beschränkter Haftung, Offenburg.

Measured in terms of the total number of individual visitors worldwide, XING operates one of the leading professional networking websites. The international, multilingual, Internet-based platform is a "relationship engine" which provides its members with the opportunity of establishing new business contacts, maintaining existing contacts, extending their operations to new markets, and exchanging opinion and information. XING generates its revenues primarily from fee-based products for end customers and businesses. A model in which our customers pay for most of the services provided in advance.

The consolidated financial statements and the Group management report of XING AG for the period ending December 31, 2014 are approved for publication by the Executive Board on March 24, 2015, and presented to the Supervisory Board of the Company for approval on the same day. The consolidated financial statements and the group management report are published in the electronic Federal Gazette.

2. Basis of preparation

The consolidated financial statements of XING AG (referred to hereinafter as "XING", "XING AG" or "the Company") have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board (IASB) and the additional provisions of commercial law stipulated by Section 315a (1) HGB. Due consideration has been given to all IFRSs and IFRICs which were adopted by the EU Commission as of December 31, 2014 and which are subject to mandatory adoption.

The consolidated financial statements have been prepared in euros. Unless otherwise specified, all figures have been rounded up or down to the nearest thousand euros (€ thousand). The tables and figures included may therefore contain rounding differences.

The consolidated income statement has been prepared in accordance with the nature of expense method.

The accounting policies applied are consistent with those of the prior financial year.

NEW AND REVISED STANDARDS AND INTERPRETATIONS APPLICABLE TO THE 2014 FINANCIAL YEAR

IAS 27 Separate Financial Statements (revised 2011)

The adoption of IFRS 10 and IFRS 12 limits the scope of IAS 27 to the accounting for subsidiaries, jointly controlled and associated entities in separate financial statements of the Group.

IAS 28 Investments in Associates and Joint Ventures (amended 2011)

IAS 28 Investments in Associates and Joint Ventures (amended 2011) sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, with a limited number of specific exceptions.

IAS 32 and IFRS 7 — Offsetting a Financial Asset and a Financial Liability

The purpose of this amendment is to eliminate inconsistencies by supplementing the application guidance. However, the existing fundamental regulations regarding the offsetting of financial instruments have been retained. The amendment also serves to define supplementary disclosures.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

This amendment mainly covers situations in which hedging instruments are affected by changes in the law.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the requirements of both IAS 27 Consolidated and Separate Financial Statements and covers topics previously regulated by SIC-12 Consolidation – Special Purpose Entities.

IFRS 11 Joint Arrangements

This standard replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 governs the classification of joint arrangements.

IFRS 12 Disclosure of Interests in Other Entities

This standard governs the disclosure requirements related to Group accounting principles and consolidates the disclosures required of subsidiaries (heretofore subject to IAS 27); the disclosures required of jointly controlled and associated entities (heretofore subject to IAS 31 and IAS 28, respectively); as well as those required of structured entities.

The mandatory adoption of the revised standards for the first time in the financial year did not affect the consolidated financial statements. The standard IAS 36 Impairment of Assets (revised 2013) has already been applied early in the 2013 financial year.

STANDARDS ISSUED BUT NOT YET EFFECTIVE:

Standards and interpretations that are relevant for the activities of the Group and that had been issued but were not yet effective by the time the consolidated financial statements were published are detailed below.

IFRS 9 Financial Instruments:

IFRS 9, which was issued in July 2014, replaces the existing guidelines in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains revised guidance on the classification and measurement of financial instruments, including a new expected-loss impairment model for financial assets as well as new general hedge accounting guidelines. It also carries over the IAS 39 requirements for recognizing and derecognizing financial instruments. IFRS 9 must initially be applied in the first reporting period of a financial year beginning on or after January 1, 2018, although early adoption is permitted.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 sets up a comprehensive framework for determining whether, when, and in what amount revenue should be recognized. It replaces existing guidelines for recognizing revenue, including IAS 18 Revenue, IAS 11 Construction Contracts, and IFRIC 13 Customer Loyalty Programmes. IFRS 15 must initially be applied in the first reporting period of a financial year beginning on or after January 1, 2017, although early adoption is permitted.

Implementation takes place no later than in the year of initial mandatory application. The effects of IFRS 9 and IFRS 15 are currently being analyzed. Based on current knowledge, we do not anticipate these standards and also the other new standards to have any significant impact on the consolidated financial statements upon initial application, with the exception of new or modified disclosures in the notes.

3. Basis of consolidation and business combinations

In addition to XING AG, the consolidated financial statements include the subsidiaries that are controlled by XING AG as the parent company. Control is being assumed if the parent company can exercise control over the investee, is exposed to variable returns from the equity investment and can influence the amount of the returns due to its control. Control is assumed if the parent company directly or indirectly holds more than half of the voting rights of the subsidiary, unless it can clearly be shown that this holding does not constitute control. The subsidiaries are consolidated from the time at which the Group acquires control, and are no longer consolidated after the time at which the Group no longer exercises control. The question of whether or not the Group controls an investee is reassessed when facts or circumstances indicate that one or more of the stated criteria have resulted in a change of control.

If necessary, the annual financial statements of the subsidiaries are adjusted to align their accounting policies to the methods used in the Group. All intercompany balances, transactions, income and expenses as well as all results of intercompany transactions are eliminated in full.

The basis of consolidation in the consolidated financial statements comprises the following companies:

	Equity interest 12/31/2014 in %	Equity interest 12/31/2013 in %	Initial consolidation
amiando UK Ltd., Birmingham, United Kingdom[1]	100	100	2011
Grupo Galenicom Tecnologías de la Información (eConozco), S.L., Barcelona, Spain	100	100	2007
kununu GmbH, Vienna, Austria	100	100	2013
XING Events GmbH (formerly: amiando GmbH), Hamburg, Germany[2]	100	100	2011
XING International Holding GmbH, Hamburg, Germany	100	100	2007
XING Networking Spain S.L., Barcelona, Spain[3]	100	100	2007
XING S.à r.l., Luxembourg, Luxembourg	100	n/a	2014
XING Switzerland GmbH, Sarnen, Switzerland[3]	100	100	2008

1 100 % are held indirectly via a 100 % equity interest in XING Events GmbH, Hamburg, Germany.
2 The Company avails itself from the exemption under section 264 (3) German Commercial Code (HGB).
3 100 % are held indirectly via a 100 % equity interest in XING International Holding GmbH, Hamburg, Germany.

ACQUISITION OF KUNUNU GMBH IN JANUARY 2013

On January 8, 2013, XING AG acquired all interests in kununu GmbH, the Vienna-based operator of the leading employer review platform in German-speaking countries. By acquiring this company, XING AG has extended its value chain in the e-recruiting business. XING AG initially paid the vendor € 3.6 million upon signing the contract. Another € 0.9 million were paid as the purchase price in the 2014 financial year. In the 2014 financial year, € 2.4 million are recognized in personnel expenses in connection with the earn-out. Initial consolidation was carried out as of the date on which ownership of the interests was transferred and resulted in goodwill of € 2,169 thousand.

FOUNDING OF XING S.à r.l., LUXEMBOURG

XING S.à r.l., Luxembourg, was founded to process credit card payments starting on May 1, 2014.

ACQUISITION OF INTELLIGENCE COMPETENCE CENTER (DEUTSCHLAND) AG IN JANUARY 2015

Effective January 1, 2015, XING AG acquired all of the shares of Intelligence Competence Center (Deutschland) AG, Aschaffenburg, Germany. Until to date, XING AG has initially paid the vendor € 5.0 million since signing the contract on January 22, 2015. Further payments of up to € 3.7 million will be made until February 2017. XING AG wants to offer its users a significantly higher volume and a much wider variety of job advertisements in the future.

Costs of € 0.1 million were incurred in connection with this acquisition in the reporting year; they are included in the other operating expenses. Due to the lack of reliable IFRS figures, we are currently unable to make the disclosures required pursuant to IFRS 3.B64 (e) to (q).

4. Material judgments and estimates

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.

Material estimates and assumptions were made particularly in connection with the following accounting policies: impairment of goodwill, capitalization of development costs for software, and calculation of the amount of deferred tax assets qualifying for capitalization. With regard to the main forward-looking assumptions and other major sources of estimation uncertainty which existed on the reporting date, as a result of which there might be a risk that the carrying amounts might be adjusted in the course of the next financial year, please refer to the corresponding individual disclosures.

In addition, estimates and assumptions are made for the purpose of determining the useful lives of intangible assets and property, plant and equipment, which are subject to an annual review. The actual figures may differ from the estimates. Changes are recognized in the income statement at the time at which better information becomes available.

5. Foreign currency translation

The consolidated financial statements are prepared in euros, the functional currency and reporting currency of the Group. Every company within the Group determines its own functional currency, and all items relating to this company in the annual financial statements are recognized in this functional currency. Monetary assets and liabilities in a foreign currency are translated into the functional currency at the exchange rate prevailing on the reporting date. Expenses and income are translated at average annual exchange rates. Exchange rate differences arising from this are shown in the net profit/loss for the period.

Non-monetary items measured at historic cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate prevailing at the date on which the fair value was determined.

Because of the financial, economic and organizational independence of the foreign subsidiaries, the functional currency is the local currency in each case. As of the reporting date, the assets and liabilities of companies are translated into the Group's reporting currency at the exchange rate prevailing on the reporting date. The income statement is translated using the weighted average exchange rates for the reporting year. Exchange rate differences are recognized directly as a separate component of equity.

6. Significant accounting policies

Income from member contributions is recognized on a daily basis, taking into account the proportional length of each membership as of the reporting date. All prepayments received for periods after the reporting date are listed as deferred income in the statement of financial position; revenues are recognized in the subsequent periods.

Income from jobs and advertising is recognized on a daily basis, taking into account the proportional length of each term of contract as of the reporting date. All payments received for periods after the reporting date are listed as deferred income in the statement of financial position; revenues are recognized in the subsequent periods.

The statement of comprehensive income comprises only items that can be reclassified to the income statement in subsequent reporting periods.

Expenses for the purchase of other intangible assets are recognized and written down over their expected useful life using the straight-line method. Amortization begins at the time at which the intangible asset can be used.

In accordance with IAS 38 and SIC-32, intangible assets which arise from the development of a single project can only be recognized if the Group can demonstrate the technical feasibility for completing the project for internal use or sale; the intent to complete the project so that the asset can be used internally or sold; that the asset will generate a future economic benefit; that the resources for completing the project are available; and outputs can be reliably measured. After the first-time application of development costs, the asset is recognized at cost less cumulative amortization and cumulative impairments. All capitalized development costs are amortized over the remaining useful life of the XING platform using the straight-line method.

The expenses for software and licenses, which mainly concern the XING platform, are recognized and written down over the expected remaining useful life of the XING platform using the straight-line method.

On December 31, 2014, the remaining useful life of the platform was 48 months. At the beginning of financial year 2014, the remaining useful life of the platform was fixed at a further five years.

The recoverable amount of the development costs is subjected to an annual impairment test, provided that the asset has not yet been used or if there are any indications of impairment over the course of the year.

Intangible assets are tested for impairment as soon as there are any indications of impairment. The amortization period, the residual values and amortization method of an intangible asset with a finite useful life are reviewed regularly, at least at the end of each financial year.

There is no interest that is directly attributable to the acquisition or production of a qualifying asset and thus could be capitalized as part of the cost of that asset.

The Company recognizes business acquisitions using the acquisition method, which leads to the recognition of goodwill in the event of a positive difference. Goodwill acquired during a business combination is initially recognized at cost; it refers to the additional costs of the business combination in excess of the share of the Group in the net present value of identifiable assets, liabilities and contingent liabilities. Transaction costs are immediately expensed.

In accordance with IFRSs, goodwill is not amortized over its economic service life. The Company is required to test goodwill for impairments at least once a year, provided there are no indications of potential impairments. If there are indications of impairment, goodwill must be tested immediately for impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units which will conceivably benefit from the synergies of the combination from the date of acquisition. Impairment is determined by calculating the recoverable amount of the cash-generating unit to which the goodwill has been allocated. If the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment is recognized. Even if in future periods the recoverable amount exceeds the carrying amount of the cash-generating unit to which the goodwill has been allocated, impairment losses recognized on goodwill are not reversed.

Contingent consideration is measured at fair value at the time of acquisition. As long as the contingent consideration is not classified as equity, changes in the fair value are recognized in profit or loss.

The impairment test of goodwill requires an estimate to be made of the recoverable amount of the cash-generating unit to which the goodwill has been allocated. The recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction, less costs to sell. Value in use is generally calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using risk-equivalent capitalization rates.

The XING Group is divided into three segments (Network/Premium, E-Recruiting, Events). The Network/Premium segment comprises two sub-segments. The same breakdown is used for cash-generating units.

Property, plant and equipment is recognized at cost less cumulative straight-line depreciation for the entire useful life of three years (IT equipment) to 13 years (office equipment) and cumulative impairments. The carrying amounts, useful lives and depreciation methods are revised and adjusted at the close of the financial year, if necessary. Rent subsidies are reported under deferred income.

Financial assets as defined by IAS 39 are assigned to different categories. XING's financial assets principally comprise cash and cash equivalents as well as trade accounts receivable. Cash and cash equivalents were not designated as available-for-sale financial assets because these financial assets were not subject to any fluctuations in value. At the initial recognition of such assets, they are measured at fair value. Directly attributable transaction costs of financial investments which are not classified as measured at fair value through profit or loss are also recognized.

After initial recognition, available-for-sale financial instruments are measured at fair value, with gains and losses recognized directly in equity.

Fair values of equity investments which are actively traded on an organized financial market are determined at the end of the financial year based on the offering price prevailing as of the reporting date. If the fair value cannot be reliably determined, the equity investments are measured at amortized cost.

Financial instruments in the categories “Loans and receivables” and “Other liabilities” are measured at amortized cost.

Impairments to financial instruments are recognized in profit or loss.

At present, the Group does not hold any financial instruments in the categories “Fair value through profit or loss”, “Held to maturity” or “available-for-sale assets” which would have to be recognized in equity at fair value.

Financial assets are derecognized if (i) the contractual rights to cash flows from the financial asset no longer exist, or (ii) the Group retains the right to generate cash flows from the asset but is obliged to pay these cash flows immediately to a third party as part of a transfer agreement, or (iii) the right to generate cash flows from the financial assets is transferred and either (a) all material risks and opportunities are transferred or (b) all material risks and opportunities are neither transferred nor retained, but the right of control over the asset has been transferred.

The fair value of financial assets or liabilities amounts to the carrying amounts.

A financial liability is derecognized when the obligation arising from the liability is waived or rescinded or expires.

Current tax assets and liabilities for current and previous periods are shown with the expected amount. The amount is calculated on the basis of the tax rates and laws applicable as of the reporting date of the given period.

Deferred taxes result from temporary differences between the carrying amount of an asset or a liability in the statement of financial position and its tax assessment base as well as from tax loss carryforwards. They are calculated using the balance sheet liability method, and are based on the application of the tax rates expected in the individual countries at the time of realization. These are based on the legal regulations applicable on the reporting date. The effect of changes to tax law which affect deferred tax assets and deferred tax liabilities must be recognized in the income statement in the period in which the change becomes effective. Tax assets resulting from tax losses carried forward are recognized to the extent that it is probable in the near future that there will be a tax result against which the tax losses carried forward can be offset. The deferred tax assets are tested annually to establish whether they are realizable.

The Group offsets current tax assets and liabilities and deferred tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Receivables and other assets are recognized with the original invoice amount less allowances for amounts that are irrecoverable or no longer completely recoverable. Allowances are recognized if there are objective indications that a receivable is no longer recoverable or completely recoverable.

Bank balances and cash funds are recognized at their nominal amounts.

In accordance with IAS 32.35, costs of procuring equity are shown as deductions from equity (offset against capital reserves), less the associated income tax benefits, but only to the extent to which these tax benefits are likely to be expected.

Certain employees and senior executives in the Group receive share-based payments in the form of equity instruments (stock options). The remuneration components to be recognized in profit or loss over the vesting period are equivalent to the fair value of the options granted at the grant date (if settled in the form of shares) or as of the reporting date (if settled by cash and cash equivalents). The fair value is determined by external experts (Mercer Deutschland GmbH) by means of established valuation models. A corresponding increase in the capital reserves (if settlement is in the form of shares) or corresponding provisions/liabilities (if settlement is in the form of cash and cash equivalents) are recognized. Additions to liabilities or provisions are shown in personnel expenses, and reversals are shown in the other operating income. The vesting period ends at that moment at which the employee or executive in question irrevocably becomes a beneficiary. The dilutive effect of outstanding stock options is taken into account when calculating earnings per share.

Obligations to pay into defined-contribution plans are recognized as an expense as soon as the associated service is rendered. Prepaid items are recognized as assets if they confer a right to reimbursement or a reduction in future payments.

The purchase of treasury shares is recognized directly in equity and reduces equity accordingly.

Finance leases which transfer essentially all risks and all benefits of ownership of the leased asset to the Group are recognized at the beginning of the leasing arrangement at the cost of the asset. Leasing payments are divided into an interest portion and a repayment portion of the lease liability, allowing for a constant interest rate over the entire period for the remaining liability. Finance costs are recognized directly in profit or loss. As of December 31, 2014, as was the case in previous years, there were no finance leases.

In the leases entered into by the Group as the lessee, essentially all of the risks and rewards of ownership remain with the lessor. The leases are therefore classified as operating leases. Lease payments under operating leases are recognized as an expense in the consolidated income statement on a straight-line basis over the lease term.

Provisions are recognized if (i) the Company has a present obligation arising from past events, (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) the amount of the obligation can be measured with sufficient reliability.

Contingent liabilities are defined as a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Obligations for which an outflow of resources is unlikely or for which an outflow of resources cannot be reliably measured are summarized under this item. In accordance with IAS 37, contingent liabilities are not recognized in the statement of financial position.

Trade accounts payable and other liabilities are shown at their settlement amount.

The following table summarizes the main measurement principles for preparing the consolidated financial statements:

Items	Measurement principle	Items	Measurement principle
ASSETS		**EQUITY AND LIABILITIES**	
Cash and short-term deposits	Nominal value	Trade accounts payable	Amortized cost
Receivables from services	Amortized cost	Accrued liabilities	Amortized cost
Property, plant and equipment	Amortized cost	Other liabilities	Amortized cost
Goodwill	Impairment-only approach		
Intangible assets (excl. goodwill) with finite useful lives	Amortized cost		
Other financial assets, loans and receivables	Amortized cost		

(B) Income statement disclosures

7. Total operating income

In financial year 2014, total operating income was € 101,373 thousand (previous year: € 84,783 thousand).

In financial year 2014, revenues amounted to € 99,217 thousand (previous year: € 83,330 thousand). The breakdown of revenues and the corresponding development according to business divisions and regions are shown in segment reporting. Revenues include € 772 thousand (previous year: € 28 thousand) in revenue from barter deals.

The following table breaks down the main items of other operating income:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Income from non-cash benefits	479	419
Prior-period income	408	57
Income from currency translation	354	206
Earnings from returned bank transfers and dunning fees	333	314
Income from deferred investment grants	174	144
Income from receivables written off	41	36
Other	367	277
	2,156	**1,453**

8. Personnel expenses

The following table breaks down the personnel expenses including the costs of freelance staff:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Salaries and other types of remuneration	34,946	29,585
Social security contributions (employer portion)	5,923	5,031
Pension costs (defined-contribution plan)	429	440
Provisions for vacation	126	8
Stock option plan	61	66
Termination benefits	123	434
Other	212	218
	41,820	**35,782**

Salaries and other types of remuneration include € 2,411 thousand (previous year: € 1,485 thousand) in non-operating, performance-based remuneration (earn-out) payable to the former shareholders of kununu GmbH acting as managing directors until December 31, 2014, in connection with the acquisition of kununu GmbH. This performance-based remuneration was based on a number of factors, in particular kununu GmbH's revenue and EBITDA performance in 2014 and has to be shown under personnel expenses in accordance with IFRSs.

9. Marketing expenses

Marketing expenses are broken down as follows:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Marketing costs	7,973	5,283
Events	681	622
Sales commissions	464	221
Other	0	18
	8,972	**6,144**

Marketing costs include, in particular, costs of online advertising, traditional display advertising, TV advertising as well as costs of customer acquisition.

10. Other operating expenses

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

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
IT and business administration services	5,915	4,677
Occupancy expenses	3,975	3,976
Server hosting, administration and traffic	2,230	2,012
Payment transaction costs	1,956	2,035
Travel, entertainment and other business expenses	1,692	1,687
Other personnel expenses	1,141	912
Training costs	591	556
Accounting fees	488	438
Legal consulting fees	454	517
Phone/cell phone/postage/courier costs	431	377
Bad debts	426	248
Supervisory Board remuneration	285	280
Financial statements preparation and auditing costs	283	394
Rental/leasing expenses	152	214
Office supplies	152	270
Other	1,054	1,438
	21,225	**20,031**

The other expenses mainly comprise currency translation expenses, expenses attributable to prior periods, costs of contributions, other charges and insurance costs. Legal and consulting costs include expenses of € 0.1 million in connection with the acquisition of Intelligence Competence Center (Deutschland) AG, Aschaffenburg.

11. Finance income and finance costs

The financial result can be broken down as follows:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Finance income	76	131
Finance costs	104	− 32
	− 28	**99**

The non-cash unwinding of discounts on provisions and liabilities triggered finance costs of € 93 thousand (previous year: € 31 thousand).

12. Taxes on income

The result of taxes on income can be broken down as follows:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Corporation tax (incl. solidarity surcharge)	3,217	2,471
Trade tax	2,231	2,533
Deferred taxes	1,404	323
Other taxes	0	8
	6,852	**5,335**

An amount of € 1,121 thousand (previous year: € 87 thousand) for corporation tax was incurred outside Germany. The deferred taxes were mainly incurred in Germany, as in the previous year.

The following tables shows the breakdown of the deferred taxes in the income statement.

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Utilization/reversal of tax losses carried forward	0	213
Deferral of rental expenses and investment grants	103	– 257
Recognition/amortization of internally developed software	1,275	468
Amortization of brand/domain	–130	–130
Amortization of customer relations	–197	–103
Amortization of goodwill deductible for tax purposes	622	40
Temporary differences in fixed assets	267	0
Other	– 2	92
	1,404	**323**

As was the case in the previous year, the effective and deferred taxes were mainly incurred within Germany. The following overview reconciles the expected tax expense with the actual tax expense:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Earnings before taxes (EBT)	13,027	14,472
Expected tax result	4,205	4,671
Tax effects attributable to		
different foreign tax rates	– 324	– 23
Tax-ineffective write-downs in connection with XING Events GmbH, Hamburg, Germany	2,013	0
Expenses in connection with Kununu GmbH, Vienna, Austria, not deductible for tax purposes	778	479
Expenses not deductible for tax purposes	180	208
ACTUAL TAX RESULT	**6,852**	**5,335**

The theoretical tax rate is determined as follows:

In %	12/31/2014	12/31/2013
Corporation tax including solidarity surcharge (effective)	15.83	15.83
Trade tax rate	16.45	16.45
AVERAGE TAX RATE	**32.28**	**32.28**

Deferred taxes in the statement of financial position are broken down as follows:

In € thousand	12/31/2014	12/31/2013
Tax amortization of goodwill	0	482
Intangible assets		
Internally developed software	– 4,059	– 2,784
Brand/domain	– 65	–195
Customer relations	– 361	– 558
Deferred rental expenses and investment grants	154	257
Temporary differences in fixed assets	267	0
Other	44	182
	– 4,020	**– 2,616**

The purchase price allocation in connection with the acquisition of kununu GmbH in the previous year took into account deferred tax assets of € 213 thousand and deferred tax liabilities of € 871 thousand.

The deferred tax assets (€ 483 thousand, previous year: € 941 thousand) and deferred tax liabilities (€ 4,503 thousand, previous year: € 3,557 thousand) were not offset because the criteria in IAS 12.71 were not satisfied.

13. Earnings per share

Earnings per share are broken down as follows:

	12/31/2014	12/31/2013
Consolidated profit or loss attributable to the shareholders of XING AG in € thousand	6,175	9,137
Weighted average number of issued shares	5,579,768	5,539,191
Dilutive effect due to granted stock options	15,919	14,399
Weighted average number of shares, diluted	5,595,686	5,553,589
Consolidated earnings per share attributable to the shareholders of XING AG		
Basic	€1.11	€1.65
Diluted	€1.10	€1.65

The treasury shares held by the Company as of the reporting date are not taken into consideration for establishing the weighted average of shares issued, because the Company is not entitled to any rights arising from treasury shares and is thus also not entitled to any proportionate dividend distribution. The treasury shares are therefore debited to equity.

The dilutive effect is attributable to the option rights of the stock option program for some employees and senior executives of the Group which were in the money as of December 31, 2014. All option rights existing as of December 31, 2014 were taken into consideration for calculating the diluted earnings per share using the treasury stock method, if the option rights were in the money and irrespective of whether the option rights were actually exercisable as of the reporting date. The dilutive effect resulting from the conversion is calculated by first establishing the sum of potential shares. The average fair value is then used as the basis for establishing the number of shares which could be acquired from the total amount of payments (nominal value of rights plus additional payment). If the difference between the two figures is zero, the total payment is precisely equivalent to the fair value of the potential shares, so that no dilutive effect has to be taken into account. If the difference is positive, it is assumed that the shares will be issued free-of-charge.

The calculation of diluted earnings per share was based on 40,365 (previous year: 41,130) potential shares (from the theoretical utilization of the rights). Based on average market price of € 89.32 (previous year: € 57.30), this would result in 15,919 shares being issued free-of-charge (previous year: 14,399).

(C) Consolidated statement of financial position disclosures

14. Non-current assets

INTANGIBLE ASSETS

As of the reporting date, the intangible assets include brand rights, the customer base, purchased software as well as internally developed software and goodwill.

Internally developed software in the amount of € 7,531 thousand (previous year: € 3,791 thousand) was capitalized as internally generated intangible assets in financial year 2014 because the criteria set out in IAS 38 were satisfied. The development work mainly concerned the products Communities, FutureMe XING Jobs, the new jobseeker membership that offers special options and features for jobseekers, further development of the XING Talent Manager (XTM) and various projects to enhance the mobile apps. Amortization and write-downs of internally generated software include impairment losses of € 1,596 thousand (previous year: € 269 thousand). As was the case in the previous year, no reversals of impairment losses charged on internally generated software were recognized. Amortization and write-downs of software and licenses in the previous year included impairment losses of € 100 thousand.

At the beginning of financial year 2014, the useful life of the XING platform was fixed at a further five years until December 31, 2018. The remaining useful life of the internally developed website is thus 48 months as of December 31, 2014. The development costs recognized in profit or loss amounted to € 10,907 thousand (previous year: € 10,861 thousand); of this figure, personnel expenses accounted for € 10,283 thousand (previous year: € 10,168 thousand).

Mandatory annual impairment testing was performed as of the end of the 2014 financial year. This led to goodwill from the acquisition of XING Events GmbH (formerly: amiando AG) in the amount of € 5.6 million being allocated to the Events cash-generating unit, while goodwill from the acquisition of kununu GmbH in the amount of € 2.2 million was allocated to the E-Recruiting cash-generating unit. There are no other intangible assets with an indefinite useful life. The cash-generating units correspond to the segments in accordance with section (D).

The recoverable amount of the cash-generating units is based on the value in use estimated using discounted cash flows. Based on the inputs from the measurement procedure used, the fair value measurement was classified as a fair value that is not based on observable market data.

		Events		E-Recruiting
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Discount rate	8.33 %	10.9 %	9.4 %	13.3 %
Sustainable growth rate	2.0 %	2.0 %	2.0 %	2.0 %

The discount rates reflect current market assessments of the risks specific to the individual cash-generating unit and are based on the weighted average cost of capital.

In measuring value in use as the recoverable amount, the Company projected cash flows for the next three years based on past experience, the most recent operating results, and management's best estimate of future developments, as well as market participants' expectations. Since the Events cash-generating unit has not yet reached a steady state after five years, which is a necessary foundation for reasonably deriving a sustainable result, a detailed planning period of eight years was assumed. The result projected on the basis of these estimates is largely influenced by the successful integration of the acquired companies, price trends in the competitive environment and expected economic developments. The value in use is mainly determined by the final value (present value of the perpetual annuity) that is particularly sensitive to changes in the assumptions about the long-term growth rate and the discount rate. Both of these assumptions are determined individually for each cash-generating unit. The growth rates take account of external macroeconomic data and industry-specific trends.

In the case of the E-Recruiting cash-generating unit, the Executive Board believes that both revenues and the EBITDA margin can be increased in the future.

A year-on-year change in the market situation for the Events segment led the Executive Board to adjust the projected result. The Executive Board currently assumes that revenues will grow by a low double-digit percentage per year. The break-even point for the EBITDA margin is expected at the end of the detailed planning period. Consequently, the recoverable amount of the Events segment is estimated by the Executive Board to be € – 2,669 thousand as of December 31, 2014. Due to the negative recoverable amount, a sensitivity analysis is not presented.

This correction of the forecast results resulted in the write-off of the full amount of goodwill of the Events cash-generating unit totaling € 5,574 thousand. Further write-downs included internally developed software in the amount of € 1,020 thousand, purchased software totaling € 518 thousand, and customer relations in the amount of € 435 thousand because these items are allocated to the Events cash-generating unit.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of IT hardware and other operating and office equipment as well as leasehold improvements.

Depreciation and write-downs of other equipment, operating and office equipment in the previous year included impairment losses of € 18 thousand. As was the case in the previous year, no reversals of impairment losses charged on property, plant and equipment were recognized.

FINANCIAL ASSETS

As of the reporting date, the other financial assets include equity interests in the companies Win Local (formerly KennstDuEinen) (€ 50 thousand; previous year: € 50 thousand) and altruja GmbH (€ 1 thousand; previous year: € 1 thousand) as well as rent deposits (€ 25 thousand; previous year: € 42 thousand).

The following table shows the changes in fixed assets:

Consolidated statement of changes in fixed assets

as of December 31, 2014

Consolidated statement of changes in fixed assets

In € thousand	Cost			
	01/01/2014	Additions	Disposals	12/31/2014
1. INTANGIBLE ASSETS				
1. Software and licenses	12,835	2,532	0	15,367
2. Internally generated software	22,832	7,531	0	30,363
3. Goodwill	17,005	0	0	17,005
4. Other intangible assets	12,281	216	0	12,497
	64,953	**10,279**	**0**	**75,232**
2. PROPERTY, PLANT AND EQUIPMENT				
1. Leasehold improvements	1,282	49	0	1,331
2. Other equipment, operating and office equipment	14,830	1,803	−68	16,565
	16,112	**1,852**	**−68**	**17,896**
3. FINANCIAL ASSETS				
1. Equity investments	251	0	0	251
2. Other financial assets	42	0	−17	25
	293	**0**	**−17**	**276**
TOTAL	**81,358**	**12,131**	**−85**	**93,404**

In € thousand	Cost				
	01/01/2013	Additions	from initial consolidation	Disposals	12/31/2013
1. INTANGIBLE ASSETS					
1. Software and licenses	10,496	2,408	32	−101	12,835
2. Internally generated software	18,661	3,791	380	0	22,832
3. Goodwill	14,836	0	2,169	0	17,005
4. Other intangible assets	9,358	123	2,800	0	12,281
	53,351	**6,322**	**5,381**	**−101**	**64,953**
2. PROPERTY, PLANT AND EQUIPMENT					
1. Leasehold improvements	1,261	21	0	0	1,282
2. Other equipment, operating and office equipment	10,888	4,293	109	−460	14,830
	12,149	**4,314**	**109**	**−460**	**16,112**
3. FINANCIAL ASSETS					
1. Equity investments	251	0	0	0	251
2. Other financial assets	23	19	0	0	42
	274	**19**	**0**	**0**	**293**
TOTAL	**65,774**	**10,655**	**5,490**	**−561**	**81,358**

Depreciation, amortization and impairment losses			Carrying amounts	
01/01/2014	Additions	12/31/2014	12/31/2014	12/31/2013
–9,301	–2,421	–11,722	3,645	3,534
–14,080	–3,652	–17,732	12,631	8,752
–9,262	–5,574	–14,836	2,169	7,743
–8,771	–1,558	–10,329	2,168	3,510
–41,414	**–13,205**	**–54,619**	**20,613**	**23,539**
–792	–97	–889	442	490
–9,025	–2,853	–11,878	4,687	5,805
–9,817	**–2,950**	**–12,767**	**5,129**	**6,295**
–200	0	–200	51	51
0	0	0	25	42
–200	**0**	**–200**	**76**	**93**
–51,431	**–16,155**	**–67,586**	**25,818**	**29,927**

Depreciation, amortization and impairment losses				Carrying amounts	
01/01/2013	Additions	Disposals	12/31/2013	12/31/2013	12/31/2012
–7,620	–1,782	101	–9,301	3,534	2,876
–11,617	–2,463	0	–14,080	8,752	7,044
–9,262	0	0	–9,262	7,743	5,574
–7,776	–995	0	–8,771	3,510	1,582
–36,275	**–5,240**	**101**	**–41,414**	**23,539**	**17,076**
–714	–78	0	–792	490	547
–6,314	–3,135	424	–9,025	5,805	4,574
–7,028	**–3,213**	**424**	**–9,817**	**6,295**	**5,121**
–200	0	0	–200	51	51
0	0	0	0	42	23
–200	**0**	**0**	**–200**	**93**	**74**
–43,503	**–8,453**	**525**	**–51,431**	**29,927**	**22,271**

15. Current assets

As was the case in the previous year, receivables arising from XING services recognized as of December 31, 2014, were due within one year.

At the end of the year, the following impairments were recognized in relation to receivables from services:

In € thousand	12/31/2014	12/31/2013
Total amount of receivables from services	12,476	8,893
Allowances on receivables	−463	−272
RECEIVABLES FROM SERVICES	**12,013**	**8,621**

Impairments of € 191 thousand were added in the financial year 2014 (previous year: reversal of impairments amounting to € 42 thousand). There was essentially no income from payments relating to receivables from services which had previously been eliminated.

As of the reference date, there are no income tax receivables as a result of refund claims (previous year: € 389 thousand).

The following table shows the composition of other assets:

In € thousand	12/31/2014	12/31/2013
Deferred cost	1,246	1,462
Receivables due from credit card companies	763	727
Advances paid	63	979
Receivables due from personnel	31	63
Deferred interest	5	39
Other assets	514	173
	2,622	**3,443**

Cash and cash equivalents and short-term deposits as of the reporting date consisted of bank balances of € 67,193 thousand (previous year: € 68,962 thousand) and cash-in-hand of € 6 thousand (previous year: € 18 thousand). Bank balances include a figure of € 3,248 thousand (previous year: € 2,820 thousand) relating to third-party cash held by XING Events GmbH.

16. Equity

SUBSCRIBED CAPITAL

The Company's subscribed capital was not increased by the issue of shares in 2014. Treasury shares were used for the employee stock option plans. The share capital of the Company amounted to € 5,592,137.00 on December 31, 2014 (previous year: € 5,592,137.00), and consists of 5,592,137 no-par-value registered shares at a calculative value of € 1.00 of the share capital. All of the subscribed capital is fully paid in. All shares have the same rights.

Treasury shares

Out of the prior-year total of 12,832 shares, the Company sold a total of 670 treasury shares for € 29.48 per share and 95 treasury shares for € 33.68 per share as part of a stock option plan in the past financial year. The proceeds equivalent to the average acquisition cost per share (€ 26.96) were recognized in other revenue reserves in the amount of € 21 thousand. The surplus amount was recognized in the capital reserves in the amount of € 2 thousand.

Therefore, as of the reporting date, the Company holds 12,067 shares (previous year: 12,832 shares). This corresponds to 0.22 percent (previous year: 0.23 percent) of the Company's subscribed capital. These shares are largely designated for fulfilling obligations arising from current stock option plans.

Authorized Capital 2011

Pursuant to the resolution of the Annual General Meeting of May 26, 2011, the Executive Board has been authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to € 2,645,998.00 by May 25, 2016, by way of issuing, on one or more occasions, new no-par-value registered shares in return for cash and/or non-cash contributions (Authorized Capital 2011). The number of shares must be increased in the same ratio as the share capital. A subscription right must be granted to the shareholders. The new shares can also be taken up by one or more credit institutions specified by the Executive Board on condition that they are offered to the shareholders (indirect subscription right). The Executive Board however is authorized, with the approval of the Supervisory Board, to exclude the subscription right of shareholders:

1. in order to settle fractional amounts;

2. if the shares are issued in return for a non-cash contribution, in particular for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets in connection with an acquisition project or in connection with business combinations;

3. if the shares of the Company are issued in return for a non-cash contribution and if the issue price of each share is not significantly lower than the market price of the shares which are already listed and which essentially carry the same rights at the time at which the issue price is definitively fixed. The number of shares issued in this way with the exclusion of subscription rights must not exceed 10 percent of the share capital, either at the time at which this authorization becomes effective or at the time at which this authorization is exercised. Other shares which have been sold or issued with the exclusion of subscription rights during the life of this authorization upon the direct or corresponding application of Section 186 (3) sentence 4 AktG must be offset against this maximum limit. Shares which have to be issued for serving option and/or conversion rights or conversion obligations arising from convertible bonds and/or option bonds or stock options, to the extent that these bonds or stock options have been issued during the life of this authorization with the exclusion of the subscription rights upon corresponding application of Section 186 (3) Clause 4 AktG, also have to be offset in relation to the maximum limit;

4. if the shares are offered to employees of the Company and/or employees or members of management of a company which is affiliated with the Company in accordance with Section 15 AktG or if the shares are transferred to such persons. The new shares can also be issued to a suitable credit institution which takes up the shares with the undertaking to forward them exclusively to the relevant beneficiaries. The number of shares issued in this way with the exclusion of subscription rights must not exceed 2 percent of the share capital, either at the time at which this authorization becomes effective or at the time at which this authorization is exercised.

The proportionate amount of the share capital accounted for by shares which are issued with the exclusion of the subscription rights of shareholders in return for cash or non-cash contributions must not exceed 25 percent of the share capital of the Company which existed at the time at which the authorization becomes effective.

The Executive Board is authorized, with the approval of the Supervisory Board, to define the contents of the share rights, the details of the capital increase as well as the conditions of the share issue, and in particular the issue amount.

The Executive Board has not yet made use of this authorization.

Contingent Capital I 2006, Contingent Capital 2009 and Contingent Capital 2012

The Contingent Capital I 2006 resolved by the Annual General Meeting on November 3, 2006, the Contingent Capital 2009 resolved on May 28, 2009, and the Contingent Capital 2012 resolved on June 14, 2012 were revoked by the Annual General Meeting on May 23, 2014.

Contingent Capital 2008

The share capital of the Company has been increased by € 231,348.00 out of contingent capital by issuing up to 231,348 new no-par-value registered shares (Contingent Capital 2008). Contingent Capital 2008 serves exclusively to ensure that new shares can be issued to the holders of options or conversion rights granted by the Company or companies in which the Company holds a majority interest, either directly or indirectly, under the authorization resolution adopted by the Annual General Meeting of May 21, 2008. The contingent capital increase will only be carried out to the extent that holders of bonds exercise their conversion or option rights. The new shares participate in profit from the start of the financial year in which they are created.

The Contingent Capital 2008 was partially revoked pursuant to a resolution of the Annual General Meeting of May 28, 2009, and amounted to € 32,104.00 as of December 31, 2012. The share capital increased by € 2,694.00 in 2013 through the issue of 2,694 subscription shares with a nominal value of € 2,694.00. Following this issue, Contingent Capital 2008 as of December 31, 2014 had declined to € 29,410.00.

Contingent Capital 2010

The share capital of the Company has been increased to up to € 94,318.00 by issuing up to 94,318 new no-par-value registered shares out of contingent capital (Contingent Capital 2010). The Contingent Capital 2010 serves to secure subscription rights for stock options which are issued by the Company under the terms of the stock option plan 2010 in accordance with the authorization of the Annual General Meeting of the Company of May 27, 2010. The contingent capital increase is carried out only to the extent that stock options are issued and the holders of the stock options actually use their subscription right for shares of the Company and the Company does not grant treasury shares or a cash settlement in order to fulfill the subscription rights. The shares are issued out of Contingent Capital 2010 for the exercise price fixed in accordance with the resolution of the Annual General Meeting of May 27, 2010, under point 8 letter d) item (5). The new shares participate in profit from the start of the financial year in which they are created. As of December 31, 2014, no shares have been issued out of Contingent Capital 2010.

Contingent Capital 2014

The share capital of the Company has been increased by up to € 1,118,427.00 out of contingent capital by issuing up to 1,118,427 new no-par-value registered shares (Contingent Capital 2014). The contingent capital increase serves to issue shares to the holders of convertible bonds and/or option bonds issued under the authorization adopted by the Annual General Meeting of May 23, 2014. Provided that they are created before the start of the Annual General Meeting, the new shares participate in profit from the start of the preceding financial year. Otherwise, they will participate in profit from the start of the financial year in which they are created. The new shares will be issued at the conversion and option price to be determined in accordance with the above authorization. The contingent capital increase will only be carried out to the extent that conversion or option rights under bonds are exercised or conversion or option obligations arising from such bonds are fulfilled and if no other forms of fulfillment are used for serving purposes. The Executive Board is authorized, with the approval of the Supervisory Board, to fix the further details for carrying out the contingent capital increase. As of December 31, 2014, no shares have been issued out of Contingent Capital 2014.

As of December 31, 2014, a total of 40,365 (previous year: 41,130) stock options which had neither expired nor been exercised had been issued to employees, senior executives and the Executive Board.

Capital reserves

The capital reserves mainly comprise the premium from the cash capital increases carried out in previous years minus the ancillary costs of procuring equity and the premium from share buy-backs.

Other reserves

The other reserves include the effects attributable to currency translation of the financial statements of foreign subsidiaries and the personnel expenses attributable to the stock options program and reclassifications resulting from capital measures.

Other

Under German stock corporation law, the dividend eligible for distribution to shareholders is based on the net retained profits which XING AG disclosed in its annual financial statements prepared in accordance with the regulations of the German Commercial Code. In financial year 2014, XING AG distributed a dividend of € 3,459 thousand (€ 0.62 per share) and a special dividend of € 19,974 thousand (€ 3.58 per share). Of the dividend amount, € 14,000 thousand was paid from the reversal of other revenue reserves and € 10,063 thousand from the net retained profits of the previous year. The remaining net retained profits of € 630 thousand were carried forward to new account. In the previous year, a dividend of € 3,089 thousand (€ 0.56 per share) out of the net retained profits of the previous year was distributed to the shareholders.

The Executive Board and the Supervisory Board propose that a dividend of € 0.92 is to be paid out of the net retained profits of XING AG for financial year 2014. This corresponds to an anticipated total payment of approx. € 5.1 million. Payment of this dividend depends on the approval of the Annual General Meeting on June 3, 2015.

17. Non-current liabilities

The main portion of the non-current deferred income relates to member subscriptions for future periods with a remaining term of more than one year at the reporting date in the amount of € 2,314 thousand (previous year: € 1,514 thousand).

Non-current provisions concerns provisions for Amortization and write-downs of software and licenses include restoration obligations of € 249 thousand (previous year: € 215 thousand).

In the previous year, non-current financial liabilities of € 1,485 thousand were shown for the performance-based remuneration (kununu earn-out) that is due in 2015.

The other non-current liabilities principally comprise deferred rental expenses in the amount of € 349 thousand (previous year: € 511 thousand).

18. Current liabilities

Corporation tax liabilities and trade tax liabilities of € 1,089 thousand (previous year: € 0 thousand) were reported as of December 31, 2014.

As was the case in the previous year, all trade accounts payable recognized as of the reference date December 31, 2014 were due within one year (€ 2,489 thousand; previous year: € 2,015 thousand). The trade accounts payable are not interest-bearing, and are generally due within 10 to 30 days.

The main portion of the deferred income relates to member subscriptions for future periods with a remaining term of less than twelve months in the amount of € 35,601 thousand (previous year: € 29,189 thousand).

As was the case in the previous year, there is no collateral for liabilities in the form of liens or similar rights.

The other current provisions and liabilities are recognized in the amount due for repayment, and are broken down as follows:

In € thousand	12/31/2013	Use	Reversal	Addition	12/31/2014
Personnel expenses	380	380	0	215	215
Financial statements preparation and auditing costs	263	263	0	237	237
Legal and consulting costs	60	52	8	37	37
	703	**695**	**8**	**489**	**489**

In € thousand	12/31/2014	12/31/2013
Liabilities from personnel expenses	5,099	3,545
Liabilities of XING Events due to event organizers	4,031	3,747
VAT liabilities	1,098	725
Liabilities for marketing expenses	324	213
Liabilities for Supervisory Board remuneration	285	280
Liabilities from purchase price obligations	0	930
Miscellaneous liabilities	2,831	2,262
OTHER CURRENT LIABILITIES	**13,668**	**11,702**

The liabilities and provisions for personnel expenses mainly comprise liabilities arising from bonuses and incentive payments, as well as vacation allowances, provisions for termination benefits and other personnel obligations as well as social security liabilities. The decrease in the provision for legal and consultancy fees is mainly attributable to the provisions for legal advice reported in the previous year in connection with the takeover bid by Burda Digital GmbH and also in connection with the acquisition of kununu GmbH. The other provisions primarily include provisions for other third-party services.

For assessing the amounts of the provisions, management focuses on the past experience for figures from similar transactions and takes account of all indications arising from events up to the point at which the consolidated financial statements are prepared.

(D) Other disclosures

Segment reporting

REPORTABLE SEGMENTS

The format for reporting to the Executive Board and the Supervisory Board is divided into the following business lines: Network (basic functions of the XING platform), Premium (subscription memberships and enterprise groups), E-Recruiting (job advertisements, company profiles, and the XING Talent Manager), and Events (event organization and ticketing). The breakdown into these business divisions and regions is in line with the internal organizational structure and the reporting to the Executive Board and Supervisory Board. For the sake of clarity, the Network and Premium businesses have been consciously combined into one segment sharing the core business of XING AG (generating revenue from the marketing of the platform through subscription memberships). The reconciliation statement includes corporate divisions such as IT, Finance, and Human Resources, as well as other business activities that by definition do not constitute segments. Intersegment consolidation is performed in the reconciliation statement.

Assets, liabilities and investments are not segmented on the basis of the operating segments because these indicators are not used as control parameters at segment level. For example, a large share of the investments relates to the internally developed platform that cannot be allocated to the segments. Segment data is calculated on the basis of the accounting policies applied in the consolidated financial statements. No intersegment revenues were generated. Costs are allocated to the originating divisions. Business transactions between the companies in the segments are conducted on an arm's length basis. As the measure of segment earnings XING uses the operating result for the segment, calculated as gross profit or loss less costs that are directly attributable to the segment (staff, marketing, rental expenses, division-related IT expenses (e. g. development costs), etc.). Expenses that are not directly attributable to a segment (e. g. central IT expenses), depreciation/amortization, write-downs, impairment losses, and reversals of impairment losses are presented in the reconciliation statement along with the operating result from central functions that do not constitute a segment. Extraordinary items and items arising from purchase price allocation are eliminated. Adjusted extraordinary items include restructuring expenses, gains/losses on disposal, impairment losses, and other non-operating expenses or income.

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

	Network/Premium		E-Recruiting		Events		Total segments	
In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
Revenues (from third parties)	61,280	54,711	32,875	23,718	5,062	4,901	99,217	83,330
Segment operating result	39,481	34,362	14,952	9,248	−2,099	−2,708	52,334	40,902
Other operating income/ expenses							23,124	18,076
EBITDA							29,210	22,826

Revenues by geographical region are distributed as follows:

In € thousand	01/01/2014 – 12/31/2014	01/01/2013 – 12/31/2013
D-A-CH	92,268	68,766
International	6,949	3,359
	99,217	**83,330**

Geographical distribution is made based on the domicile of the service recipient. The Company is not reliant on major customers because a significant percentage of Group revenues is not generated with any single customer.

NON-CURRENT ASSETS

As was the case last year, the non-current assets (excluding deferred tax assets) of € 25,818 thousand (previous year: € 29,927 thousand) are attributable exclusively to the D-A-CH region.

ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

As of December 31, 2014, cash and cash equivalents consist exclusively liquid funds of € 67,199 thousand (previous year: € 68,980 thousand), and comprise own funds of € 63,951 thousand (previous year: € 66,160 thousand) and third-party cash of € 3,248 thousand (prior year: € 2,820 thousand). Third-party cash funds comprise cash in connection with obligations from the Events segment. Cash and cash equivalents consist mainly of bank balances, on which interest is earned at variable rates with terms of between one day and three months.

CONTINGENT LIABILITIES AND FINANCIAL OBLIGATIONS

As was the case last year, there were no contingent liabilities, e. g. arising from guarantees, as of the reporting date. There is no significant purchase order commitment for intangible assets or property, plant and equipment; this is also applicable for long-term obligations to purchase assets.

The determination as to whether an agreement includes a lease is based on the financial content of the agreement at the time at which this agreement is concluded, and involves an assessment as to whether fulfillment of the contractual agreement depends on the use of a certain asset or certain assets, and whether the agreement confers a right to use the asset.

The Group has taken out leases for business premises and staff apartments and operating leases for IT hardware and servers. The agreements have an average term of between three and five years, and there is an option for them to be extended.

Future minimum lease payments existing as of December 31, 2014, in accordance with the operating leases which cannot be terminated, are shown in the following table:

In € thousand	12/31/2014	12/31/2013
in the following year	2,667	3,282
within two to five years	4,648	7,315
	7,315	**10,597**

The Group recognized lease payments of € 3,148 thousand (previous year: € 3,258 thousand) in profit or loss.

PRINCIPLES OF FINANCIAL RISK MANAGEMENT

The financial instruments of the Group mainly consist of cash and cash equivalents, as well as receivables from services attributable to operations. The Group finances its operations primarily via the advance payments of its premium members, and via equity funding. The Company does not hold any further financial instruments which involve material financial risks.

CAPITAL RISK MANAGEMENT AND NET DEBT

The Group manages its capital using the equity ratio with the aim of optimizing returns, where applicable also by using debt. This ensures that all companies in the Group are able to operate on the basis of the going concern principle. The Group monitors its capital by means of the equity ratio.

The capital structure of the Group consists mainly of equity. As of December 31, 2014, equity amounted to € 43,407 thousand (previous year: € 60,582 thousand) and is comprised as follows:

In € thousand	12/31/2014	12/31/2013
Subscribed capital	5,592	5,592
Treasury shares	– 434	– 455
Capital reserves	18,479	18,477
Other reserves	2,429	16,368
Net retained profits	17,341	20,600
	50,481	**60,582**

The equity ratio is 40.1 percent (previous year: 53.9 percent). The following table shows that the cash and cash equivalents and short-term deposits of the Group were slightly lower than liabilities:

In € thousand	12/31/2014	12/31/2013
Non-current liabilities	– 7,317	– 7,931
Current liabilities	– 57,411	– 43,788
Cash and short-term deposits	63,951	66,160
CASH DEFICIT (PREVIOUS YEAR: SURPLUS)	**– 777**	**14,441**

Current and non-current liabilities include deferred income or deferred grants totaling € 38,094 thousand (previous year: € 31,450 thousand) that do not directly lead to an outflow of cash.

CLASSES OF FINANCIAL INSTRUMENTS

The following classes of financial instruments existed as of the reporting date:

In € thousand	12/31/2014	12/31/2013
FINANCIAL ASSETS		
Non-current receivables	76	93
Current receivables from services	12,013	8,621
Cash and cash equivalents and short-term deposits	63,951	66,160
FINANCIAL LIABILITIES		
Current trade accounts payable	2,398	2,015
Other non-current liabilities	0	1,485
Other current liabilities	3,896	0

The current and non-current receivables as well as the cash and cash equivalents and current deposits are shown at amortized cost.

The other non-current liabilities of the previous year and the other current liabilities of the reporting year concern the performance-based remuneration from the acquisition of kununu GmbH in financial year 2013.

The other current liabilities are shown at amortized cost.

For all financial assets and liabilities, the fair values, to the extent that they can be determined, correspond to the carrying amounts.

As was the case in the previous year, no financial assets were used as collateral for liabilities of the Group in the financial year.

As was the case in the previous year, the Group did not use any hedging instruments in the course of the financial year to hedge financial assets or financial liabilities or to hedge cash flows.

EXCHANGE RATE AND INTEREST RATE MANAGEMENT

At present, the Group is not exposed to any material exchange rate or interest risks. The revenues are generated mainly in euros. There are no interest-bearing liabilities.

Bank balances earned an average of 0.12 percent interest (previous year: 0.26 percent).

As the Group is not exposed to any material market risks (currency, interest rate or other price risks), more extensive sensitivity analyses are not carried out in relation to potential market risks.

With regard to consolidated earnings before tax, a change in interest rates will have an impact on interest income (as a result of the impact of variable-income financial assets). If interest rates had increased by 100 basis points during the reporting period, interest income would have changed by € 681 thousand (previous year: € 607 thousand) on the basis of an average investment volume of € 68,090 thousand (previous year: € 60,681 thousand).

COUNTERPARTY CREDIT RISK MANAGEMENT

Counterparty credit risk is defined as the risk of a loss to the Group which is incurred if a contracting party fails to meet its contractual obligations.

As was the case in the previous year, material financial assets only existed as of the reporting date in the form of subscription claims against users of the XING platform (receivables from services) as well as bank balances (cash and cash equivalents and short-term deposits).

With regard to the receivables, the risk is reduced by the fact that most of the receivables consist of a large number of relatively minor amounts, of less than € 1 thousand in each case. As of the reporting date, the remaining term of virtually all these receivables was less than one month. The maximum counterparty credit risk of € 12,031 thousand is equal to the carrying amount of the receivables (previous year: € 8,621 thousand). Most of the receivables were paid after the reporting date.

Reputable commercial banks with highest ratings are used for investment and payments relating to bank balances. The remaining term of the bank balances is less than three months.

The Group believes that the current counterparty credit risks are low. The necessary valuation allowances were recognized in relation to the receivables from services. As was the case last year, there were no defaults in relation to cash and cash equivalents and short-term deposits.

There are no material risk concentrations.

LIQUIDITY RISK MANAGEMENT

The Group manages liquidity risks by holding appropriate reserves and also by constantly monitoring the forecast and actual cash flows. The maturities of financial assets and liabilities are constantly monitored.

As a result of the current bank balances, there are no major liquidity risks. Credit lines with banks as of the reporting date are in place for € 20 million, but have not been utilized.

DISCLOSURES ON THE STOCK OPTION PLAN AND SHARE-BASED PAYMENT IN ACCORDANCE WITH IFRS 2

Contingent Capital I 2006, 2009 and 2012 were revoked by the Annual General Meeting on May 23, 2014.

Pursuant to a resolution of the Annual General Meeting of the Company on May 21, 2008, further contingent capital (Contingent Capital 2008) of up to € 231,348.00 was created for the purpose of an employee stock option plan. As a result, in September 2008 and February 2009, 180,387 stock options were issued to the Executive Board as well as to certain executives of the Company and other employees of XING in connection with the "stock option plan 2008" (SOP 2008); of this figure, 365 option rights had not expired on the reporting date (previous year: 1,130).

Pursuant to a resolution of the Annual General Meeting of the Company of May 27, 2010, further contingent capital (Contingent Capital 2010) of up to € 94,318.00 was created for the purpose of a stock option plan. As a result, in December 2010 and March 2011, a total of 50,000 stock options were issued to the Executive Board in connection with the "stock option plan 2010" (SOP 2010); of this figure, 40,000 option rights had not expired on the reporting date (previous year: 50,000).

The stock option plans grant the options to take up shares of the Company, and specify a fixed term of five years for the 2010 plans. The 2008 and 2009 stock option plan each have terms of ten years. Each option confers the right to take up one share of the Company, excluding the subscription right of shareholders. The main provisions of the SOP 2008 to 2010 are summarized as follows:

Within the framework of the SOP, stock options may be issued only to members of the Executive Board of XING AG, to members of management of subsidiaries as well as to selected senior executives, to other key personnel and other employees of XING AG and its subsidiaries.

The stock options grant the holder the right to take up registered shares with voting rights of XING AG. Each stock option entitles the holder to take up one share of XING AG in return for paying the exercise price. The option conditions may specify that the Company, in order to fulfill its obligations relating to the taking up of shares, may grant to the beneficiary treasury shares or a cash payment instead of new shares using the contingent capital.

The subscription rights provided by the stock options can only be exercised after the end of a waiting period. For the stock option plans 2006 to 2009, the waiting period for 50 percent of the stock options granted is at least two years; it is at least three years for a further 25 percent of the stock options granted, and at least four years for the remaining 25 percent. In the stock option plan 2010, the waiting period is four years. The waiting period commences on the day after the corresponding stock options are issued. In the stock option plans 2006 and 2010, the subscription rights can be exercised within a period of up to five years, starting on the day on which the stock options are issued. In the stock option plans 2008 and 2009, the subscription rights can be exercised within a period of up to ten years, starting on the day on which the stock options are issued.

The exercise price for a share of the Company corresponds to the arithmetic mean of the closing auction prices of the Company's shares in Xetra trading (or an equivalent successor system) on the Frankfurt stock exchange on the last five market days before the corresponding stock option is issued (the day on which the beneficiary's declaration that he intends to take up shares is accepted by the Company or by the credit institution engaged by the Company for processing purposes). Alternatively, the exercise price for stock options issued before the start of trading for shares within the framework of the company IPO corresponds to the price at which the Company shares were placed within the framework of the IPO.

Subscription rights in relation to stock options can only be exercised if the closing auction price of the shares of the Company in Xetra trading (or an equivalent successor system) on the Frankfurt stock exchange has outperformed the SDAX index (or a comparable successor index) on at least ten successive trading days within one year before the day on which the subscription right is exercised.

The expense of the share-based payment shown in the income statement for the period ending December 31, 2014, amounted to € 61 thousand (previous year: € 66 thousand).

The weighted average exercise price in the reporting year is € 29.48 (previous year: € 27.08) and is calculated as the exercise price of the options in question less the fair value of the amount of future service to be rendered over the remainder of the vesting period of these options. The weighted average term remaining for options which were outstanding as of December 31, 2014, is 1.3 years (previous year: 2.3 years).

The weighted average fair value for the stock options still outstanding as of December 31, 2014, is € 6.10 (previous year: € 6.18).

Through the granting of shadow shares a remuneration component is used that takes account of the performance of the Company's shares and therefore provides a sustainable, long-term incentive for the members of the Executive Board. The shadow shares from the long-term incentive program are a virtual replication of shares to be allocated to the beneficiaries in annual tranches. The number of shadow shares to be allocated in an annual tranche corresponds to the allocation amount calculated annually divided by the average closing price of the Company's shares over the 100 trading days immediately preceding the Annual General Meeting in which the consolidated financial statements, which are the basis for determining target achievement, are adopted. The annual allocation amount depends on the achievement of quantitative corporate goals that are stipulated by the Supervisory Board as part of its three-year plan in advance for the relevant financial year in the three-year plan, currently consolidated revenues and Group EBITDA. Following a waiting period of three years from allocation, the beneficiary (Executive Board member) acquires an entitlement to a cash payment tied to the share price or, at the Company's discretion, to the allocation of XING AG shares. In addition, the beneficiary is paid dividends, if any, for three financial years ("cumulative dividend"). If cash is paid, then the total amount paid is limited to three times the relevant allocation amount of the respective tranche of shadow shares. If the payment is settled in shares, then the number of shares to be granted is equal to the number of shadow shares allocated. If the total of the share price at the time of exercise and the cumulative dividend is greater than three times the relevant allocation amount of the respective tranche of shadow shares, then the number of shares granted is equivalent to three times the allocation amount.

As remuneration for the current financial year, the fair value for the virtual options granted in this year is shown on the basis of a target achievement level of 100 percent. Overall, personnel expenses of € 511 thousand (previous year: € 404 thousand) for cash-settled share-based payment were recognized in the income statement in the 2014 financial year. Provisions of € 955 thousand (previous year: € 487 thousand) were recognized as of December 31, 2014 for entitlements arising from the long-term incentive programs.

The calculations are based on an actuarial report obtained for measuring the value of the stock options and the parameters set out in the report. The fair value of the option rights under the stock option plan 2010 was determined using a binominal model as of the issue date (March 29, 2011). An expected volatility of 30 percent was taken into account. The term was assumed to be 4.5 years and the risk-free discount rate was assumed to be 2.59 percent. The fair value determined this way was € 6.07 per option at the grant date

RELATIONS WITH RELATED PARTIES

The members of the Executive Board and the Supervisory Board of XING AG are deemed to be related parties for the purposes of IAS 24. In the year under review, with the exception of their executive body activities, there were no business relations between the Executive Board and the Supervisory Board and the companies included in the consolidated financial statements. The Executive Board and the Supervisory Board received total remuneration of € 2,189 thousand and € 285 thousand (previous year: € 2,147 thousand and € 280 thousand) for their work in the financial year ended. Of this amount, benefits payable in the short term amounted to € 1,679 thousand (previous year: € 1,799 thousand), while benefits payable in the long term totaled € 510 thousand (previous year: € 348 thousand). The change in value in claims to date to cash-settled share-based payment was recognized in the amount of € 40 thousand in the 2014 financial year. Share-based payment under the 2010 stock option plan is available to one Executive Board member, who has been granted 40,000 stock options. Further information is included in the remuneration report, which is an integral part of the Group management report.

Since December 18, 2012, Burda Digital GmbH, Munich, Germany (a subsidiary of Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, Germany) has held more than 50 percent of the share capital of XING AG. XING AG is accordingly a dependent company in accordance with Section 312 (1) Clause 1 in conjunction with Section 17 (2) AktG. Because a control agreement does not exist between XING AG and Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, the Executive Board of XING AG prepares a report regarding relations with affiliated companies in accordance with Section 312 (1) Clause 1 AktG. In the 2014 financial year, XING AG or the companies controlled by it and Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, or its affiliated companies as in the previous year purchased products and services from each other subject to arm's length conditions.

The shareholder Burda Digital GmbH, Offenburg, received € 11,864 thousand (previous year: € 1,636 thousand) in dividend payments. As in the prior year, other transactions with Burda Digital GmbH totaled less than € 1 thousand.

Services in the amount of € 4,140 thousand (previous year: € 3,505 thousand) were provided to affiliated companies of Burda Media Holding Kommanditgesellschaft, Offenburg, Germany. Services purchased from affiliated companies totaled € 1,256 thousand (previous year: € 966 thousand). The receivables from services show net amounts of € 1,385 thousand (previous year: € 583 thousand) due from affiliated companies, and the trade accounts payable show net amounts of € 639 thousand (previous year: € 488 thousand) due to affiliated companies.

NUMBER OF EMPLOYEES

XING employed an average of 623 persons (previous year: 530) as well as 4 members of the Executive Board (previous year: 4) during financial year 2014. As of December 31, 2014, a total of 645 persons (previous year: 571) as well as 4 Executive Board members (previous year: 4) were employed by the Group.

NOTIFICATIONS RECEIVED IN ACCORDANCE WITH SECTION 21 WPHG

With regard to the notification obligation in accordance with Section 21 WpHG, please refer to the comments in the notes to the annual financial statements of XING AG.

MEMBERS OF THE SUPERVISORY BOARD

The following persons served on the Supervisory Board of the Company in the year under review:

Stefan Winners, member of the Executive Board of Hubert Burda Media Group, Munich, Germany (Chairman of the Supervisory Board)
Other Supervisory Board posts/memberships in control bodies:

- Chairman of the Supervisory Board of TOMORROW FOCUS AG, Munich, Germany
- Member of the Supervisory Board of zooplus AG, Munich, Germany
- Member of the Supervisory Board of Giesecke & Devrient GmbH, Munich, Germany (since April 2014)

Dr. Johannes Meier, Managing Director of the European Climate Foundation, The Hague, Netherlands (Deputy Chairman since May 23, 2014)
Other Supervisory Board posts/memberships in control bodies:

- none

Dr. Jörg Lübcke, Managing Director, Burda Digital GmbH, Munich, Germany
Other Supervisory Board posts/memberships in control bodies:

- Member of the Supervisory Board of sevenload GmbH, Cologne, Germany (until April 2014)
- Member of the Supervisory Board of zooplus AG, Munich, Germany (until November 2014)

Jean-Paul Schmetz, Chief Scientist, Hubert Burda Media Holding KG, Munich, Germany
Other Supervisory Board posts/memberships in control bodies:

- Member of the Advisory Board of HackFwd GmbH & Co. KG, Hamburg, Germany (until December 2014)
- Member of the Supervisory Board of OPMS Limited, Seoul, South Korea

Anette Weber, Global Head Finance Pharma Development of Novartis Pharma AG, Basel, Switzerland
Other Supervisory Board posts/memberships in control bodies:

- none

Sabine Bendiek, Managing Director of EMC Deutschland GmbH (Schwalbach/Ts., Germany), Frankfurt am Main, Germany (since May 23, 2014)
Other Supervisory Board posts/memberships in control bodies:

- none

Fritz Oidtmann, Managing Partner, Acton Capital Partners GmbH, Bonn, Germany (Deputy Chairman until May 23, 2014)
Other Supervisory Board posts/memberships in control bodies:

- none

Further information is included in the remuneration report, which is an integral part of the Group management report.

MEMBERS OF THE EXECUTIVE BOARD

The following persons served as members of the Executive Board:

Dr. Thomas Vollmoeller, CEO, Hamburg, Germany (Chairman)
Supervisory Board posts/memberships in control bodies:

- Member of the Administrative Board of Conrad Electronic SE, Hirschau, Germany

Ingo Chu, CFO, Hamburg, Germany
Supervisory Board posts/memberships in control bodies:

- none

Jens Pape, CTO, Hamburg, Germany
Supervisory Board posts/memberships in control bodies:

- none

Timm Richter, CPO, Hamburg, Germany
Supervisory Board posts/memberships in control bodies:

- none

Further information is included in the remuneration report, which is an integral part of the Group management report.

FEES AND SERVICES OF THE AUDITOR

In financial year 2014, costs of € 165 thousand (previous year: € 155 thousand) were recognized for the auditing services for the period ending December 31, 2014. Fees for other services in the previous year amounted to € 4 thousand. As was the case in the previous year, tax consultancy services or other assurance services were not utilized.

DIRECTORS' DEALINGS

In accordance with Section 15a of the Security Trading Act (Wertpapierhandelsgesetz; WpHG), members of the Executive Board and Supervisory Board are subject to a legal requirement for disclosing the acquisition or disposal of shares of XING AG or related financial instruments if the value of the transactions carried out within a calendar year by the member and the member's related parties is equal to or exceeds the figure of € 5,000. The transactions reported to XING AG had been properly disclosed, and can be downloaded from the Company's website http://corporate.xing.com/deutsch/investor-relations/corporate-governance/directors-dealings.

STATEMENT CONCERNING THE CORPORATE GOVERNANCE CODE

In February 2015, the Executive Board and the Supervisory Board of XING AG published the statement specified in accordance with Section 161 AktG and made it available by publishing it on the Company's website (http://corporate.xing.com/deutsch/investor-relations/corporate-governance).

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Effective January 1, 2015, XING AG acquired all of the shares of Intelligence Competence Center (Deutschland) AG, Aschaffenburg, Germany. XING AG initially paid the vendor € 5.0 million upon signing the contract. A further purchase price payment of € 1.3 million is expected to be paid in April 2015. Additional purchase price payments totaling € 2.4 million could be reduced if certain covenants are not fulfilled.

Responsibility statement of the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Hamburg, March 24, 2015

The Executive Board

Dr. Thomas Vollmoeller   Ingo Chu

Timm Richter   Jens Pape

Auditors' report

We have audited the consolidated financial statements prepared by the XING AG, Hamburg, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the Group management report for the business year from January 1 to December 31, 2014. The preparation of the consolidated financial statements and the Group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Executive Board. Our responsibility is to express an opinion on the consolidated financial statements and on the Group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the Group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the Group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Executive Board, as well as evaluating the overall presentation of the consolidated financial statements and the Group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Hamburg, March 24, 2015

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Matthias Kirschke	ppa. Jana Zemmrich
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Financial calendar

Annual Report 2014	March 25, 2015
Interim Report on Q1 2015	May 6, 2015
Annual General Meeting of XING AG	June 3, 2015
Half-year Report 2015	August 6, 2015
Interim Report on Q3 2015	November 6, 2015

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This Annual 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 www.xing.com.

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