

OPEN Business Club AG publishes final results for 2006 short financial year

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Press release from: [OPEN Business Club AG \(XING\)](#)

Vigorous viral growth: Considerable increase in revenues and number of employees in the short financial year (July 1 to December 31, 2006)

- Positive operating income for both Group and Company before non-recurring costs related to the IPO
- High operative cash flow with 61% operating cash flow margin
- Forecast: Revenues expected to double in 2007 financial year, increase of EBITDA margin to between 30 and 35%

Hamburg, Germany, March 29, 2007 – OPEN Business Club AG (ISIN: DE000XNG8888) has successfully closed the 2006 short financial year (July 1 to December 31, 2006), and has increased the number of members on its international networking platform XING (www.xing.com) to approx. 1.7 million at the end of the reporting period. The Group generated revenues of 6.4 million euros in the 2006 short financial year. In the 2006 calendar year, OPEN Business Club AG generated pro forma revenues of 10.1 million euros*. Furthermore, the Company was able to increase profits considerably during the 2006 short financial year, generating an EBITDA before non-recurring costs of approximately 1.4 million euros, and positive Group results of approximately 1.1 million euros. The increase in share capital due to the IPO at the beginning of December 2006 raised OPEN Business Club AG's total assets from 9.9 million euros on June 30, 2006 to 51.0 million euros as of December 31, 2006. The scalable, subscription-based business model, in which Premium Members pay their monthly fees in advance, enabled OPEN Business Club AG to generate an operating cash flow of 3.9 million euros in the short financial year. During the reporting period, the number of employees increased to 73. In particular, key functions such as online marketing, product management and business intelligence were filled, providing the Company with sufficient personnel to manage the expected growth in the future.

“In the short financial year, we have once again expanded our position as the clear market leader in the German-speaking region. We're the global leader for professional social networking as measured on member activity and the number of subscribers,” commented Lars Hinrichs, Founder and CEO of OPEN Business Club AG, on the results presented today as part of the first annual press conference in Frankfurt. “Not only have we increased member numbers, revenues and earnings before non-recurring costs – our successful IPO in December of last year represented an important milestone which will allow us to measure the success of our business with the rigour that the capital markets expect. We'll use the capital acquired for international acquisitions to accelerate the already vigorous viral growth of the platform in new markets.”

Until its IPO, OPEN Business Club AG had financed its organic growth solely by means of its solid operating cash flow resulting from its subscription-based, scalable business model. This key figure also showed positive development in the short financial year. In the reporting period from July 1 to December 31, 2006, OPEN Business Club AG generated an operating cash flow of 3.9 million euros, up from

1.7 million euros in the 12 months from July 1, 2005 to June 30, 2006, which corresponds to 61% of revenues during the same period.

In terms of personnel, OPEN Business Club AG has prepared for additional growth in the short financial year, increasing its team from 45 on June 30, 2006 to 73 at the end of the reporting period.

For the current 2007 financial year (January 1 to December 31, 2007), OPEN Business Club AG expects a continued solid increase in revenues as a result of new customer acquisitions due to viral marketing and the continual expansion of communications and marketing activities. The development of future services, in particular the XING Marketplace, where members are able to post job and service offers, is expected to further increase growth. The introduction of the Marketplace is

scheduled for the first half of 2007. Assuming a continued economic upturn, the Management Board expects revenues to double in the 2007 financial year (2006 calendar year: 10.1 million euros*). Regarding the future development of company profitability, OPEN Business Club AG expects to continue to reap the benefits of its scalable business model, further boosting the EBITDA margin in FY 2007. Given the forecast increase in revenues, OPEN Business Club expects the EBITDA margin to rise to between 30 and 35%.

Pro forma results

Results marked with an * are unaudited pro forma financial results that the Company derived from its preliminary and past financial statements for the indicated periods, in order to make these periods comparable.

Important notice:

Cautionary note regarding pro forma financial results and forward-looking statements

This press release notice contains preliminary results, pro forma-results and forward-looking statements concerning OPEN Business Club AG, its subsidiaries and affiliated companies as well as economic and political conditions that could influence the business development of OPEN Business Club AG. While OPEN Business Club AG believes that its pro forma financial results marked with an * are reflective of its recurrent trends and the on-going status of its business, there can be no assurance that its pro forma results will accurately reflect these trends and status and therefore, its investors are urged not to rely solely upon the pro forma results when making their investing decision and the pro forma results should always be reviewed together with its actual financial results.

Forward-looking statements are based on the current views, expectations and assumptions of the management of OPEN Business Club AG and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. OPEN Business Club AG therefore does not assume any responsibility for such risks, and makes no guarantee as to the accuracy and completeness of the assumptions and estimates upon which the forward-looking statements are based, nor does the Company or its bodies ensure the correctness of the statements contained in this press release.

About XING:

XING makes your professional network an active part of your life. Far more than a directory of business contacts, XING enables its members to discover professional people, opportunities and privileges through its unique discovery capability and advanced contact management tools.

The first Web 2.0 company to go public, OPEN Business Club AG successfully floated on the Frankfurt Stock Exchange in December 2006, thus setting the benchmark for the social networking industry. By focusing on the target group “business people worldwide”, the company is able to offer tailored features, thereby making networking and contact management simpler. At present, 73 employees from 13 different countries work for the company, which has its headquarters in Hamburg and offices in Beijing and Zurich.

XING. Powering Relationships.

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