

**— PARTICIPANTS****Corporate Participants**

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**Matt Sonefeldt** – Investor contact, LinkedIn Corp.  
**Jeff Weiner** – Chief Executive Officer  
**Steven J. Sordello** – Chief Financial Officer & Senior Vice President

**Other Participants**

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**Justin Post** – Analyst, Bank of America Merrill Lynch  
**Mark Stephen Mahaney** – Analyst, Citigroup Global Markets (United States)  
**Mark Alan May** – Analyst, Barclays Capital, Inc.  
**Scott W. Devitt** – Analyst, Morgan Stanley & Co. LLC  
**Douglas Anmuth** – Analyst, JPMorgan Securities LLC  
**Aaron M. Kessler** – Analyst, Raymond James & Associates  
**Michael Graham** – Analyst, Canaccord Genuity, Inc.  
**Brian J. Pitz** – Analyst, UBS Securities LLC

**— MANAGEMENT DISCUSSION SECTION**

Operator: Good day, ladies and gentlemen, and welcome to LinkedIn Fourth Quarter 2011 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we'll conduct a question-and-answer session and instructions will be given at that time. [Operator Instructions] As a reminder, this conference call may be recorded.

I would now like to hand the conference over to Mr. Matt Sonefeldt. Sir, you may begin.

**Matt Sonefeldt, Investor contact, LinkedIn Corp.**

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Good afternoon. Welcome to LinkedIn's fourth quarter of 2011 earnings call. Joining me today to discuss our results are CEO, Jeff Weiner and CFO, Steve Sordello.

Before we begin, I would like to take this opportunity to remind you that during the course of this call, management will make forward-looking statements, which are subject to various risks and uncertainties. These include statements relating to the expected number of growth and number of engagements, number of searchers by our members, expectations regarding our product offerings, the results of our research and development efforts, including the acceleration of our product deployment process, revenue, including revenue growth rate, adjusted EBITDA, depreciation and amortization, stock-based compensation, share dilution, taxes, as well as sales channel mix, hiring plans, R&D expense and expectations for certain markets in the first quarter.

Actual results may differ materially from the results predicted and reported results should not be considered as an indication of future performance. A discussion of risks and uncertainties related to our business is contained in our filings with the Securities and Exchange Commission, in particular, the section titled Risk Factors in our quarterly and annual reports, and we refer you to these filings.

Also, I would like to remind you that during the course of this conference call, we will discuss non-GAAP measures in talking about the company's performance. Reconciliations to the most directly comparable GAAP financial measures are provided in the tables in the press release.

This conference call is also being broadcast on the Internet and is available through the Investor Relations section of the LinkedIn website.

And with that, I will turn the call over to Jeff.

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**Jeff Weiner, Chief Executive Officer**

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Thank you, Matt, and welcome to today's conference call. I will start by summarizing the operating results for the fourth quarter and the full year, and I will recap some of the highlights and key milestones since our last call. I will then turn it over to Steve for a more detailed look at the numbers and outlook.

2011 was a landmark year for LinkedIn. We further strengthened our position as the pre-eminent professional network on the web. Our members engaged with our platform at record levels, and we achieved continued significant growth across all three of our revenue streams.

For Q4, overall revenues grew 105% to a record \$168 million, marking the sixth straight quarter in which our revenues had at least doubled over the prior year. We delivered adjusted EBITDA of \$34 million, which translates to non-GAAP EPS of \$0.12. For the full-year 2011, revenues were a record \$522 million, up 115%, and we delivered adjusted EBITDA of \$99 million, or non-GAAP EPS of \$0.35.

We exited 2011 with member engagement metrics exhibiting the right growth trends. Our cumulative membership grew 60% year-over-year to 145 million at the end of the fourth quarter, and we continue to add more than two members every second. And I'm pleased to announce that at the end of January, we surpassed the 150 million member milestone.

With regard to engagement, our internal measures show that unique member visits for LinkedIn in Q4 grew 67% year-over-year, even faster than the rate of membership growth, and member page used in Q4 grew faster still at 77%, marking a healthy progression in our key engagement metrics.

LinkedIn introduced the wave of new products and services in 2011, all designed around our core member value propositions of professional identity, insights, and everywhere. First, we greatly increased the size of the LinkedIn network. More than 60 million new professionals have joined LinkedIn since the start of 2011.

To put that into perspective, that exceeds the total number of professionals on LinkedIn in our first 6.5 years of existence. The majority of our member growth in 2011 came from international markets, in part, the result of our efforts to localize the site around the world.

Today 60% of LinkedIn members reside outside the United States. We launched eight local languages last year and thus far in 2012, we've added Czech and Dutch to the growing list bringing our overall total to 16. We also opened seven additional offices outside the United States in 2011 bringing the total number of global offices, including in U.S. to 22.

Our continued global expansion has further solidified LinkedIn's position as the leading professional network on the web, and the larger the network, the easier it is for our members to connect, find and be found. In 2011, LinkedIn members did nearly 4.2 billion professionally-oriented searches on the platform reinforcing our position as the definitive professional search engine.

During the year, we also revamped the look of the profile page and added the ability for members to highlight skills and volunteer experiences. And we created new products for students and recent grads who remain our fastest growing demographic.

In March, we introduced our professionally focused social news product LinkedIn Today, which quickly became an integral way for our members to get the insights they need to be successful. Since the end of Q3, we've seen nearly 60% increase in the number of members customizing their LinkedIn Today experience.

LinkedIn has also become a significant traffic driver to publishers all over the web. Q4 saw an increase in referral traffic of more than 45% over the previous quarter. And now our members can share content through LinkedIn for more sources than ever with more than 300,000 unique domains using the LinkedIn share button, nearly double the number since our last call.

Because members need LinkedIn to work wherever they work, we made great strides in our platform and mobile offerings in 2011. In April, we opened up full access to LinkedIn's platform. As of now, there are more than 50,000 developers using LinkedIn APIs to help build and power the professional web.

In August, we completely revamped our mobile experience, introducing new apps for iOS and Android, as well as a new mobile website. Mobile visits now account for more than 15% of total unique member visits and mobile continues to be the fastest-growing service on LinkedIn.

As I mentioned on our last call, in 2011, we invested significant resources into re-architecting our software development and deployment processes. We said that this effort would be the foundation of our innovation strategy going forward. The bulk of this work, internally referred to as Project Inversion took place in Q4, and I'm happy to announce today that the latest version of Inversion is complete and by early indications, has been very successful. We now have a fully implemented new software deployment process that allows us to materially accelerate release throughput. As a result, 2012 will see even more product innovation to support our member value propositions of identity, insights, and everywhere.

Our product approach going forward, can be summarized in three themes. First, simplify. We are going to make it easier for existing LinkedIn members to get more value out of the services we offer by creating simpler, more relevant, more social experiences. Expect refreshes of many of our pillar products this year.

Second, grow. While the LinkedIn network is comprised of more than 150 million professionals around the world, it is still early days. By our count, there are more than 640 million professionals today, and more than 3.3 billion people in the global workforce.

We will continue to build new products to bring professionals into the network, localize our offerings for further international growth, and optimize the new member experience to make it easier than ever to join, connect, and get value from people's networks.

Finally, every day; we want to create value for our members every day wherever they work. We can do this by making social professionals more productive and successful within their current workplace. We've already introduced some new products that integrate LinkedIn data into the fabric of the enterprise.

Sales Navigator, a premium subscription that integrates with CRM platforms like Salesforce helps sales professionals leverage the rich data in LinkedIn to find and engage with the best prospects. And just a few weeks ago, we began testing a new product that delivers valuable insights for individual professionals by aggregating, packaging, and delivering the content read and shared by their co-workers.

We will also continue to invest in mobile, our fastest-growing service with exciting new products in the works for later this year designed to enable professionals to get more value out of LinkedIn every day, wherever they are.

Creating great products that our members love allows us to deliver useful offerings to customers of our Hiring Solutions, Marketing Solutions, and Premium subscriptions products. And in Q4, these three diverse revenue streams all performed well. Hiring solutions remains our largest and fastest growing revenue stream, up 136% in Q4 to \$85 million. We ended the year with more than 9,200 corporate customers, up 139%.

In October, at our Annual Talent Connect Conference, we introduced LinkedIn Talent Pipeline, a solution enabling recruiters to manage, track and stay in touch with active and passive candidates regardless of source. In our last call, we said that Talent Pipeline was the first step in transforming our recruiter product into a software platform for our corporate customers' talent needs. In January, we began pilot testing Talent Pipeline with select customers, and so far, the feedback has been extremely positive.

In Q4, Marketing Solutions grew 77% to \$50 million. While the growth of this business was substantially faster than the market as a whole, some softness in the European market prevented even higher growth. That said, we are more excited about the prospects for our Marketing Solutions business than ever before.

Many of the hires we made in the Marketing Solutions' leadership and sales team in the back half of 2011, are now starting to pay dividends. And big global brands are turning to LinkedIn in increasing numbers to reach professionals in a social context.

A few weeks ago, Cisco turned to LinkedIn to personally reach 140,000 C-Level executives with an innovative, first-of-its-kind video message for their larger Cisco story campaign. Cathay Pacific is using LinkedIn to engage with the valuable frequent business traveler.

And just this week, we entered an agreement with American Express to develop initiatives that will enable small business owners to connect with one another in powerful ways and to grow their businesses. On the self-service ad side, demand for our performance-based inventory continues to exceed supply and remains among our best-performing businesses.

Finally, for our premiums subscriptions, Q4 once again saw a significant acceleration in the adoption of these products by our members. Members paying for premium subscriptions doubled in the last year and for the third consecutive quarter grew at a materially faster rate than overall membership. Our marketing programs and ad targeting capability continue driving the growth of this revenue stream.

Lastly, an update on our talent, which remains our top operating priority. We ended the year with more than 2,000 people and despite the rapid rate of growth, we continue to operate at a very high level. A testament to the passion, commitment and skill of our global team.

We are fortunate to continue to see record high recruiting yields demonstrating our ability to attract the best talent in the industry. And in 2012, we are ramping up our university recruiting and internship programs to add the next generation of talent to our team.

And now, I'll turn it over to Steve for a deeper dive into the financial and operating metrics.

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**Steven J. Sordello, Chief Financial Officer & Senior Vice President**

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Thanks, Jeff. Before I discuss the results, I want to remind you that my comments on growth rates will refer to year-over-year changes unless I indicate otherwise. Also non-GAAP financial measures exclude stock-based compensation expenses, amortization of intangibles, and the tax impact of these adjustments. Please refer to our press release for the GAAP to non-GAAP reconciliations.

LinkedIn experienced great success in 2011 in terms of member engagement with the site and the evolution of our business, which saw a more than doubling in both revenues and adjusted EBITDA. In the fourth quarter, the performance of our underlying business fundamentals once again resulted in strong revenue growth and a record level of adjusted EBITDA. And we remain encouraged by user activity on the site especially since the fourth quarter marked a return to more normalized levels of engagement growth since the IPO.

Turning first to our members, our cumulative member base grew over 60% for the third straight quarter to 145 million. We added 14 million new members and 60% of members now sit outside the U.S., up from 55% at year-end 2010.

comScore unique visitors averaged 92 million, an increase of 41% versus last year. According to comScore, in December, we were the 36th most visited web property globally, compared to 45th a year ago, and comScore page views increased to 7.6 billion up 39% versus last year.

As with last quarter, I will spend a moment discussing metrics we track internally in addition to comScore's data. When excluding guest visitors, unique members visiting the site grew 67% and approximately one-third of members visited LinkedIn during the quarter.

Internal page viewer's measure, including mobile, grew 77% in the fourth quarter and mobile page views continue to be our fastest-growing service increasing in excess of 350% year-on-year. Mobile now represents 16% of member page views and 15% of member visits and this growth has accelerated through January.

Our three product lines continue to benefit from the foundation created by professional engagement on LinkedIn. Total revenues in the fourth quarter increased 105% to \$168 million and this is the sixth straight quarter of greater than 100% year-on-year growth. For the full year, revenues increased 115% to \$522 million.

Hiring Solutions revenues in the quarter were \$85 million, rising 136% versus last year. This remains our largest and fastest growing product line at 50% of total revenues versus 44% last year. Underlying metrics continue to show strength. In the fourth quarter, we added nearly 1,900 new customers taking us to over 9,200 enterprises under contract at year-end versus 3,900 last year.

We also continue to see positive traction with existing customers as we posted one of our most successful renewal and add-on quarters. These results support our ongoing decision to invest in our sales force, a goal we will maintain in 2012, especially as we continue to expand outside the U.S.

Job products also yielded solid results with revenues rising 75% year-on-year, and we recently reached record highs for open jobs on LinkedIn, job views and applications. And lastly, our Talent Finder and Job Seekers subscription saw great up-tick with combined year-on-year growth of over 250%.

Marketing Solutions revenues were \$50 million, growing 77%, compared to the prior year. Display ad sales continued to nicely outpace end-market growth despite macro headwinds in Europe that led to some customers pushing out and scaling down campaigns.

On the other hand, CPMs grew 9% year-on-year, indicating positive underlying demand. Self-serve LinkedIn ads continued to be a source of outperformance growing nearly 170% during the quarter on an increasingly larger revenue base. Success in this channel was driven by increasing engagement, rising CPCs and sustained improvement in click-through rates. As Jeff pointed out, we continue to see inventory demand outpace supply.

Our third product line, Premium subscriptions remained a source of strength and upside. Subscription revenues accelerated for the seventh straight quarter rising 87% year-on-year to \$33 million. We continue to see total premium subscribers growing meaningfully above the rate of total member growth, thanks to our targeting efforts and increased product segmentation in 2011. And churn in subscriptions has remained stable over the last year, and we've seen a nice mix shift from monthly to annual contracts.

We also, again, highlight the performance of our entire suite of subscription products, and when we include subscriptions classified in our Hiring Solutions category, total adjusted Premium subscriptions revenues grew 115% year-over-year, our third straight quarter of greater than 100% growth.

Turning to channel mix, online produced 43% of revenues, up from 41% last year. For the full year online increased to 45% of revenues, up from 44% in 2010. Online grew faster than offline for the second straight quarter at 115% year-on-year, and online outperformance once again, helped drive better-than-anticipated profitability.

In terms of geography, international represented 33% of revenues during the quarter, compared to 29% last year. The international mix remained flat versus the third quarter primarily due to the relative softness in Europe. However, we continue to give the GAAP between monetization and our international member base as an opportunity.

Let me shift to the remainder of the P&L discussed here on a non-GAAP basis. In the quarter, gross margins were 86%, an all-time high, and a nice comparison versus 82% last year. We continue to benefit from greater revenue scale and efforts to pass sales tax through to customers.

Sales and marketing expense in the quarter were 30% of sales, compared to 25% last year. And as in past quarters, increases in sales and marketing spend ties directly to building out our global sales organization and quota-carrying professionals remain the majority of our head count.

We also maintained heavy investments towards product and engineering innovations with research and development at 22% of revenues during the quarter, and G&A expenses were flat, compared to the prior year at 13% of revenues.

Strong top line performance drove adjusted EBITDA that significantly exceeded our expectations, ending the quarter at a record \$34.4 million versus our guidance of \$19 million to \$21 million, resulting in a 21% margin.

Outperformance was due to several factors, including a strong close of the quarter by our Hiring Solutions sales team, continued outperformance from our online product, and expense savings from falling shy of our very aggressive hiring goals. That said, we are pleased with our hiring execution and ability to attract talent, and have started 2012 in a good position from a sales perspective as January was the strongest hiring quarter in the company's history.

Depreciation and amortization totaled \$13.8 million in the quarter, representing 8% of revenues. Stock-based compensation expenses was \$10.6 million, compared to \$2.7 million last year. The increase in stock-based compensation in 2011, maps to increased head count and higher RSU and option prices.

In the quarter, other expense was \$1.6 million primarily due to an unrealized foreign exchange loss from non-U.S. currencies weakening against the dollar. Taxes were \$1.5 million on a GAAP basis, which included a \$1.6 million benefit from employee stock and option sales. On a non-GAAP basis, taxes were \$6.9 million, a 34% effective rate.

We generated a record \$6.9 million in GAAP net income, compared to \$5.3 million last year. GAAP EPS was \$0.06 on 108.6 million fully diluted weighted shares versus \$0.03 in the year-ago quarter. Non-GAAP net income was also an all-time-high at \$13.3 million, compared to \$5.2 million last year. And non-GAAP EPS was \$0.12 per share versus \$0.05 last year.

Turning to the balance sheet, we ended the quarter with \$578 million of cash, cash equivalents and short-term investments, again zero debt. \$178 million came through the recent follow-on offering. Operating cash flows were \$24 million, up nicely from \$16 million in the fourth quarter of last year, and CapEx during the quarter totaled \$21 million, resulting in \$4 million in free cash flow versus \$3 million last year.

For the full year, we saw meaningful cash flow improvements, with operating cash flow at \$133 million versus \$54 million last year. Full-year CapEx was \$89 million versus \$50 million in the prior year with approximately 60% of the investments attributable to datacenters.

Free cash flow was \$44 million, a 10x increase over last year. We ended the quarter with 2,116 employees, up 319 from the third quarter and 990 employees from last year. Increases were primarily in sales and technology.

Let me close the call by turning to guidance for the first quarter and the full-year of 2012. In the first quarter, we expect revenues between \$170 million and \$175 million, a range of 81% to 86% year-on-year growth.

First quarter guidance incorporates the impact of European macro softness on display ads and efforts to rebuild our marketing and sales leadership, where we expect to see positive momentum through the year. For the full-year 2012, we expect revenues of \$840 million to \$860 million, an increase of 62% to 65% year-on-year.

For adjusted EBITDA, we expect a range of \$25 million to \$27 million in the first quarter, a 15% margin at the revenue midpoint. The first quarter will likely be our largest quarter for onboard and new head count in 2012. For the full year, we expect adjusted EBITDA to range between \$155 million and \$165 million, a 19% margin at the midpoint.

We will also continue to provide guidance on other key line items in our income and cash flow statements. On depreciation and amortization, we expect \$15 million to \$17 million in the first quarter and \$70 million to \$80 million for the full year. This equates to approximately 9% of revenues, slightly higher than 2011.

For stock compensation, we expect between \$13 million and \$14 million in Q1 and \$65 million to \$75 million for the full year. Our visibility on taxes for this year remains limited, given the impact of stock grants, so we will not issue tax guidance.

While diluted shares also remain difficult to precisely estimate, we expect approximately 4% dilution from the fourth quarter of 2011 to the fourth quarter of 2012 with half of the increase in the first quarter due to the follow-on offerings. On the cash flow statement, we expect capital expenditures as a percentage of revenues to come down from 17% in 2011 to the mid-teens in 2012.

In closing, we are pleased with LinkedIn's performance in 2011, as our key operating and financial metrics produced strong growth. We had a record year in terms of members, visitors and paid views. Revenues accelerated and the diversity in our business remains healthy.

We saw particular strength in our leveraged online channels, while continuing to build a backlog of business with key corporate accounts. And finally, we delivered strong adjusted EBITDA and record operating and free cash flow.

As we enter 2012, we look to build upon the foundation we established last year. We remain focused on the long-term and plan to invest aggressively in product engineering, sales and infrastructure to further develop the LinkedIn platform and strengthen our global market position.

Thank you for your time, and we'll now take questions.

**QUESTION AND ANSWER SECTION**

Operator: Thank you. [Operator Instructions] Our first question comes from Justin Post from Bank of America Merrill Lynch.

**<Q – Justin Post – Bank of America Merrill Lynch>:** Great. Thank you. Obviously, you have a very good asset with all the data and all the members on the site. Jeff, when you think kind of two or three years out, what do you see as kind of your opportunities, maybe as a SaaS platform for recruiting or ad networks? How can you really leverage that data, and what are some of the initiatives the company has?

And then just increasing engagement, it looks like some of your stats show that usage is increasing faster than members. Do you have a big product pipeline for this year as you continue to try to build that out? Thank you.

**<A – Jeff Weiner – LinkedIn Corp.>:** Thanks, Justin. So, with regard to the SaaS intention, and how we can leverage our data, with regard to our current recruiter business, that already has a number of SaaS quality and is very much oriented for the enterprise, and the data advantage we have I think is one of the reasons that business has become our largest and fastest growing, and it's been so disruptive to the recruiting industry, leveraging all of the critical mass we have now as a platform with regard to that rich and valuable profile data that recruiters really find value in searching.

With regard to Marketing Solutions, we see similar benefits in terms of targeting. As a matter of fact, I mentioned earlier Cisco just targeted a substantial number of C-Level executives with a piece of media that they had actually run on television, they selected LinkedIn among some other options, because they felt like that was an ideal platform to target against title and seniority, and other companies are targeting in other areas, company size, geography, you can target with regard to years of experience. And so, data remains one of our most valuable assets and certainly, one of the most important strategic assets of the company.

With regard to the product pipeline, you asked why engagement was growing faster than members, and I think that's a byproduct of some of the products we launched in 2011. You go back to the earlier part of the year; LinkedIn today is off to a strong start. We're seeing a lot of traction with regard to the overall LinkedIn Today Ecosystem, including 300,000 unique domains and publishers that now have the share with LinkedIn button on their sites.

LinkedIn Groups, we're seeing a nice acceleration in the growth there. I think that is in part due to the fact that we opened it up. It's now easier than ever to participating groups and for that content to start to generate some viral factors. I think mobile has been a big win for the company thus far to-date. You heard both Steve and I comment on the fact that remains by far and away our fastest-growing service, and we've got some very exciting things in the pipeline there.

So, going forward, I mentioned three themes, simplify, growing, every day. With regard to simplify, you can expect us to refresh a number of our pillar products. With regard to growing the network, which obviously serve as our baseline for future engagement, we're going to continue to localize, and we're going to continue to optimize the flow of how new users come into the network, make it easier for them to get connected with others. And with regard to every day, we're excited about continuing to build on some of the investments we've made thus far to-date, which I've already mentioned, as well as some interesting ways, in which we can empower individual professionals within their enterprise.

**<Q – Justin Post – Bank of America Merrill Lynch>:** Okay. And maybe one follow-up. Obviously, mobile is growing faster than PC usage, how do you monetize mobile on the ad side, and should

we probably understand how you monetize it on the other side of your business? But on the ad side, how are you going to be able to monetize that?

**<A – Jeff Weiner – LinkedIn Corp.>**: Yes, that starts – again, we've been very focused on getting the product right and user experience right. Our members always come first, and so we were committed to making sure we were putting a good, strong, firm foundation underneath the user experience. Now, that that's in place and with the success we've had thus far to-date, we are going to start to run some tests with regard to advertising and some of our Marketing Solutions within the mobile environment.

And to your point when you asked the question, with regard to Hiring Solutions in our subscriptions platform, the mobile experience is very additive and complementary to those business lines. So, folks that are already purchasing a seat for our Recruiter product or who have purchased subscriptions are able to access the platform, and get value out of those paid products by virtue of mobile.

I would also add on the non-monetization front, mobile has been very accretive to us as a network. We're not seeing cannibalization of web engagement, and we are seeing accretion, one. And two, one of the nice parts of our mobile success thus far is the increase in connection density we are seeing. We've noticed that people who use LinkedIn mobile applications are actually increasing the number of connections that they have on the network, and that increased connection density drives greater engagement because you get a better experience, more content, greater liquidity.

**<Q – Justin Post – Bank of America Merrill Lynch>**: Great, thank you.

Operator: Thank you. Our next question comes from Mark Mahaney from Citigroup.

**<Q – Mark Mahaney – Citigroup Global Markets (United States)>**: Thanks. I think you mentioned that the month of January was your strongest on-boarding month ever. Do you do that at all with an eye towards the macro view, or would you do that if you saw signs of the overall jobs environment improving? Would that affect at all your on boarding – the pace of your on boarding or is that too broad of a factor to influence that?

**<A – Steven Sordello – LinkedIn Corp.>**: Yes, Mark, this is Steve. We definitely take that into account, and we are already quarter to-date in excess of 200 hires. Many of those were obviously recruited in the fourth quarter. So, Q1 will definitely be our largest on-boarding quarter in the history of the company.

And again, we feel given the metrics we are seeing as we are expanding, I would say in the first quarter, probably about two-thirds of those hires will be in the sales category. And that's an indication of the market opportunity that we're still seeing out there, the return on some of our key metrics, the renewal rates are strong, renewal rates we are seeing, in concert with a stable churn. So, it definitely is linked. But we're not necessarily looking on a quarter-by-quarter basis. We're focused on the long-term opportunity of what we see in front of us, and so we are going to continue to invest and look at these metrics as they come to us, but it is an indication of what we're seeing in the marketplace.

**<Q – Mark Mahaney – Citigroup Global Markets (United States)>**: Thank you, Steve.

Operator: Thank you. Our next question comes from Mark May from Barclays.

**<Q – Mark May – Barclays Capital, Inc.>**: [audio gap] (29:53) taking my questions. I had two. First, on the Hiring Solutions ARPU, if you just do the blunt calculation of taking that revenue segment and dividing it by average corporate customers, I think you're going to come up with roughly a 4% year-on-year decline. I know that that segment however, includes a number of

products with different ARPUs, different price points, so I was hoping you could kind of peel away the onion for us and tell us what's really going on in pricing for Recruiter and Job Seeker, and the other products in there? And then secondly, on Recruiter renewals, can you give us a sense not just of what the renewal rate is, but what's the trend in terms of average seats per customer renewal, pricing, et cetera? Thanks.

**<A – Steven Sordello – LinkedIn Corp.>**: Sure, Mark, this is Steve. On your first question on ARPU for Hiring Solutions, a couple of considerations there. When you look at that metric, the number of companies we report are LCS Recruiter-related companies, about 9,200. Hiring Solutions is a broader category. As you mentioned, we have other products, we have subscription-related products, we have jobs products. Those product lines have lower ASPs, so they tend to pull that ARPU down.

When you look at it on an apples-to-apples basis, that is LCS Recruiter-related revenues related to those customers were actually up about 10% year-on-year. So, that's the main driver there.

In terms of the number of seats per company, not a lot of change there, we're still looking at three to four -per range, which has been pretty consistent. On the renewal basis, we're actually very excited the way we ended this quarter. Our renewal and upsells were up about 171% year-on-year, which was an acceleration off of the third quarter. So, did I miss anything on this?

Oh – average price, I think, was your third point. Not a lot of change in terms of the pricing going into 2012. We're focused on expansion at this point in time. Even products like Talent Pipeline that we recently launched for existing customers, we're offering that as part of the service. So, we're much more focused on penetration and expansion at this cycle in our – in the opportunity.

**<Q – Mark May – Barclays Capital, Inc.>**: And I'm sorry, a clarification, the 170%, was that the average seats per – I didn't catch what that was?

**<A – Steven Sordello – LinkedIn Corp.>**: I'm sorry, that was our -

**<Q – Mark May – Barclays Capital, Inc.>**: Average seat growth for a renewal customer or -

**<A – Steven Sordello – LinkedIn Corp.>**: So when I mention that 171%, I'm talking about the net ratio, which is a combination of renewals net of churn. And churn was relatively flat, so most of the increase in that ratio for us was driven by add-ons and renewals.

**<Q – Mark May – Barclays Capital, Inc.>**: Okay. Thanks.

Operator: Thank you. Our next question comes from Scott Devitt from Morgan Stanley.

**<Q – Scott Devitt – Morgan Stanley & Co. LLC>**: I think I had two. Now, the first one relates to the kind of corporate account additions, which seem to inflect you've been on a run rate of about 1,300 per quarter, and you increased by 600. So, just wondering if you can talk through the seasonality of that, if you're starting to get significant improvements of sales force efficiency or automation of renewals, or otherwise. And then I have one follow-up.

**<A – Steven Sordello – LinkedIn Corp.>**: Hey, Scott, I didn't hear the complete question. It came through a little garbled, can you repeat it?

**<Q – Scott Devitt – Morgan Stanley & Co. LLC>**: The question is around the inflection in corporate account additions. You're up to 1,900 accounts, which is the highest in history. It's at 600, I think, sequentially. And I'm just wondering what's driving that?

**<A – Steven Sordello – LinkedIn Corp.>**: Sure, so, yeah, like I mentioned, we're seeing good momentum vis-à-vis the sales force in terms of signing on new customers, not only within current accounts and upselling the add-on renewal rates, but also expanding. And we've also penetrated more of the SMB space as we have done so. Also on international basis, we've been staffing up different sales offices. So, all of those are resulting in, I think, a pretty high payback. One overarching payback metric that we usually talk to is that magic number for us, which is a measure of payback on sales and marketing, and that continues to be very robust for us relative to industry averages.

**<Q – Scott Devitt – Morgan Stanley & Co. LLC>**: Thanks, and the follow-up and I apologize because I'm on a cell phone. But the follow-up relates to, you exited the year at 21% EBITDA margins, and then you guided for your 2012 to 20%, and you mentioned the largest on-boarding quarter in the first quarter. You've had the history now that's significantly exceeding our margin expectations. I'm just wondering if you can walk through the 2012 guidance, how much conservatism potentially is in that. Thank you.

**<A – Steven Sordello – LinkedIn Corp.>**: Sure. So, we do our best to take into account the macro conditions, and how each of our business lines are executing in a prudent manner. If you look at our beats to-date, most of it has been top-line driven, and so most of the flow-through into EBITDA has been a top-line overperformance.

If you're talking about the first quarter, it's pretty much a similar progression that we experienced last year. Last year, Q4, we delivered 20% margins in the fourth quarter, which is a seasonally strong quarter for us, and 14% in the first quarter and this year, we're at 21% to 15%. So, it is a pretty similar progression. Throughout 2012, we look to continue to expand that margin profile towards that full-year goal of 19%, so it should be obviously a higher rate exiting the year.

**<Q – Scott Devitt – Morgan Stanley & Co. LLC>**: Thank you.

Operator: Thank you. Our next question comes from Doug Anmuth from JPMorgan.

**<Q – Douglas Anmuth – JPMorgan Securities LLC>**: Great. Thanks for taking the question. Just two things. First, two other companies in the hiring space have talked about some softness that they're seeing in particular verticals like financial, and I was just curious if you could comment there, if you're seeing any discernible trends across verticals?

And then secondly, if you could comment on the Students and the Recent Grads product that you've rolled out, and you said it was the fastest-growing group? And how do you feel about the traction there thus far, and what can you continue to do on the product side?

**<A – Jeff Weiner – LinkedIn Corp.>**: Yeah, sure. So, with regard to the verticals in terms of our Recruiter efforts, I haven't really seen any weakness in any particular vertical. To the contrary, I think exiting Q4, we saw strength pretty much across the board.

And then, with regard to our student offerings, exactly as you said. The student demographic, recent grads, continue to be our fastest-growing demographic. We released a new product in the second half of last year called Alumni, which enables not only students still in school, but also anyone who's graduated from a particular university to access all of the folks who went to that school, the alums, and see the path that they've taken by virtue of their LinkedIn presence, which we've received very favorable feedback on.

And I think, alongside of that product release, we also were able to modify and customize our profiles for students, because a number of students don't have a rich body of work experience. And so rather than being in a position where their profile would largely be empty of that kind of

information, we've enabled them to complete fields that give prospective employers a better sense of those students.

Going forward, we're going to continue to invest in our student-specific products. I'm not going to pre-announce anything now, but suffice it to say, we've got an exciting roadmap there. We're also stepping up our outreach to career centers at universities across the country starting in the U.S., and ultimately we'd like to expand that on an international basis as well. But the reception from these career centers and from university administrators have been extremely positive in terms of the value they can bring to their students by virtue of leveraging the LinkedIn platform.

**<Q – Douglas Anmuth – JPMorgan Securities LLC>:** Great. Thank you.

**<A – Jeff Weiner – LinkedIn Corp.>:** Okay.

Operator: Thank you. Our next question comes from Aaron Kessler from Raymond James.

**<Q – Aaron Kessler – Raymond James & Associates>:** Yes. Hello. Thanks for taking my questions. Following up on Doug's question on the College and Recent Grads, can you update us on the number; you ended what I think was around 14 million last quarter. Also just on the expense outlook for 2012, it looks like you implied a decent and healthy growth in expense base. Is that primarily sales and marketing or – and technology, how should we think about that?

**<A – Jeff Weiner – LinkedIn Corp.>:** Probably the 14 million you are referring to the number of overall members we added to the network for the quarter, is that what you're referring to?

**<Q – Aaron Kessler – Raymond James & Associates>:** Well, I noticed in – I think the ending college and recent grads, I thought that was around 14 million last year, so -

**<A – Jeff Weiner – LinkedIn Corp.>:** We haven't released those numbers. You may have reverse-engineered something on that front, but we haven't released the specifics. What we've talked about is the fact that it remains our fastest-growing demographic.

**<Q – Aaron Kessler – Raymond James & Associates>:** Got it. And [indiscernible] (39:14) expense outlook is -

**<A – Steven Sordello – LinkedIn Corp.>:** Hey, Aaron. This is Steve, so, yes, so we're still obviously investing aggressively in the company across each of the cost dimensions. I would say the one particular area is sales and marketing. I would say you'll see modest leverage in each of the other functional line items. I think the sales and marketing line item is the area as particularly as we continue to expand on an international basis is the one where that will up-tick as a ratio to sales, again, offset by modest leverage in each of the other categories.

**<Q – Aaron Kessler – Raymond James & Associates>:** Great. And finally, just on the LinkedIn Apply product, any updates on that, additional traction there?

**<A – Jeff Weiner – LinkedIn Corp.>:** Yes, we are seeing additional traction. In particular, on an ATS front, we continue to forge strong partnerships with a number of some of the leading ATS companies. Taleo comes to mind, Kenexa, JobBite, Jobscience. So, I think we are going to continue to deepen those relationships and in light of some of the recent consolidation in the industry, we are looking forward to expanding those partnerships with companies at even greater scale.

**<Q – Aaron Kessler – Raymond James & Associates>:** Great. Thank you.

Operator: Thank you. Our next question comes from Michael Graham from Canaccord.

**<Q – Michael Graham – Canaccord Genuity, Inc.>**: Hi. Thanks a lot. I just wanted to ask about Hiring Solutions internationally. Could you maybe go into a little more depth about what you're seeing in some of your most advanced markets, the effect of the local language sites that you're implementing? And can you give us some examples of penetration or the ramp in some of your leading markets, and how we can kind of look back at some of the markets that are a little newer and gain some understanding of how they might grow? Thanks.

**<A – Steven Sordello – LinkedIn Corp.>**: Yes, I would – this is Steve, I would say that penetration remains nice for us in each of the markets that we are going into. Just broadly speaking, I would say Europe is probably a year to two behind the U.S. in terms of penetration and the Asian markets are two to three, a little bit more than that, beyond the U.S. in terms of where we are at in that penetration cycle.

I think within the Hiring Solutions business outside the U.S. in the fourth quarter, in some of the more nascent markets that we are entering, what we typically see is very, very strong demand initially because it's a unique product. There is not another solution and then our sales force starts to take hold and continue to build off that base. In Europe, in terms of the macro, I think that we've weathered that fairly well. That's the one area where churn was slightly higher within Hiring Solutions, the LCS business, that is, if you only view it as a one corporate account, and if you ignore that, it actually drops. So, net-net, it's a positive there as well.

**<Q – Michael Graham – Canaccord Genuity, Inc.>**: Okay. And then, just as a follow-up, could you maybe talk about some of your largest Hiring solutions customers and maybe the Fortune 100 and can you characterize where you think you are in penetration of those really large customers, and if there is some roadmap we can think about to getting some of the other ones where maybe you're early on in this sales cycle, but how you can kind of see that ramping?

**<A – Jeff Weiner – LinkedIn Corp.>**: Sure, so, the Fortune 100, a lot more than 70% to 80%, and that number's continued to climb. The value that those customers are getting from LinkedIn is really unique. I mean, the ability to do passive candidate recruiting at scale to the extent they are able to do that on LinkedIn, is really changing the way a number of these companies are doing their recruiting. And we continue to get very positive feedback. Steve mentioned earlier churn has remained at very heavily levels and I think that's one of the reasons we've been able to continue to grow at the pace we are growing.

In terms of deepening the relationship with these existing large customers, that's where products like Talent Pipeline come in and Talent Pipeline is designed to help these companies solve a new unmet need. So, the old unmet need used to be – provide more relevant candidates at scale, and we were able to do that with regard to passive candidates and searching the LinkedIn network and the new unmet need is how do you manage the pipeline of all of these qualified candidates and the number of these customers have kind of put together ad hoc mechanisms to manage those pipelines.

Regardless of source, by the way, that candidate doesn't have to be sourced from LinkedIn and Talent Pipeline addresses that. And so we expect Talent Pipeline is going to enable us to deepen the relationships there with those customers and Talent Pipeline I think is further evidence of the fact that we are not thinking about recruiters as a singular standalone product, but rather as a platform, and we are excited about the prospects there.

Operator: Thank you. Our next question comes from Brian Pitz, UBS.

**<Q – Brian Pitz – UBS Securities LLC>**: Great. Thank you. You mentioned strong growth in mobile. Maybe you could give us some additional color on traction with the CardMunch app on iPhone, and we've heard some pretty strong buzz around that online. Also can you comment on

any differentiation engagement on the various mobile platforms, tablet versus smartphone or Android versus iOS? Thanks.

**<A – Jeff Weiner – LinkedIn Corp.>**: Yes. So, with regard to CardMunch, you are right. There's been a lot of buzz. It won a number of best app awards within the business category at the close of 2011. We were thrilled that the team, it's a smaller team, incredibly innovative, super passionate, that was one of our acquisitions last year. And we were really thrilled with the work that they've been doing.

We haven't released results to-date beyond the discussion of the number of cards and several weeks ago, we had announced that the app had generated its two millionth card scanned and suffice it to say, the growth has dramatically accelerated from there. But again, we haven't given too much in the way of detail, but we do have high hopes for that trend to continue.

With regard to specifics in terms of the mobile platforms, again we haven't gotten too much into the way of specifics. I will say, however, we are seeing a sharp rise in activations across both the iOS platform and Android. Today, we are seeing more activations via iOS, but both are growing very healthy rates. And very recently, we started to see even more engagements from tablets, and iPads specifically, than smartphones, which is a true testament to the incredible growth of that device. And again, without getting into the way of specifics, we are very excited about the prospects in our roadmap for our mobile portfolio.

**<Q – Brian Pitz – UBS Securities LLC>**: Great. Thanks.

Operator: Thank you. This concludes our question-and-answer session for today. Ladies and gentlemen, thank you for participating in today's conference. This concludes the program. You may all disconnect, and have a wonderful day.

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