

LINKEDIN CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 31,	
	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 803,089	\$ 270,408
Marketable securities	1,526,212	479,141
Accounts receivable (net of allowance for doubtful accounts of \$6,138 and \$3,774 at December 31, 2013 and 2012, respectively)	302,168	203,607
Deferred commissions	47,496	30,232
Prepaid expenses	32,114	14,344
Other current assets	44,391	21,065
Total current assets	2,755,470	1,018,797
Property and equipment, net	361,741	186,677
Goodwill	150,871	115,214
Intangible assets, net	43,046	32,780
Other assets	41,665	28,862
TOTAL ASSETS	\$ 3,352,793	\$ 1,382,330
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 66,744	\$ 53,559
Accrued liabilities	183,004	104,077
Deferred revenue	392,243	257,743
Total current liabilities	641,991	415,379
DEFERRED TAX LIABILITIES	14,879	27,717
OTHER LONG TERM LIABILITIES	61,529	30,810
Total liabilities	718,399	473,906
COMMITMENTS AND CONTINGENCIES (Note 10)		
REDEEMABLE NONCONTROLLING INTEREST	5,000	—
STOCKHOLDERS' EQUITY (Note 11):		
Class A common stock, \$0.0001 par value; 1,000,000,000 shares authorized, 103,218,118 and 103,194,534 shares issued and outstanding, respectively, at December 31, 2013 and 89,861,658 and 88,829,278 shares issued and outstanding, respectively, at December 31, 2012	10	9
Class B common stock, \$0.0001 par value; 120,000,000 shares authorized, 17,157,215 and 19,817,923 shares issued and outstanding at December 31, 2013 and 2012, respectively	2	2
Additional paid-in capital	2,573,449	879,303
Accumulated other comprehensive income	314	260
Accumulated earnings	55,619	28,850
Total stockholders' equity	2,629,394	908,424
TOTAL LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY	\$ 3,352,793	\$ 1,382,330

See notes to consolidated financial statements.

LINKEDIN CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31,		
	2013	2012	2011
Net revenue	\$ 1,528,545	\$ 972,309	\$ 522,189
Costs and expenses:			
Cost of revenue (exclusive of depreciation and amortization shown separately below)	202,908	125,521	81,448
Sales and marketing	522,100	324,896	164,703
Product development	395,643	257,179	132,222
General and administrative	225,566	128,002	74,871
Depreciation and amortization	134,516	79,849	43,100
Total costs and expenses	<u>1,480,733</u>	<u>915,447</u>	<u>496,344</u>
Income from operations	47,812	56,862	25,845
Other income (expense), net	1,416	252	(2,903)
Income before income taxes	49,228	57,114	22,942
Provision for income taxes	22,459	35,504	11,030
Net income	<u>\$ 26,769</u>	<u>\$ 21,610</u>	<u>\$ 11,912</u>
Net income per share of common stock:			
Basic	<u>\$ 0.24</u>	<u>\$ 0.21</u>	<u>\$ 0.15</u>
Diluted	<u>\$ 0.23</u>	<u>\$ 0.19</u>	<u>\$ 0.11</u>
Weighted-average shares used to compute net income per share:			
Basic	<u>113,643</u>	<u>105,166</u>	<u>77,185</u>
Diluted	<u>118,944</u>	<u>112,844</u>	<u>104,118</u>

See notes to consolidated financial statements.

LINKEDIN CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2013	2012	2011
OPERATING ACTIVITIES:			
Net income	\$ 26,769	\$ 21,610	\$ 11,912
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	134,516	79,849	43,100
Provision for doubtful accounts and sales returns	4,775	623	3,109
Stock-based compensation	193,915	86,319	29,768
Excess income tax benefit from stock-based compensation	(43,755)	(35,829)	(1,600)
Changes in operating assets and liabilities:			
Accounts receivable	(102,618)	(91,277)	(54,908)
Deferred commissions	(18,249)	(17,145)	(5,271)
Prepaid expenses and other assets	(11,213)	(7,663)	(14,111)
Accounts payable and other liabilities	114,713	85,561	36,950
Income taxes, net	3,120	27,077	9,662
Deferred revenue	134,500	117,945	74,813
Net cash provided by operating activities	436,473	267,070	133,424
INVESTING ACTIVITIES:			
Purchases of property and equipment	(278,019)	(125,420)	(88,978)
Purchases of investments	(1,493,754)	(443,992)	(251,174)
Sales of investments	179,904	58,594	8,255
Maturities of investments	258,425	139,911	3,500
Payments for intangible assets and acquisitions, net of cash acquired	(19,197)	(57,036)	(7,404)
Changes in deposits and restricted cash	(4,904)	(5,085)	(2,681)
Net cash used in investing activities	(1,357,545)	(433,028)	(338,482)
FINANCING ACTIVITIES:			
Proceeds from initial public offering, net of offering costs	—	—	248,803
Proceeds from follow-on offering, net of offering costs	1,348,059	(382)	177,700
Proceeds from issuance of preferred shares in joint venture	4,600	—	—
Proceeds from issuance of common stock from employee stock options	32,824	44,402	13,124
Proceeds from issuance of common stock from employee stock purchase plan	24,589	16,862	6,287
Excess income tax benefit from stock-based compensation	43,755	35,829	1,600
Other financing activities	392	(148)	4,951
Net cash provided by financing activities	1,454,219	96,563	452,465
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(466)	755	(1,310)
CHANGE IN CASH AND CASH EQUIVALENTS	532,681	(68,640)	246,097
CASH AND CASH EQUIVALENTS—Beginning of period	270,408	339,048	92,951
CASH AND CASH EQUIVALENTS—End of period	\$ 803,089	\$ 270,408	\$ 339,048
SUPPLEMENTAL DISCLOSURES OF OTHER CASH FLOW INFORMATION:			
Cash paid for income taxes	\$ 6,049	\$ 2,828	\$ 2,261
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Conversion of preferred stock to common stock	\$ —	\$ —	\$ 103,827
Purchases of property and equipment recorded in accounts payable and accrued liabilities	\$ 25,724	\$ 22,223	\$ 10,974
Offering costs not yet paid	\$ —	\$ —	\$ 382
Vesting of early exercised stock options	\$ 937	\$ 3,365	\$ 3,704