

LinkedIn Technology UK Limited

Reports and Financial Statements
For the year ended 31 December 2014

Company Registration Number 06441873

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LINKEDIN TECHNOLOGY UK LIMITED

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

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LINKEDIN TECHNOLOGY UK LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Lora Blum
Susan Taylor

BUSINESS ADDRESS

Castlewood House
77-91 New Oxford Street
London, WC1A 1DG

REGISTERED OFFICE

21 Tudor Street
London, EC4Y 0DJ

BANKERS

Bank of America N.A.
2 King Edward Street,
London, EC1A 1HQ

INDEPENDENT AUDITORS

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

COMPANY NUMBER

06441873

LINKEDIN TECHNOLOGY UK LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of the company for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the provision of marketing support to the company's immediate parent undertaking, LinkedIn Ireland.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the company since the year end.

DIRECTORS

The directors of the company during or since the end of the financial are as follows:

S J Sordello (resigned 8th July 2014)
E Rottenberg (resigned 8th July 2014)
Lora Blum (appointed 8th July 2014)
Susan Taylor (appointed 8th July 2014)

DIRECTORS' INTERESTS IN SHARES

The directors who held office at 31 December 2014 had no interests in the ordinary shares of the company or any other group company except as disclosed below. The directors of the company who held office at 31 December 2014 had the following interests in the ordinary shares of the parent company, LinkedIn Corporation.

	31 December 2014 Ordinary shares	31 December 2014 Share Options	At date of appointment Ordinary shares	At date of appointment Share Options
Susan Taylor	12,065	13,476	11,698	10,714
Lora Blum	6,324	3,129	6,360	4,170
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

LINKEDIN TECHNOLOGY UK LIMITED


DIRECTORS' REPORT (CONTINUED)

The auditors, Deloitte, have expressed their willingness to continue in office as auditors, and a resolution to reappoint Deloitte Chartered Accountants and Statutory Audit Firm, will be proposed at the forthcoming Annual General Meeting.

DIVIDENDS

An interim dividend of £8,500,000 (£8,500 per ordinary share) was declared and paid on 31 December 2014 (2013: £7,000,000)

The directors do not recommend the payment of a further final dividend.


Susan Jennifer Simone Taylor, Director

Date: August 25, 2015

LINKEDIN TECHNOLOGY UK LIMITED

STRATEGIC REPORT

The directors present their report for the year ended 31 December 2014. This is in accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

LinkedIn is the world's largest professional network on the Internet with more than 364 million members in over 200 countries and territories at 31 March 2015. LinkedIn's platform enables members to become more successful in their careers through three value propositions: managing and sharing who they are through their digital professional identity; engaging and expanding who they know through their professional network; and discovering professional knowledge and insights making them better at what they do.

RESULTS AND PERFORMANCE

The company's financial KPI for measuring success is revenue growth and the non-financial KPI for measuring success is member growth.

The company's business activities have continued to grow during 2014. Turnover increased by 22% from £38,055,167 in 2013 to £46,583,955 in 2014. Administrative Expenses increased by 32% from £30,535,353 in 2013 to £40,398,544 in 2014. The increase in administrative expenses is mainly due to headcount growth. The average headcount has increased by 25% from 149 in 2013 to 186 in 2014.

STRATEGY

LinkedIn's mission is to connect the world's professionals to make them more productive and successful.

The cornerstone of LinkedIn's business strategy is to focus on our members first. We provide the majority of our solutions to our members at no cost. We believe this approach provides the best way to continue to build a critical mass of members, resulting in beneficial network effects that promote greater utilization of our network, higher levels of engagement and, ultimately, increased value for all of our members.

The objective of LinkedIn Technology UK Limited is to increase awareness of the LinkedIn brand and product offerings in the UK market. It does this by providing sales and marketing support services to its parent company LinkedIn Ireland.

PRINCIPLE RISKS AND UNCERTAINTIES

The operations and financial results are subject to various risks and uncertainties which could adversely affect the company's business and its financial condition:

- Revenue is generated from marketing services provided to LinkedIn Ireland. If demand for these services were to decrease revenue and operating results would be adversely impacted.
- The company depends on world class talent to grow and operate the business. If the company were unable to hire, retain and motivate personnel, it would not be able to grow effectively.

FUTURE DEVELOPMENTS

The company's turnover, headcount and administrative expenses are all expected to continue growing in 2015. This future growth is expected with the further development of the product range that the parent, LinkedIn Ireland, offers in the UK market. That future growth may be affected by macro-economic conditions in the UK market.

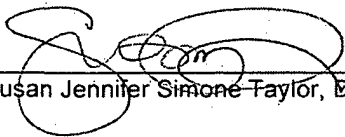
LINKEDIN TECHNOLOGY UK LIMITED

STRATEGIC REPORT (CONTINUED)

GOING CONCERN

LinkedIn Technology UK Limited earns services revenue from its parent, LinkedIn Ireland, on costs incurred. The directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the company continues to adopt the going concern assumption.

This report was approved by the Board of Directors on 17 August, 2015 and signed on its behalf by:


Susan Jennifer Simone Taylor, Director

LINKEDIN TECHNOLOGY UK LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINKEDIN TECHNOLOGY UK LIMITED

We have audited the financial statements of LinkedIn Technology UK Limited for the year ended 31 December 2014 which comprise the statement of accounting policies, the profit and loss account, the balance sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the 'Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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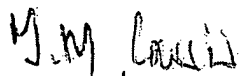
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINKEDIN TECHNOLOGY UK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Thomas Cassin (Senior Statutory Auditor)
For and on behalf of Deloitte
Chartered Accountants and Statutory Auditor

Deloitte & Touche House
Earlsfort Terrace
Dublin 2

31 August 2015

LINKEDIN TECHNOLOGY UK LIMITED

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards generally accepted in the United Kingdom and United Kingdom statute comprising the Companies Act 2006.

CASH FLOW STATEMENT

The company has not presented a cash flow statement as it has availed of the exemption available under FRS 1 "Cash flow Statements". The FRS1 exemption is available as 100% of the voting rights are controlled by LinkedIn Ireland.

TURNOVER

The turnover shown in the profit and loss account represents amounts receivable from the immediate parent undertaking, LinkedIn Ireland, during the year for the provision of marketing support services.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Leasehold Improvements	-	shorter of 5 years or the life of the lease
Computer Equipment	-	straight line over 3 years
Office Equipment & Fitting	-	straight line over 3 years
Asset Retirement Obligation	-	shorter of 5 years or the life of the lease

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

TAXATION

Corporation tax is provided on taxable profits at the current rates.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

LINKEDIN TECHNOLOGY UK LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCIES

Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

SHARE-BASED PAYMENTS

In accordance with FRS 20 "Share-based payment", the company reflects the economic cost of awarding share options to employees by recording an expense in respect of the services received from employees in the profit and loss account at an amount equal to the fair value of the awarded options. The fair value is determined by reference to the Black-Scholes option pricing model.

The expense is spread over the period in which the services are received by the company ("the vesting period"). An assessment of the number of share options which are expected to vest is made at the end of each reporting period and any adjustments to the expected charge relating to those share options are made in the current period.

Shares for which an option is granted are issued by the parent undertaking and no consideration is given by this company in respect of those options. Therefore the benefit to this company is treated as a capital contribution received from the parent undertaking and is taken to profit and loss account reserve, and no share-based payment reserve is recognised.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement. Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

PENSION SCHEME

The company operates a defined contribution pension scheme and contributions are charged against profits as they fall due.

DEFERRED COSTS

Deferred costs are recognised when incurred and amortised straight-line over the useful life, generally 12 months, to administrative expenses.

LINKEDIN TECHNOLOGY UK LIMITED

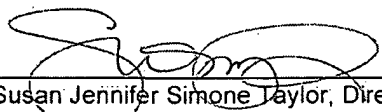
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Turnover	1	46,583,955	38,055,167
Administrative expenses		(40,398,544)	(30,535,353)
Profit on ordinary activities before taxation	2	6,185,411	7,519,814
Tax on profit on ordinary activities	4	(532,179)	(502,533)
Profit for the financial year	16/17	5,653,232	7,017,281

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

These financial statements were approved by the directors and authorised for issue on 25, August 2015 and are signed on their behalf by:


Susan Jennifer Simone Taylor, Director

SJC


Linkedin
Legal

LINKEDIN TECHNOLOGY UK LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	5	3,127,315	4,142,300
Current assets			
Debtors	6	19,249,728	15,972,131
Cash at bank and in hand		2,729,867	1,708,106
		21,979,595	17,680,237
Creditors: (Amounts falling due within one year)	8	(9,775,503)	(7,123,842)
Net current assets		12,204,092	10,556,395
Total assets less current liabilities		15,331,407	14,698,695
Creditors: (Amounts falling due after more than one year)	9	(1,094,296)	(1,681,574)
Net assets		14,237,111	13,017,121
Capital and reserves			
Called-up share capital	14	1,000	1,000
Capital contribution	15	9,674,318	5,607,560
Profit and loss account	16	4,561,793	7,408,561
Shareholders' funds	17	14,237,111	13,017,121

These financial statements were approved by the directors and authorised for issue on 25 August 2015 and are signed on their behalf by:


Susan Jennifer Simone Taylor, Director

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. TURNOVER

During the current and preceding year, 100% of the company's turnover was derived from services provided to its immediate parent undertaking, LinkedIn Ireland, a company registered in the Republic of Ireland.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Directors' remuneration*	-	-
Staff pension contributions	1,176,742	488,921
Depreciation of owned fixed assets	1,252,994	919,703
Auditor's remuneration:		
- Audit – related assurance services	10,885	10,446
Operating lease costs:		
- Land & buildings	1,180,883	2,783,318
Net loss/(profit) on foreign currency translation	82,655	(63,431)
	<u>2,693,059</u>	<u>4,138,957</u>

* Directors were remunerated through other group companies during both the current and preceding year. It is not possible to distinguish amounts paid to the directors for services provided to this company.

3. EMPLOYEE COSTS

	2014 Number	2013 Number
The average numbers of employees was:	<u>186</u>	<u>149</u>
	2014 £	2013 £
Employment costs		
Wages and salaries	20,838,427	14,009,676
Social welfare costs	3,727,779	2,225,050
Other pension costs (note 10)	1,176,742	488,921
Share based payments expense (note 11)	4,066,758	3,112,556
	<u>29,809,706</u>	<u>19,836,203</u>

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

4. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
In respect of the year:		
UK Corporation tax	943,959	738,326
Over provision in prior year	(13,328)	-
	<u>930,631</u>	<u>738,326</u>
Deferred tax:		
Origination and reversal of timing differences	(401,707)	(280,740)
Adjustment in respect of previous periods	(24,650)	(55,901)
Effect of changes in tax rate	27,905	100,848
Total deferred tax (note 7)	<u>(398,452)</u>	<u>(235,793)</u>
Tax on profit on ordinary activities	<u>532,179</u>	<u>502,533</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>6,185,411</u>	<u>7,519,814</u>
Tax on profit at standard UK tax rate of 21.49% (2013: 23.25%)	1,329,440	1,748,357
Effects of:		
Expenses not deductible for tax purposes	88,696	159,515
Capital allowances less than depreciation	45,665	(36,972)
Movement in short term timing differences	-	(39,302)
Impact of share options	(875,884)	(1,450,286)
Share options timing differences	356,042	357,014
Total current tax (note 4(a))	<u>943,959</u>	<u>738,326</u>

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

5. TANGIBLE FIXED ASSETS

	Office Equipment and Fitting £	Leasehold Improvements £	Computer Equipment £	Total £
Cost				
At 1 January 2014	953,540	3,312,735	1,140,679	5,406,954
Additions	75,661	130,107	32,241	238,009
Disposals	-	(82,095)	-	(82,095)
At 31 December 2014	1,029,201	3,360,747	1,172,921	5,562,868
Depreciation				
At 1 January 2014	201,603	678,467	384,584	1,264,654
Charge for the year	316,013	631,305	305,676	1,252,994
Disposals	-	(82,095)	-	(82,095)
At 31 December 2014	517,616	1,227,677	690,260	2,435,553
Net book value				
At 31 December 2014	511,585	2,133,070	482,661	3,127,315
At 31 December 2013	751,937	2,634,268	756,095	4,142,300

6. DEBTORS

	2014 £	2013 £
<i>Amounts receivable within one year:</i>		
Amounts owed by group undertakings	12,448,831	10,804,817
VAT recoverable	350,423	380,585
Other debtors	480,507	1,133,838
Deferred costs	3,993,086	2,588,812
Deferred taxation (note 7)	1,050,914	652,462
	18,323,761	15,560,514
<i>Amounts receivable after more than one year:</i>		
Other debtors	925,967	411,617
	19,249,728	15,972,131

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

7. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2014 £	2013 £
Included in debtors (note 6)	1,050,914	652,462

The movement in the deferred taxation account during the year was:

	2014 £	2013 £
At 1 January	652,462	416,669
Profit and loss account movement arising during the year	373,802	179,893
Adjustment in respect of prior years'	24,650	55,900
At 31 December	1,050,914	652,462

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	64,775	(2,370)
Other timing differences	986,139	654,832
	1,050,914	652,462

8. CREDITORS: (Amounts falling due within one year)

	2014 £	2013 £
Trade creditors	245,730	310,678
Corporation tax	435,017	351,303
Other taxation and social security	2,876,309	2,886,770
Other creditors	6,218,447	3,575,091
	9,775,503	7,123,842

9. CREDITORS: (Amounts falling due after more than one year)

	2014 £	2013 £
Other accruals and provisions	1,094,296	1,681,574

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

10. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £1,176,742 (2013: £488,921) were payable to the fund during the year. £325,034 was outstanding at the year end (2013: £7,432).

11. SHARE-BASED PAYMENTS

Equity-settled share-based payments

Shares for which an option is granted to employees of LinkedIn Technology UK Limited are issued by the parent undertaking, LinkedIn Corporation. LinkedIn Corporation has two equity incentive plans: the Amended and Restated 2003 Stock Incentive Plan (the "2003 Plan") and the 2011 Equity Incentive Plan (the "2011 Plan"). Following initial public offering in May 2011, any shares subject to options or other similar awards granted under the 2003 Plan that expire, are forfeited, are repurchased or otherwise terminate unexercised will become available under the 2011 Plan. No additional shares will be issued under the 2003 Plan. No consideration is given by LinkedIn Technology UK Limited in respect of these options.

Under the 2003 Plan, shares of common stock of LinkedIn Corporation are reserved for the issuance of incentive stock options ("ISOs") or non-statutory stock options ("NSOs") to eligible participants as of December 31, 2008. The ISOs may be granted at a price per share not less than the fair market value at the date of grant. The NSOs may be granted at a price per share not less than 85% of the fair market value at the date of grant. Options granted to date generally vest over a four year period with 25% vesting at the end of one year and the remaining vesting monthly thereafter. Options granted generally are exercisable up to 10 years. Option holders are allowed to exercise unvested options to acquire restricted shares. Upon termination of service, LinkedIn Corporation has the right to repurchase at the original purchase price any unvested (but issued) common shares. Common shares purchased under the Plan are subject to certain restrictions, including the right of first refusal by LinkedIn Corporation for sale or transfer of these shares to outside parties. LinkedIn Corporation's right of first refusal terminated upon completion of an initial public offering of common stock.

Under the 2011 Plan, LinkedIn Corporation has the ability to issue ISOs, NSOs, stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance units and/ or performance shares. The ISOs and NSOs will be granted at a price per share not less than the fair value at date of grant. Options granted to date generally vest over a four-year period with 25% vesting at the end of one year and the remaining vesting monthly thereafter. Options granted generally are exercisable up to 10 years. LinkedIn Corporation began granting RSUs to employees of LinkedIn Technology UK Limited in November 2011, which generally vest over a four-year period with 25% vesting at the end of one year and the remaining vesting quarterly thereafter.

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

11. SHARE-BASED PAYMENTS (CONTINUED)

(i) *Share Options*

Details of the number of share options and the weighted average exercise price, denominated in US Dollars (US\$), outstanding during the year are as follows:

	2014		2013	
	Number	WAEP US\$	Number	WAEP US\$
Outstanding at the beginning of the year	93,898	28.30	120,806	13.54
Granted during the year	2,209	204.04	5,700	170.46
Exercised during the year	(36,088)	12.81	(47,607)	9.83
Transferred during the year	1,834	4.96	17,669	32.44
Cancelled during the year	(205)	45.00	(2,670)	20.88
Outstanding at the end of the year	61,648	42.88	93,898	28.30
Exercisable at the end of the year	52,648	30.04	60,317	18.95

The share options outstanding at the end of the year have the following weighted average remaining contractual lives and exercise prices, denominated in US Dollars (\$).

At 31 December 2014:

Outstanding Options				Vested and Exercisable Options		
Exercise Price Range	Number	Weighted average remaining life in years	Weighted average exercise price US\$	Number	Weighted average exercise price US\$	
2.32	6,677	3.76	2.32	6,677	2.32	
3.50	345	4.76	3.50	345	3.50	
4.80	2,500	5.15	4.80	2,500	4.80	
6.20	2,345	5.46	6.20	2,345	6.20	
8.27	1,768	5.74	8.27	1,768	8.27	
8.97	1,190	5.84	8.97	1,190	8.97	
14.46	7,597	5.69	14.46	7,597	14.46	
19.63	1,480	6.13	19.63	1,366	19.63	
22.59	13,786	6.27	22.59	11,716	22.59	
45.00	16,216	5.56	45.00	14,545	45.00	
72.01	85	6.44	72.01	14	72.01	
170.46	5,450	8.16	170.46	2,125	170.46	
204.04	2,209	9.16	204.04	460	204.04	
	61,648	5.93	42.88	52,648	30.04	

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

11. SHARE-BASED PAYMENTS (CONTINUED)

At 31 December 2013:

Exercise Price US\$	Number	Outstanding Options		Vested and Exercisable Options		The fair
		Weighted average remaining life in years	Weighted average exercise price US\$	Number	Weighted average exercise price US\$	
2.32	7,699	4.11	2.32	7,699	2.32	
3.50	5,779	4.16	3.50	5,779	3.50	
4.80	15,050	6.15	4.80	12,216	4.80	
6.20	3,447	6.46	6.20	2,804	6.20	
8.27	3,371	6.74	8.27	2,352	8.27	
8.97	1,433	6.84	8.97	971	8.97	
14.46	9,100	6.94	14.46	4,566	14.46	
19.63	2,830	7.13	19.63	1,391	19.63	
22.59	20,494	7.27	22.59	10,160	22.59	
45.00	18,697	6.99	45.00	11,372	45.00	
72.01	298	7.44	72.01	57	72.01	
170.46	5,700	9.16	170.46	950	170.46	
	93,898	7.50	28.30	60,317	18.95	

values were calculated using the Black-Scholes option pricing model. The following table presents the weighted-average assumption into the model:

	2014	2013
Expected volatility - %	45.00	54.00
Expected life - years	4.07	6.13
Risk free rate - %	1.17	1.13
Weighted average fair value per option granted – ordinary share	76.39	89.13

Volatility is based on an average of the historical volatilities of the common stock of several entities with characteristics similar to those of LinkedIn Corporation. The risk free rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option. LinkedIn Corporation uses an expected dividend yield of zero, as it does not anticipate paying any dividends in the foreseeable future. Expected forfeitures are based on LinkedIn Corporation's historical experience.

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

11. SHARE-BASED PAYMENTS (CONTINUED)

(ii) Restricted Stock Units ("RSUs")

The ultimate holding company began granting RSUs to employees of the company in November 2011, which generally vests over a four-year period with 25% vesting at the end of one year and the remaining vest quarterly thereafter.

	2014		2013	
	Number	Weighted average grant date fair value US\$	Number	Weighted average grant date fair value US\$
Outstanding at the beginning of the year	67,476	154.21	41,579	95.37
Granted during the year	48,148	200.26	45,909	187.96
Vested during the year	(25,843)	155.85	(18,554)	117.83
Transferred during the year	(2,099)	126.09	1,029	219.42
Cancelled during the year	(5,039)	159.87	(2,487)	117.87
Outstanding at the end of the year	82,643	178.06	67,476	154.21

(iii) Share Based Payment Expense

The company recognised total expenses of £4,066,758 (2013: £3,112,556) related to equity-settled share-based transactions during the period.

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings 2014 £	Land and buildings 2013 £
Operating leases which expire:		
Within 1 year	-	-
Within 2 to 5 years	-	-
After 5 years	1,745,392	1,655,622
	<u>1,745,392</u>	<u>1,655,622</u>

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 from disclosing transactions entered into between members of its group, on the basis that it is a subsidiary undertaking and a wholly owned member of that group.

14. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
1,000 Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15. CAPITAL CONTRIBUTION

	2014 £	2013 £
Opening balance	5,607,560	2,495,004
Movement in capital contribution (Note 11)	4,066,758	3,112,556
Closing balance	<u>9,674,318</u>	<u>5,607,560</u>

The movement in the capital contribution relates to share-based payment charges of £4,066,758 (2013: £3,112,556)

16. PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
Balance brought forward	7,408,561	7,391,280
Profit for the financial year	5,653,232	7,017,281
Dividend Paid	(8,500,000)	(7,000,000)
Balance carried forward	<u>4,561,793</u>	<u>7,408,561</u>

On 31 December 2014, the company paid a dividend of £8,500,000 (£8,500 per share) (2013: £7,000,000 (£7,000 per share)).

LINKEDIN TECHNOLOGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	5,653,232	7,017,281
Dividend	(8,500,000)	(7,000,000)
Movement in capital contribution (Note 11)	4,066,758	3,112,556
Net addition to shareholders' funds	<u>1,219,990</u>	<u>3,129,837</u>
Opening shareholders' funds	13,017,121	9,887,284
Closing shareholders' funds	<u>14,237,111</u>	<u>13,017,121</u>

18. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £Nil (2013: £ Nil).

19. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider the immediate parent undertaking to be LinkedIn Ireland, a company incorporated in Ireland.

The directors consider the ultimate parent undertaking, and the largest group for which consolidated financial statements are prepared, to be LinkedIn Corporation, a company incorporated and duly organised under the laws of the state of Delaware.

20. SUBSEQUENT EVENTS

No events have occurred since the balance sheet date which requires disclosure in the financial statements.

21. COMPARATIVES

Comparative amounts have been reclassified, where necessary, on the same basis as those for the current year.

LINKEDIN TECHNOLOGY UK LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

This detailed profit and loss account does not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 8 to 9.

	2014 £	2013 £
Turnover	46,583,955	38,055,167
Administrative expenses		
Wages and salaries	20,838,427	14,009,676
Equity-settled share-based payments	4,066,758	3,112,556
Staff national insurance contributions	3,727,779	2,225,050
Staff pension contributions	1,176,742	488,921
Rent	1,180,883	2,783,318
Utilities	560,282	290,789
Insurance	16,205	24,028
Repairs and maintenance	102,128	144,747
Motor expenses	394,899	291,856
Travel and entertainment	2,083,535	1,556,196
Telephone	350,340	317,385
Office expenses	1,039,819	1,530,378
Printing, stationery and postage	84,671	55,742
Staff training	164,510	139,283
Staff welfare	1,264,404	1,042,650
Miscellaneous expenses/(income)	18,068	(107,903)
Advertising	1,224,541	935,476
Consulting and professional fees	379,185	335,850
Accountancy fees	163,100	262,310
Auditors remuneration	10,885	10,446
Depreciation	1,252,994	919,703
Bank (interest)/charges	(5,162)	2,146
Foreign currency loss/(gain)	82,655	(63,431)
Charitable contribution	16,000	-
Business entertainment	204,896	228,181
Total Administrative expenses	40,398,544	30,535,353
 Profit on ordinary activities before taxation	 6,185,411	 7,519,814