

April 1, 2013

Professional Diversity Network Reports Year End 2012 Financial Results

CHICAGO, April 1, 2013 /PRNewswire/ -- Professional Diversity Network Inc. (NASDAQ: IPDN), a developer and operator of online networks dedicated to providing access to employment for diverse professionals in the United States, today reported its financial results for the year ended December 31, 2012. The Company also filed with the Securities and Exchange Commission its annual report on Form 10-K for the year ended December 31, 2012. Shares of the Company's common stock began trading on the NASDAQ Capital Market on March 5, 2013 in an Initial Public Offering (IPO).

Total revenue for 2012 increased 11% to \$6.2 million compared to \$5.6 million in 2011. Net income for 2012 was \$2.3 million compared to \$2.8 million in 2011 reflecting PDN's investments in marketing, sales and technology as it builds its operations and infrastructure. Fully diluted earnings per share were \$0.38 compared to \$0.44 in 2011 based on 6,318,227 shares outstanding as of the IPO on March 5, 2013.

Through Professional Diversity Network, its 2,375,742 members can connect with employers who are seeking to hire diverse talent on the company's eight professional recruitment websites. Professional Diversity Network offers employers the nation's leading diversity recruitment products and services. The PDN team of Diversity Recruitment Consulting Specialists assist employers in more efficiently recruiting the diverse talent needed for an increasingly multicultural marketplace. On January 1, 2013, Professional Diversity Network entered into a diversity recruitment partnership agreement with LinkedIn Corporation wherein LinkedIn may sell PDN's diversity based recruitment services directly to employers.

Jim Kirsch, Chief Executive Officer, said, "As our nation recovers from the great recession, the competition for human capital is intensifying. Now and in the future, businesses must access diverse talent in order to keep pace with America's evolving multicultural majority. Our specialized networks are connecting talented candidates with employers whose core values, and future competitive advantage, depend on a diverse workforce. Our growth strategy is to expand opportunities for diverse talent and employers who seek to hire them via an effective online diversity employment marketplace. We are proud that our online professional networking and job-seeking environment directly contributes to the nation's economic recovery and the health of the diverse employment sector."

About Professional Diversity Network

Professional Diversity Network develops and operates online networks dedicated to providing access to employment for diverse professionals in the United States. Professional Diversity Network enables employers who value diversity to promote their career opportunities to diverse talent. Professional Diversity Network owns and operates professional networking communities including: www.iHispano.com for Hispanic

Professionals, www.AMightyRiver.com for African American professionals, www.WomensCareerChannel.com for Female Professionals, www.Military2Career.com for Veterans, www.ProAble.com for Professionals with Disabilities, www.OutProNet.com for professionals in the Gay Community, and www.AsianCareerNetwork.com for Asian professionals.

For more information, visit: www.professionaldiversitynetwork.com

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Professional Diversity Network, Inc.

BALANCE SHEET

	<u>December 31,</u>	
	2012	2011
Current Assets:		
Cash and cash equivalents	\$ 868,294	\$ 2,254,431
Accounts receivable	1,923,048	1,604,470
Marketable securities, at fair value	251,349	375,156
Prepaid expense	63,982	-
Total Current Assets	3,106,673	4,234,057
Property and equipment, net	34,863	25,789
Security deposits	23,711	21,568
Deferred offering costs - initial public offering	832,240	26,900
Developed technology, net	402,890	146,146
Goodwill	635,671	635,671

Trade name	90,400	90,400
Total assets	\$ 5,126,448	\$ 5,180,531
Current Liabilities:		
Accounts payable	\$ 265,013	\$
Accrued expenses	85,327	254,674
Deferred revenue	500,000	150,000
Total current liabilities	805,340	404,674
Notes payable - net of original issue discount of \$138,256 and \$211,225, as of December 31, 2012 and December 31, 2011, respectively	1,487,900	1,491,488
Total liabilities	2,338,240	1,896,162
Commitments and contingencies		
Stockholders' Equity		
Common stock \$0.01 par value, 25,000,000 shares authorized, 3,487,847 shares issued and outstanding, as of December 31, 2012 and 2011	34,878	34,878
Additional paid-in capital	2,751,827	3,280,136
Accumulated other comprehensive income/(loss)	1,503	(30,645)
Total stockholders' equity	2,788,208	3,284,369
Total liabilities and stockholders' equity	\$ 5,126,448	\$ 5,180,531

Professional Diversity Network, Inc.
STATEMENT OF COMPREHENSIVE INCOME

	For the Years Ended	
	December 31,	
	2012	2011
Revenues		
Recruitment services	\$ 4,000,000	\$ 4,000,000
Consumer advertising and marketing solutions revenue	2,154,111	1,569,342
Total revenues	6,154,111	5,569,342

Costs and expenses:		
Cost of services	805,447	817,254
Sales and marketing	1,482,556	1,021,839
General and administrative	1,222,158	723,093
Depreciation and amortization	112,943	108,592
 Total costs and expenses	 3,623,104	 2,670,778
 Income from operations	 2,531,007	 2,898,564
Other income (expense)		
Interest expense	(172,411)	(170,452)
Interest and other income	13,095	17,540
 Other expense, net	 (159,316)	 (152,912)
 Net Income	 \$ 2,371,691	 \$ 2,745,652
Other comprehensive income:		
Net Income	\$ 2,371,691	\$ 2,745,652
Unrealized gains (losses) on marketable securities	29,699	(40,128)
Reclassification adjustments for gains on marketable securities included in net income	2,449	10,987
 Comprehensive income	 \$ 2,403,839	 \$ 2,716,511
Unaudited Pro Forma Income Tax Computation for Assumed Conversion to a Corporation:		
Historical Net Income	\$ 2,371,691	\$ 2,745,652
Pro-forma Income Tax Provision	979,708	1,127,491
 Pro forma Net Income	 \$ 1,391,983	 \$ 1,618,161
 Unaudited Pro Forma Income Net Income per Common Share:	 0.38	 0.44
Basic and diluted		
Shares used in computing pro forma net income per common share:		
Basic and diluted	3,693,227	3,693,227

SOURCE Professional Diversity Network