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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the Second Quarter 2009 Dice Holdings Incorporated Earnings Conference Call. My name is Gerry, and I'll be your coordinator today. At this time all participants are in a listen-only mode. We will facilitate a question and answer session towards the end of the conference.

(Operator Instructions)

As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation over to Ms. Jennifer Bewley, Director of Investor Relations. Please proceed, ma'am.

Jennifer Bewley - *Dice Holdings Incorporated - Director IR*

Thanks, Gerry, and good morning, everyone. With me on the call today is Scot Melland, Chairman, President and Chief Executive Officer of Dice Holdings, along with Michael Durney, Senior Vice President of Finance and Chief Financial Officer.

Please note, this morning we issued a press release describing the Company's results for the second quarter of 2009. A copy of that release can be viewed on the Company's website at www.Diceholdingsinc.com. In fact, we routinely post all material information to our website and would encourage all investors to visit the site for more information on the Company.

Before we begin, I'd like to note that today's call includes certain forward-looking statements, particularly statements regarding our future financial and operating results and its businesses. The statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors.

The principal risks, that could cause our results to differ materially from our current expectations, are detailed in the Company's SEC filings, including our annual report on Form 10-K in the sections entitled, Risk Factors, Forward-looking statements, and Management's Discussion and Analysis of Financial Conditions and Results of Operations.

The Company is under no obligation to update any forward-looking statements except as required by Federal Securities law. Today's call also includes certain non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin and free cash flow. For details on these measures, including why we use them and reconciliations to the most comparable GAAP measures, please refer to our earnings release in our Form 8-K that has been furnished to the SEC, both of which are available on our website.

Now, I'll turn the call over to Scot.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Thank you, Jennifer. First, let me welcome all of you to the Dice Holdings Second Quarter 2009 Conference Call. I'll start today by briefly discussing the quarter, including our perspective on current market conditions, how our sites are performing and our strategic entry into healthcare. Then, I'll hand it over to Mike Durney, our CFO, to take you through our financial performance in greater detail. After Mike, I'll make a few closing remarks and then, we'll open up the call for questions.

Now for the second quarter, in many ways, the story of Q2 is remarkably similar to Q1 of this year. The recruitment advertising market remained depressed, and in fact, got marginally worse in most of our markets. However, we continued to deliver strong profitability due to our reduced expenses. Worldwide revenues decreased 33% to $27 million. Our US-based businesses declined 29% year-over-year, while our International business was down 45% year-over-year, including the impact of currency translation.

In the US, recruiting remains a low priority for most companies. As reflected in our recent recruiting survey, most companies feel better about the economy and their own businesses, but that feeling has yet to translate into recruiting activity. In fact, three-quarters of the 1,900 companies that we survey expected to scale back their hiring plan through the end of this year. In addition, employed professionals are less willing to change jobs, preferring instead to remain with their current employers during these uncertain economic times.

This lower turnover and lower demand for new employees have combined to create a very difficult recruiting market. Needless to say, if either of these conditions improves, it would have a positive impact on our business. But, we believe that will require and improvement in the overall economy and we are not there yet.

Outside the US, over the last two months, we have seen fewer cancellations and service downgrades in our largest international market, the UK. But, business overall, and business conditions, weakened considerably during the quarter in Continental Europe, the Middle East and Asia Pacific.

On our last call, I mentioned that we didn't expect any improvement in the recruitment market in 2009. And as we enter the summer months, we are not seeing anything new that changes that assessment. Despite this difficult market, we condition to deliver strong profitability with adjusted EBITDA of $12.2 million for the quarter, or 45% of revenues. So far this year, our EBITDA margins have exceeded last year's levels, as the actions we have taken have been successful in partially offsetting lower demand for our services.

However, our services continue to perform well, and neither the current environment nor our expense management is preventing us from improving those services, or pursuing our long-term strategy. At Dice.com, traffic grew 18% year-over-year in the second quarter. And new resumes posted continued their double digit growth. More tech professionals have used Dice.com this year, than ever before. And this growing and active community will be a significant asset for Dice in the years to come.

Part of our strategy for serving the technology community is to provide more services which help them in their day-to-day work lives. To that end, last week we launched Dice Learning, a website dedicated to technology training and certification.

Dice Learning is unique in many ways. First, we are aggregating training content from both technology vendors, such as IBM and Sun, as well as authorized third-party providers. In a single search, tech professionals can find recommended training programs based on their preferred method of study, including self-paced courses, instructor-led classes, boot camps, books, videos and seminars. In addition, the Dice team is pre-screening training providers for quality, to ensure that an investment made in training and certification will be money well-spent.

And finally, we are integrating recommended training programs into the job search results on Dice.com, so that our tech professionals will see relevant training opportunities every time they use the job search. The goal is for Dice Learning to become the go-to place for tech professionals to access the best courses and learning material that there is available. Today, the service offers over 50,000 different training options and that offering will grow over time.

Dice Learning is important because we believe it will promote ongoing engagement with Dice, especially by our users that are currently employed, our so called passive candidates. The service also enables us to assist tech professionals in another key element of their career planning, building their skill set, while generating a modest revenue stream.

Moving on to eFinancialCareers, local application per job continue to be strong, nearly doubling year-over-year, and the resume data base continues to grow as well. In Q1, we began our initiative to broaden the job types offered at eFC, adding career opportunities in finance outside of the capital markets industry. Since then, many non-traditional eFC customers have used the site successfully in areas such as insurance, power generation, retail, manufacturing, government and the non-profit world.

However, the deal sizes are generally small, often times just a few job postings. So growing these broader job categories will be a slow process, especially in this tough environment, but one that is valuable, both to our current customers and job seekers. So as you can see, our services are performing well for our customers, and despite the current market conditions, we are continuing to innovate and expand our service offerings to better serve our communities.

Of course, the significant strategic news of the second quarter was our entry into healthcare, through our acquisition of AllHealthcareJobs. Even though this was a small acquisition, it is significant because it has expanded the market opportunity for our company as a whole.

Healthcare is one of the largest recruiting verticals in the United States. A tremendous amount of time and money and effort goes into recruiting healthcare professionals every day. In fact, nearly $9 billion is estimated to be spent this year on healthcare staffing alone. And, healthcare is expected to be one of the strongest areas of job growth in the United States over the next several years. Healthcare is a market we like, with no dominant vertical player today, and we are excited about being part of it.

So, why did we choose AllHealthcareJobs? First, it's a broad healthcare service covering all of the key job types from physicians to nurses, to allied health professionals and executive and support staff. AllHealthcareJobs has a good start on building a high quality community. And the founders are subject matter experts, who are continuing to work with us today.

We plan to invest in this new vertical, and have already started by setting up a dedicated sales and customer support team drawn from our existing sales and support staff, streamlining the product offering, and expanding the marketing of this service. Overall, healthcare offers us a large new set of customers and we are confident that over time, we can drive the growth of all healthcare jobs.

So with that, I'll turn it over to Mike to go through our financial performance in greater detail.

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Okay, thanks, Scot, and thanks to everyone for taking the time to join our call today. I'll review overall financial performance for the quarter, and provide some details by business segment including customer metrics for Dice and geographic markets for eFinancialCareers. In addition, I'll share some of the financial performance information for AllHealthcareJobs, and finally touch on cash generation of the balance sheet and our outlook for the balance of the year, which for the full year results is substantially the same as we forecast last quarter.

Revenues for the second quarter declined 33% to $27 million. A difficult recruitment advertising market was expected and that's certainly what we have, and it's reflected in the top line results. In addition to the operating environment, currency translation from pound sterling to US dollars negatively impacted revenues by $1.5 million, excluding this drag, revenues declined 29%. The revenue declines were widespread across our services and geographies and the only current source of growth is ClearanceJobs, which was up 32% year-over-year.

Operating income totaled $5.7 million for the quarter a decrease of 44% year-over-year, as expense reductions which totaled $8.8 million or 29% reduction, only partially offset the drop in revenue. The weaker US dollar represented roughly $1 million of the decline, but the majority of the reduction is in the US businesses, and in particular, sales and marketing expense.

Sales and marketing totaled $8.5 million or 31% of revenue, and was down from $15.9 million in the year ago period. Obviously, sales expense is highly variable with the level of business. On the marketing side, our strategy hasn't changed, and the way the business works is the same. When customers have fewer recruiting challenges, and their activity on the site has been reduced, the cost for us to drive usage and activity by job seekers will go down, and it has.

The balancing of activity by both sides of the business, seekers and customers, is one of the keys to understanding this business, and will be important when we discuss the near-term investment in AllHealthcareJobs, which I'll get to later on.

While down year-over-year, a few of our expense categories were up sequentially. The increase in product development is simply timing of spend, and reflects the ongoing investment in our services. While the sequential increase in G&A reflects the acquisition costs of AllHealthcareJobs. Adjusted EBITDA for the second quarter was $12.2 million or 45% of revenue, compared to $16.8 million or 42% of revenue in last year's second quarter.

One note on adjusted EBITDA, we define adjusted EBITDA to include adding back deferred revenue written of in an acquisition. However, give the size of the AllHealthcareJobs acquisition, and the amount of deferred revenue assumed in the purchase, any add back is immaterial and therefore, we've left it out of the calculation.

Moving further down, interest expense totaled $1.5 million, down from $2.1 million in the year ago period reflecting the debt reduction that commenced last fall. Keep in mind that interest expense includes the impact of the negative carry on the swaps, although it would be slightly less going forward as we've reduced the notional amount on the larger of the two swaps, which I'll come back to in a moment.

Net income for the quarter totaled $2.8 million, or $0.04 per diluted share, which includes a mark-to-market pretax gain of $369,000 from the change in value of the swaps. This compares to $7.6 million of net income, or $0.12 per diluted share in last year's second quarter. And last year's results had the combined impact of $1.2 million in non-cash pretax gain from the swaps, and $1.3 million in a one-time tax benefit, or a combined $0.03 per share impact.

So moving on to the segments, DCS Online revenues declined 27% to $20.1 million in the second quarter. The decrease of Dice is partially offset by ClearanceJobs, where there continues to be strong demand for professionals with active government security clearance.

So, let's talk about the key metrics for Dice. On June 30th, the customer count was 6,450, down 400 from the number of customers on March 31st. About 85% of recruitment package customers were under annual contract at June 30. This percentage is slightly lower than it's been in recent periods. For the most part, this is due to having added a contract link option that is essentially a six or seven-month service period, and is sold as from now until the end of the year.

This approach has held us retain or get new customers who might have been reluctant to commit to an annual contract that would stretch them into 2010 and helps us maintain our price points. There aren't a tremendous number of these, but it does have a slight impact on the percentage of annual contracts. The customer count today is about 75 lower than the count at June 30.

The renewal rate on annual contracts in the second quarter is 52.5%, flat with the March quarter. The flat renewal rate sequentially is a change from the trend we've seen starting in the second quarter of 2008 from our traditional renewal rate range of 72% to 78%.

As a reminder for background, the quarterly renewal rates on annual contracts sequentially starting in Q1 '08 were 71.5%, 67.5%, 65% and 55%. And then 52.5% in Q1 '09. So while it's nice that the rate is not lower than last quarter on an absolute level, 52.5% leaves plenty of room for improvement. However, we continue to believe it's a function of customers having less need today, and not a reflection of the Dice service.

To round out the customer stats, average revenue per recruitment package customer per month was $836 in the quarter, down from the first quarter's $854 and last year's second quarter of $853. The decline was the culmination of customer's lowering their service levels over the last few quarters.

We've been saying that we believe this would happen for some time, and now we've finally seen it come to fruition. And, we believe that the average will continue to decline slightly in the near term. The average length of contract was 10.9 months.

So moving to eFinancialCareers. Revenues declined 45% to US$5.5 million or 30% as measured in pound sterling. For purposes of discussing the geography regions, I'll use the results in pound sterling as the best measure of the underlying business trends. In the UK, revenues declined 36% year-over-year as compared to 28% in the first quarter. That greater decline is reflected with the renewal experience during Q1, since many of the contracts were up for renewal in late January and into February, so the impact is greater in Q2.

Similar to what we've heard in the US last quarter, there seems to be somewhat of a better feeling among some of the traditional financial services customers. However, that has yet to translate into increases in activity, or any measurable positive financial impact on our results.

For Continental Europe and the Middle East, revenues declined 20% in the second quarter, as compared to growth of 6% in the first quarter. There continues to be significant hesitancy about immediate recruitment needs, and clients remain cautious in general regarding this spend. In Asia, revenues declined 32% year-over-year after a flat first quarter and there's been no meaningful change one way or the other in sentiment.

As we noted in the last call, recruitment activity in these markets have fallen off significantly and would be recognized in our revenue performance later in the year, and now that's happened. This performance also reflects the impact of some pretty significant growth in early '08 that impacts the comparable periods.

Moving to the other segment, revenues declined 51% to $1.4 million in the second quarter. The US eFinancialCareers business is the largest component of this segment, and revenues declined 33% year-over-year. Both the Job Fair business and JobsintheMoney declined substantially year-over-year.

Which brings us to AllHealthcareJobs, who's results are now included in other segment as of the acquisition date which was June 10th. The revenue impact for the quarter is de minimis given the timing of the closing and having written off a portion of the deferred revenue we assumed. At the time of the acquisition, we said we would give you more perspective on the business. So let's start with their historical results.

In 2008, the business generated $480,000 in revenue and was profitable. There was very little spent on posting of the site and marketing, and there were no employees. The founder's compensation came from the profits of the Company. In the first part of 2009, or the five months pre-acquisition, AllHealthcareJobs generated about $250,000 in revenue. The current active customer count for AllHealthcareJobs is less than 100.

When we look at the second half, we anticipate revenues will be around $400,000. Although we believe billings will be roughly double that as -- later in the year, there will be a revenue recognition lag. On the expense side, we're committing resources to job seeker marketing, customer lead generation, a dedicated sales force, and product evaluation and enhancement work, and of course, compensation for the founders to run the business.

The total investment for the remainder of 2009 is approximately $1 million; some of which is being redeployed from our existing businesses and therefore not incremental spending. So the net result is an EBITDA loss of between $500,000 and $600,000 for the second half of the year for this business.

It's important to understand that we have to balance the investments for customer growth and activity, especially job postings, with job seeker or community growth and activity, posting resumes and applying for jobs; if you don't, you end up with one side of the equation unhappy, which in the long run is not a good result. So we want to be clear about what we intend to do. We will be investing in the business, but we will not go crazy and overspend to the extent it creates a material change in our overall profitability.

If we look at the customer count alone, you can see why we believe there's significant opportunity for the business in the future. So when you think about 2010, understand we expect the business to grow, but it will have to grow with the two sides of the equation in tandem. We expect it will grow quickly, but off a small base. But, there's not an immediate jump to a significantly higher absolute level of revenues, simply because we've begun the investment, so it will take some time.

So with that, let's just move to the balance sheet and cash generation. We generated $4.1 million in cash from operations this quarter, for a total $10.9 million so far this year. It's down substantially from last year, primarily due to the change in preferred revenue, which stood at $34.9 million at June 30th, down 9% from March 31st. Free cash flow for the quarter was $3.5 million and $9.5 million for the first six months of the year.

Net debt, which is defined as total debt less cash and equivalents and marketable securities was $11.6 million at June 30th, an improvement of $3.3 million from March 31st. Total debt outstanding decreased $10.3 million during the quarter to $50.9 million consisting of our normal quarterly amortization payment, and the April prepayment of $10 million. And, our quarter end cash and marketable securities balance is $39.3 million.

During the quarter, we reduced the notional amount of our $60 million interest rate swap by $25 million. Cash flow from operations in the quarter includes approximately $500,000 paid to reduce the swap, which payment is essentially the present value of the expected payment due through the end of the term in January 2010. We are opportunistically looking to break pieces of swaps to eke out a slightly better outcome, rather than waiting for the swap to mature in January.

So moving on to our view for the rest of the year, we are still operating from a point in time view, and essentially sharing with you our internal planning for the business. For the year, our outlook is essentially unchanged from what we said in April.

The only changes we made were to increase depreciation and amortization to reflect the AllHealthcareJobs acquisition; and higher eFinancialCareers amortization from exchange rate changes, and to reduce interest expense slightly to reflect the reduction in the swaps and then to tax affect those items. Our revenues for the year are expected to be approximately $106 million. The changes from our April view are as follows.

The anticipated contribution from AllHealthcareJobs, I mentioned a minute ago, the benefit of slightly higher US dollar, British pound exchange rate benefit. Both of those offset by a slightly lower revenue expectation from Dice, lower revenue from the Job Fair business, and lower revenue at eFinancialCareers in Continental Europe, Middle East and Asia.

On the expense side, it is essentially the same at $61 million with sales and marketing expected to be $35 million, down $1 million from our previous view and other expenses picking up the balance. The increase in the other cost results from AllHealthcareJobs and some investment in product development. But that increase though is more a function of rounding than any real increase in spending, which leaves anticipated adjusted EBITDA at $45 million.

CapEx would be approximately $3 million. And based on our performance to date, we expect to have positive free cash flow for the remainder of the year, which means our full year free cash flow forecast of $10 million or so, will end up being slightly higher for the full year.

For the third quarter, we anticipate revenues of $25 million, sales and marketing of $9 million and adjusted EBITDA of $9.5 million. Sales and marketing is slightly higher, due in part, to AllHealthcareJobs. And I'd remind everyone again, that these numbers are all rounded. This results in projected EBITDA margin of slightly under 40%, which is less than our target margin. But we have said that there will be times when the margin might dip below. And given this, we believe that this is one of those times with the investment in AllHealthcareJobs.

So to wrap-up second quarter results, we've adjusted to the current recruitment advertising market with dependable profitability and cash generation. While some of the operating metrics may show less negative trends, job count, renewal rate, customer count, we're not seeing any real difference in our markets from what they've been and, in fact, some of the international markets are worse than they were.

We think the third quarter, the summer season, has the potential to be quite slow. But, our financial flexibility is in tact and clearly, we're excited to be in the healthcare business and the pursuit of our long-term plan continues.

So with that summary, I'll turn it back over to Scot, and then we'll take some questions.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Thanks, Mike. Let me conclude our formal remarks today with a few thoughts. Despite the difficult market conditions in the second quarter, it was a successful quarter for our company in many ways. First, as Mike pointed out, we delivered strong profitability. Our services continue to perform well for our customers. We launched an important new service for our tech community, and we expanded our market opportunity overall for our company by entering the healthcare space.

So I think if you roll this all up, we continue to move our company forward and position ourselves for growth in the future.

Finally, we would like to formally welcome Ray Bingham to our Board of Directors. Ray is the Managing Director at General Atlantic Partners, and has taken the seat previously occupied by Anton Levy from GA. Ray brings to the Board a distinguished business background and track record of building businesses, most recently as Executive Chairman of Cadence Design Systems. We look forward to benefiting from Ray's insights and his global operating experience.

Thank you all for listening this morning. And now, let's open up the call for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

And your first question comes from the line of Youssef Squali with Jefferies & Company. You may proceed.

Youssef Squali - *Jefferies & Company - Analyst*

Thank you very much, good morning. A couple of quick questions. First, Scot, in the last recession, do you -- when did things start improving for you versus the overall economy? I'm trying to see if there is a lag -- I mean, obviously there is a lag, but we're just trying to kind of quantify the amount of the lag. And then I have a follow-up.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Well, I think if you go back to the 2001/2002 timeframe, and what happened back then, it wasn't until really mid 2003 before we saw an uptick in our customer count and our billings and then that flowed through to revenue, I think, in the latter half of that year, of 2003.

This time around, I'm not sure it's fully comparable, because the situation is a bit different this time around. Last time around, we were building out our product, building out our sales team, building out our marketing, and so we were essentially, building the infrastructure to go to market at the same time that the market started to give us a bit of tailwind. This time around, we have everything in place.

Youssef Squali - *Jefferies & Company - Analyst*

Okay. And then, Mike, your guidance basically for EBITDA implies, I think about 38%. How much of that do you think is negative leverage just from lower revenues versus the lower margins in healthcare? In the healthcare acquisition do you expect margins to be back up above 40% -- is there any reason why not to expect margins to be back up about 40%, even at the current run rate in 2010?

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Yes, I think it is -- you're right; it is 38% for Q3. I think we would expect margins to return to 40% if the business continues on the track that we see it out of '09 and into 2010.

There is an impact of AllHealthcareJobs in Q3, because the revenue in the summer season will be relatively low as we get ramped up where we're making the investment upfront, so it has an impact; it's not a huge impact though.

Youssef Squali - *Jefferies & Company - Analyst*

Okay. And then lastly, if I look at your deferred revenues, I think they were down about 10% sequentially, but your renewal rate, I think, you said was pretty much flat Q1 to Q2. Is that basically -- does that imply that effectively customers are renewing, but just on a lower-pricing-basis, or what?

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Yes, I think it doesn't imply that, although that is true to some extent in that it's reflected in the revenue per customer per month. I think it's probably more reflective of the second quarter being the lowest quarter of the year for annual contracts. So the renewal rate, while flat, was on a lower base. So, the bigger contracts tend to be towards the end of the calendar year and beginning of the calendar year. So the sequential decline is more a function, I think, of having fewer contracts up for renewal.

Youssef Squali - *Jefferies & Company - Analyst*

Okay. Okay, thank you --.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Just to add one thing to that. As Mike has pointed out earlier, the difference in the revenue per customer is driven much more by lower service levels than pricing.

Youssef Squali - *Jefferies & Company - Analyst*

Got it. Got it. Okay, thanks a lot.

Operator

And your next question comes from the line of Imran Khan with JPMorgan. You may proceed.

Imran Khan - *JPMorgan Chase & Co. - Analyst*

Yes, hi, thank you for taking my questions. Two questions, Scot, you talked about things marginally getting worse. Could you talk -- is it for all of your business? Could you talk a little bit about what are you seeing on the eFC? You know, it seems like a capital market business is turning a little bit. Any thoughts on that?

And secondly, you've done a great job managing the costs. I'm just trying to get a better sense, like if things stay at this level or worsened a little bit, how much opportunity do you have to cut costs further? Thank you.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Sure. Sure, so first just on the market side of things, if you take -- let's take our two big businesses first. On the Dice side, which is primarily here in the US, primarily in North America, we've seen the market get marginally worse.

I mean, if you look at some of the statistics out there, you see it borne out. You see it borne out in the employment numbers, you see it borne out in the monster index numbers. And I think we've been impacted just by everybody else, and so it's slightly worse that what we, I think, saw three months ago.

Probably the biggest difference though, is in the eFC business, where as Mike mentioned in some of his comments, that we've seen, in the UK a lessening of service downgrade and service cancellations over the last couple of months. But in Europe and in Asia, we've seen, especially in say, France and Germany and the Middle East, we've seen a pretty swift downturn in those recruitment markets. That, we would expect to continue through the summer.

As you know, Europe tends to take the end of the summer off and I think, this year, we could be seeing a little bit more of a vacation than normal.

On to the cost management system. You know, what we try to do is -- as you know, in our cost structure, we have a lot of discretionary spending that we do. And, we really try to match the spending to the level of activity that's being demanded on the site.

And so, I guess to specifically answer your question, we do have more room in the cost structure, if things get worse, so if the performance turns out to be different than what we expect. The decision on whether to take advantage of that room, will be based upon, are we serving the customers well? Do we need to have that incremental spend in there? And then, what impact does it have going forward, because, as you know, what we're trying to do here is, we're really trying to position the Company to make the most of the recovery when it comes.

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Sorry, just to add to that. We talk about this quite a bit. The managing of marketing spend to manage the flow between the two sides of the equation is very important, and there certainly is room, if the customer activity level were to continue to decline in your question.

I think from a, managing the rest of the cost structure -- we've been very, very focussed on cost management, which is one of the reasons that you have 40% margins over a long period of time, but we've been very careful over the last year, to make sure we did not do anything in the cost structure that impacted the infrastructure of the Company.

So for instance, the top X-number of people are all still here. So X is probably -- at least the top 30, 40, 50 people are all here. We have not cut costs through people to make a margin number. So we're incredibly well positioned, I think, to continue to build the business going forward, by keeping the infrastructure in place.

The headcount today is roughly the same as it was at the end of March. So, we're continuing to watch how we spend our money, but we have not, and are not planning to make any other significant changes in the cost structure. If the environment continues to get worse, then we'll re-evaluate that.

Imran Khan - *JPMorgan Chase & Co. - Analyst*

I had a follow-up question. Go ahead, sorry.

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

I was just going to add something to your first question, because you mentioned that you were hearing that maybe capital markets are getting a little bit better. I think what we're hearing from, especially our banking customers, is that there are many more conversations going on today about how they're going to staff their operations going forward, so I think we've gotten through the shock and awe phase of what's happened, and now people are starting to look forward again, and looking at their staffing going forward.

So those are all very positive conversations, but that has yet too really translate into rank and file hiring. It's probably translated into some more higher-level senior hiring, but it has not translated into rank and file.

Imran Khan - *JPMorgan Chase & Co. - Analyst*

Yes, and follow-up on that level. It seems like the capital market activity is the problem -- more active in the US, so I was trying to get a sense, what are you doing to bring the eFC business beef up in the US market?

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Well, a lot of the activity that we have going on in eFC in the US, has to do with marketing that we've done. You know, we have marketing partnerships here in the US, we continue to be widely read in terms of the original content that we produce on the site.

The discussion forums are very active, the traffic in the US is up year-over-year, as well as the database, so we're getting great engagement by financial professionals. So, I think the other big step that we took at the beginning of this year, was that we expanded the number of sales people in our company that can sell the eFC service, and this was along with the broadening. So we have very good engagement in terms of the community, and the community is growing. The ads -- the advertising is there as well, and now we have the eFC product in the hands of basically every salesperson in the Company.

Imran Khan - *JPMorgan Chase & Co. - Analyst*

Great, thank you.

Operator

And your next question comes on the line of John Blackledge with Credit Suisse. You may proceed.

John Blackledge - *Credit Suisse - Analyst*

Thanks, a couple of questions. If you can just give us an update on the pricing environment? You know, while DCS online's average revenue per customer is declining slightly, are you guys still trying to hold the line on pricing, while other companies have mentioned cutting pricing to maintain or gain market share? And I have a follow-up.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Sure, pricing is pretty much the same. I wouldn't say that it's marginally worse than what it was three months ago, I think it just -- it continues to be competitive. Where you have a smaller amount of activity going out there, and everyone wants a piece of that activity, and so our philosophy has not changed.

One thing that we have done, that Mike mentioned in his comments, is that many customers are sensitive about making longer-term commitments. And so, what we've done is that we have a product out in the sales teams right now, which allows a customer to buy the service between now and the end of the year.

And that's basically a way of us maintaining our price point, but also recognizing that some customers are sensitive about their needs going into next year. So that's been successful for us. But I think that overall, the pricing, it continues to be very promotional, but I wouldn't say it's any marginally worse this quarter than last quarter.

John Blackledge - *Credit Suisse - Analyst*

Okay, great. And then, just on the competitive environment, what --? This is a bit of a longer-term question. But, what kind of impact do you think social networks may have, particularly a company like LinkedIn, over the next several years, versus generalists and niche online employment sites?

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Sure, I think when you look at the competitive landscape, what has happened is, a few of the new players -- many of the new players have not received any sort of traction at all. You know, there's players like, Jobster, and some others out there that really have not done well in terms of getting a foothold into the market.

There are others, like LinkedIn, that have done well. And I think that social networks, and specifically LinkedIn, will become part of the recruiting mix. If you look at recruiters and then HR professionals who recruit within large organizations, they are using LinkedIn. Many of the recruiters are using LinkedIn for free, or the free aspects or the free functionality on LinkedIn.

So, I do believe LinkedIn is going to be part of the recruiting mix. What's interesting is that our surveys and the research that we've done, tells us that many on the other side of the fence, many of the professionals, or the job seekers out there, who may be using LinkedIn as part of their job search, basically view it as another generalist job board. And so from that perspective, job seekers are beginning to view social networks, and specifically LinkedIn, sort of in that way.

What's going to happen to the rest of the market? We've seen that the specialty players like us -- the vertical players like us have done better. We've taken share when the market was healthy and we've taken share when the market is unhealthy. So, I think we have demonstrated that we deliver a pretty unique and valuable service, and I think that will continue to be true going forward.

John Blackledge - *Credit Suisse - Analyst*

Thank you.

Operator

(Operator Instructions)

And your next question comes from the line of Christa Quarles from Thomas Weisel Partners. You may proceed.

Christa Quarles - *Thomas Weisel Partners - Analyst*

Hi, guys, a couple of questions. First, I have you getting to a net cash position by the early part of 2010, and I was just wondering if there's anything that should disrupt that thinking?

The second question is just on the health care side. It looks like it's going to show nice growth from '09 on '08, admittedly on a small base. But I guess, in terms of your back half of the year expectations, does that involve, sort of a -- fully engaged selling effort that the Company, in theory, wouldn't have had on their own?

And then the third question is just more on this philosophical side around pricing. We're hearing more and more around the shift toward more performance based pricing, so getting away from the more traditional classified type just job posting ad. I was wondering if you guys have a philosophy there, and/or products that you're developing that would be of interest there. Thanks.

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Okay, I'll take the simple and first one first. From a net cash position, we believe it will improve from where it is now by the end of the year, without going too far into 2010. I think, from what we see now, being net debt zero in early to mid 2010 is probably fair.

Christa Quarles - *Thomas Weisel Partners - Analyst*

Got it.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

On the -- let me take the pricing question here first. You know, there's been some announcements out there about performance based pricing, that are structured in various ways. I think our belief is that we deliver -- in the model that we have, we deliver a tremendous value to companies and recruiters, even before an individual applies to a position.

So we provide advertising value and branding value onto companies that are trying to get into the marketplace and trying to sell their employment brand, if you will, to various communities. In our case, the financial community and the security cleared and the tech community, and now the health care community. And that is a huge value that we provide, because it basically makes or enables these companies to be under consideration by job seekers who may have never thought of ever working for them.

And so we do not believe that going to that cost per apply, or cost per click, or however this is structured, that model fully recognizes that value. And we know that our customers value that, and so we think we should be paid for it. So, we don't intend to go that direction.

Christa Quarles - *Thomas Weisel Partners - Analyst*

Got it.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

I'm sorry, on your health care -- I didn't quite understand the health care question.

Christa Quarles - *Thomas Weisel Partners - Analyst*

I was just trying to understand, I guess, how long it's going to take to get it fully optimized from a selling standpoint.

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Well, I think, we have a dedicated team in place right now. And I think, really what we're trying to accomplish over the next six months is to get our feet wet, get ourselves a little bit dirty in the market, and really evaluate what's working and what's not working. So I think what we'll do over the next six months, is really learn at the same time that we're building up the community to serve the larger customers.

If it's successful in the next six months, I think you could expect us to expand that sales team, and we want to take this where it leads us. I mean, health care, I probably said it too much in my opening remarks, health care is a very large market. These guys have under 100 customers today. There are thousands of customers out there potential for us, so that's what we're targeting to get.

Christa Quarles - *Thomas Weisel Partners - Analyst*

Got it. Thank you.

Operator

And your next question comes from the line of Brendan Metrano with Wells Fargo Securities. You may proceed.

Brendan Metrano - *Wells Fargo - Analyst*

Yes, hi, my question has been answered, thanks.

Operator

And your next question comes from the line of Tim McHugh with William and Blair and Co. You may proceed.

Tim McHugh - *William Blair & Co. - Analyst*

Yes, I was wondering, given your comments about the different trends starting to emerge in the UK versus Europe for eFinancialCareers, if you could talk through again, and remind us kind of the split in the business at this point, between Asia, the Middle East, continental Europe and the UK for that.

Mike Durney - *Dice Holdings Incorporated - SVP, Finance and CFO*

Sure, so the UK is slightly more than 50% of the eFinancialCareers segment, so excluding the US. That had been above 60%, was trending down under 50%, and now is slightly more than 50%.

Asia is about 15%, 15% or 16%, and the remainder is Continental Europe, and Middle East. Middle East is a pretty small piece of Continental Europe the way we view the business. And France is the biggest market outside of the UK.

Tim McHugh - *William Blair & Co. - Analyst*

Okay, and then the Dice learning, you mentioned, you know, obviously you hope to get a modest level of revenue through that. Is that through referral fees, or leads? Can you just kind of describe the revenue model for you guys, that you're going to get out of that?

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Sure, at launch, so the model that we have today is that some of the providers that are listed in the services are providers which, if we provide them a lead, we get paid for that. So if we provide qualified leads, there's revenue back to us.

That will be supplemented by advertising revenue that will come in the form of, either text or banner ads, that will be part of that service as well. Down the road, I think this will probably morph into a service that will generate an advertising stream that will both be -- will have the brand advertising, as well as the -- our performance related advertising on it.

Tim McHugh - *William Blair & Co. - Analyst*

And then just strategically, longer term, how do you plan to kind of balance the issue -- one of the generalist sites for the last few years, kind of went down this road and actually, probably went too far, and ended up scaling back on some of the banner advertising for things like learning, and more so other things? How do you balance kind of making sure it doesn't become too much and dissuade people using the site, versus maximizing the revenue opportunity?

Scot Melland - *Dice Holdings Incorporated - Chairman, President and CEO*

Well, Dice Learning is a separate service. It's a separate website, and so we are not increasing the advertising that's sitting on the Dice.com service. So that's not going up. This is on a separate Dice Learning site, and really, what you're going to have there is a very large set of listings of training opportunities that will be found by people. Some of those training providers -- it will be similar to what you see when you do a Google search.

Some of those will be paid sponsorships and some will be advertising that sits on the side, and some will be sort of natural search results. But the only difference is that in some of those natural search results, there will be a performance fee paid to us if the leads go on. So, I think we're in balance right now with the service.

Tim McHugh - *William Blair & Co. - Analyst*

Okay, thank you.

Operator

And this concludes the question and answer portion of your conference. I would now like to turn the call over to Ms. Jennifer Bewley, for closing remarks. Ma'am, you may proceed.

Jennifer Bewley - *Dice Holdings Incorporated - Director IR*

Thank you for your time this morning, and interest in Dice Holdings. Management will be available to answer any follow-up questions you may have. Please call Investor Relations at 212-448-4181, to be placed in the queue. Have a good day.

Operator

And we appreciate your participation in today's conference. This concludes the presentation, and you may now disconnect and have a great day.
