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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the fourth-quarter Dice Holdings Inc. earnings conference call. My name is Caris, and I will be your coordinator for today. (Operator Instructions). As a reminder, this call is being recorded for replay purposes.

I would now like to hand the call over to your host for today, Ms. Jennifer Bewley, Vice President of Investor Relations and Corporate Communications.

Jennifer Bewley - *Dice Holdings, Inc. - VP, IR & Corporate Communications*

Thanks, Caris, and good morning, everyone. With me on the call today is Scot Melland, Chairman, President and CEO of Dice Holdings, as well as 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 fourth-quarter and full-year 2011. A copy of that release can be viewed on the Company's website at 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 would like to note that today's call includes certain forward-looking statements, particularly statements regarding future financial and operating results of the Company and its business. These 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 these 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 Condition and Results of Operations. The Company is under no obligation to update any forward-looking statements except as required by federal securities laws.

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 and our Form 8-K that has been furnished to the SEC, both of which are available on our website.

Now I will turn the call over to Scot.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Thank you, Jennifer. First, let me welcome all of you to the Dice Holdings fourth-quarter 2011 conference call. I will start today by discussing our fourth-quarter performance, including our thoughts on the online recruitment market and key trends in our verticals. Then I will hand it over to Mike Durney, our CFO, to take you through our financial performance, and finally I will make a few closing remarks, and then we will open up the call for some questions.

The fourth quarter closed out a terrific year for our Company, a year in which each of our career sites achieved record revenues and as a company we achieved record revenue and profitability. This is no easy task in an industry like ours that is constantly changing, and I think it demonstrates the value our services deliver for recruiters and hiring managers. We give our customers unmatched reach into the communities we serve, and we do it in an efficient and cost-effective manner. And they are rewarding us with more of their business.

In Q4 worldwide revenues grew 25% year over year to $47.4 million, customer billings increased 15% year over year, and profitability grew again with adjusted EBITDA up 30% to just under $22 million. All-in-all another solid quarter of performance for Dice Holdings.

This past year we also made great progress towards our goal of doubling the size of our Company from 2010 to 2014 with revenue growth for the full year of 39%. In 2012 we expect to continue that progress and are focused on reaching that goal.

Now let's take a look at our major brands. At Dice we continue to see strong demand for tech professionals across all skill categories in the United States. Today recruitment activity is much more of a market by market story than it was six months ago. Job postings are up 12% year over year on Dice with stronger demand in the major tech centers of the country like Silicon Valley, Boston, Seattle and Portland, and slower demand in markets like Washington DC and New York City, which is likely due to the uncertainty surrounding defense spending and the financial services industry. The number of resumes viewed also increased year over year during the quarter, even when you account for the additional customers we served, which shows that overall recruiting activity on Dice.com is quite healthy.

During the quarter we also continued to grow our tech community. Traffic remained solid in more than 2.1 million unique visitors per month during a seasonally slower quarter. And our resume database grew again with new resumes posted up 8% year over year, putting our searchable collection at well over 1.3 million technology professionals.

In January we also introduced our new Dice Talent communities. These new content and discussion forums are built around specific areas of technology like mobile development, Android, game development, Silicon Valley and other community topics. Each of these communities is curated by an industry expert and covers industry trends, best practices, news and, of course, jobhunting. These talent communities are another way we are serving the needs of tech professionals and pursuing our long-term strategy of making our services more valuable to our users in their day-to-day work lives.

So, as we look forward into 2012, given the tight labor market we have in technology with unemployment hovering around 4%, we expect to see solid demand for technology talent across the market, and we expect to continue to grow our customer base through further market penetration.

Turning to financial services, recruitment activity continued to moderate in the fourth quarter in an uncertain environment. Banks and financial institutions are recruiting, but with more of a focus on replacement hiring rather than growth through new hires.

The slowdown in recruitment activity is most acute, as you might expect, in Continental Europe and the Middle East, especially in countries like France and Italy. But its impact is being felt in every market around the globe.

On the job seeker side, we continue to grow the eFinancialCareers community. In Q4 eFC averaged nearly 1.3 million unique visitors per month, up 15% year over year, and the searchable resume collection grew to more than 850,000 worldwide. It is clear that we are succeeding in growing the awareness and usage of eFinancialCareers in all of our markets.

Looking forward into 2012, we believe that this lower level of recruitment activity will continue until there is more clarity on some of the issues impacting financial services. And we will continue our investment in expanding eFC capabilities to further penetrate the market opportunity we have around the world.

Moving on to the Energy segment, the oil and gas recruitment market is very strong, and according to the BLS, 2011 turned out to be the best year for job growth in that industry in the past decade. We continue to build Rigzone's brand awareness and usage worldwide. Unique visitor traffic was up more than 50% year over year in Q4, and our searchable resumes also increased significantly in each of our markets.

I'm very happy to report that we completed the integration of WorldwideWorker and Rigzone into a single service under the Rigzone brand in late January. This creates the leading global service in oil and gas online recruiting with strong reach in each of the major energy producing regions. By going to market with one brand and one community and one sales and support organization, we give our customers a much more efficient advertising and recruiting platform for the global energy community.

Looking forward into 2012, we believe that the combination of the attractive oil and gas prices and the dearth of skilled talent across the industry will drive job growth in a very active recruitment market in oil and gas, and we intend to make the most of that market by making investments in sales, product development and editorial to build out the business.

So overall 2011 was an exceptional year for our Company both in terms of financial performance, as well as execution on our long-term strategy. We made great progress growing our customer and user bases, as well as improving our services to be the best in each of our vertical markets.

So, with that, let me turn it over to Mike for more on the financials.

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Okay. Thanks, Scot, and thanks to everyone for joining us today. Our record financial performance in the quarter and the full year reflect strong execution by our global businesses and market share gains. We have continued to make strategic investments across each of our businesses and while doing so have started to return cash to shareholders.

Summarizing our results for the fourth quarter on a year-over-year basis, total revenues grew 25% to $47.4 million. Adjusted EBITDA grew 30%. Net income increased 82% to $10.5 million, resulting in $0.15 in earnings per diluted share, which was an increase of 88%. Billings increased 15%, and deferred revenue totaled nearly $61 million at year-end, an increase of 24% from December 31, 2010.

So let's move on to the segments and look at their quarterly results. Revenues in the Tech & Clearance segment increased 25% to $31.1 million, led by Dice with 26% year-over-year growth, and ClearanceJobs had 18%.

So looking at some of the metrics, the average number of recruitment package customers at Dice during the fourth quarter was 8300, up slightly from the third quarter and up 16% from the fourth-quarter 2010 average. The Dice business ended the year with 8100 recruitment package customers, of which about 7200 were under annual contract. The seasonal reduction we see annually right at the end of the year was slightly less than we have seen in previous years. And while the total count was lower at December 31 than at September 30, the number of customers under annual contract increased sequentially during the fourth quarter. And while it takes time to get prospects and customers buying in the new year, we have continued to add net recruitment package customers in January and are back on our customer acquisition path. We have more customers today than we had at September 30.

Average revenue per customer increased about 1.5% sequentially to $951 per month per customer, another record for the Company. This was largely driven by service level upgrades from renewing customers and by renewing customers at slightly higher rates. In Q4 the renewal rate on annual contracts was 73% for the Dice business, slightly up from our experience in Q3, and we had approximately 1700 contracts up for renewal in the quarter.

Moving on to the Finance segment, revenue for the eFinancialCareers business was up 15% year over year to $11.1 million. Currency translation had little impact on revenues in the quarter.

The year-over-year results reflect the strength of the financial services market in the second half of 2010 and first half of 2011. So despite the drop-off in activity in the second half of the year, we still had mid-double-digit growth -- (technical difficulty).

While the issues impacting financial services may be initiated in specific markets, those issues have a global impact. For instance, the Asian market is still pretty good, but the performance is impacted by multinationals reducing their recruitment activity or delaying decisions across the board.

Revenue growth across the regions was relatively consistent. The UK, our largest market, was up 13%; Continental Europe was up 16%, Asia Pacific 21% and North America 12%, each of those measured in its originating currency.

In terms of customer activity and billing performance, Continental Europe was certainly the worst performer of the regions in Q4.

Switching over to Energy, revenues were up 56% to $4.2 million in the fourth quarter. Side advertising and new customer acquisitions in the Career Center were the primary drivers of the substantial increase. And while we see some of the same customer patterns in the Rigzone as we see in the Dice business at the end of the year, we had a fairly significant increase year over year in Career Center usage, and the amount we generated per customer increased as well.

So to wrap up the segments, growth was led by Dice and the Energy business with financial services trailing. As for profitability, adjusted EBITDA grew 30% to $22 million and margin up 46%. The fourth quarter typically produces our highest profit margins of the year as we generally spend less on marketing during the quarter, and net income increased 82% to $10.5 million or $0.15 per share.

Moving over to the balance sheet, deferred revenue totaled nearly $61 million at year-end, an increase of 24% from the prior year-end and up slightly from the end of September. Billings, which is the driver of deferred revenue, increased 15% year over year in Q4. So while we generally don't comment on segment billings, given the uneven results across the segments, I want to provide some color to the sales performance in the quarter.

Tech & Clearance billings were up about 20% year over year, Finance was roughly flat, and Energy was up a little more than 10%.

The Energy growth rate was driven by two things. First, the timing of integration of WorldwideWorker and Rigzone. There were a number of clients of WorldwideWorker that were up for renewal who waited to buy until we had combined the sites. And, two, it took longer to close a handful of large annual advertising deals, many of which had significant increases in their commitments. Several of those had been (technical difficulty) booked and billed in Q4 2010 for the 2011 year but did not close this year until January for the 2012 year. Each of those had higher gross amounts than the previous contract. So based on January activity, we will continue the significant growth rate in Energy in 2012.

Net cash from operations in Q4 was $9 million, including the impact of $4.7 million of the Rigzone earnout. The earnout of $12.7 million was paid in October, which completed that transaction.

From a GAAP standpoint, the cash flow treatment of that payment is split. $8 million being the original estimate is in financing, and the $4.7 million subsequent increase is in operating cash flow. When you add that back and then take out capital expenditures, which were $2.5 million, Q4 free cash flow was slightly more than $11 million, and for the full year, free cash flow topped $61 million.

We repurchased approximately 1.4 million shares of common stock at an average of $8.17 per share in the fourth quarter for a total of $11.6 million. Since the authorization in August, the Company has repurchased 2.3 million shares, returning about $20 million to our shareholders. We ended the year with more than $60 million in cash and marketable securities, the majority of which is held outside the US.

So, in conclusion, we delivered strong financial results for the fourth quarter and for the full year. For the full year, revenues increased 39% to $179 million with each of our segments reaching a new high. Adjusting for the impact of the Energy acquisition to 2010, revenue growth was 33%.

Adjusted EBITDA grew faster at 49% to $77.6 million with a 39% pro forma for the Energy acquisition. Net income increased 80% to $34 million, resulting in a diluted earnings per share of $0.49. That is record performance across the board, and our strategy is clear and consistent, efficient recruiting of highly skilled professionals. It works for our customers, our employees and our shareholders.

And so let's turn to our initial look at 2012, and frankly, this is one of the toughest years to forecast since I joined in 2000. We have been in better environments and we certainly have been in worse environments, but this is one where there are sufficient buried signals.

In Tech the urgency to recruit is slightly less, but the vertical is still strong. Finance is clearly down from where it was in the first half of 2011, but the activity levels are not like 2008 or 2009. Energy is really good, and we have a great short-term and long-term opportunity which we need to pursue while we are building out the infrastructure of the business.

On the summary level, what you will see in this year's forecast is an assumption of slowed rate of growth, although different across the segments, while continuing to work on the strategic investment initiatives that we started in 2010 and pursued through 2011.

With that as a backdrop, let's look at where we expect to be first for the year and then for Q1.

We currently expect revenue of $197 million, up 10% over 2011 with Tech & Clearance up 15%, Energy up 39%, and an expected decline in Finance of 12%.

On the cost side, we will continue our investment in sales, marketing and product development with anticipated cash operating costs, which are operating expenses less depreciation and amortization and stock-based comp, to be up 15% year over year.

From an individual line item standpoint, directionally you can expect that sales and marketing, which was 33% of revenue in 2011, will be a slightly higher percentage in 2012. Product development will be about 50% higher than the level in 2011, and the rest will be just slightly higher. That equates to an EBITDA margin of 41% within our long-term target of 40% to 45%.

Moving further down the income statement, amortization expense will be lower in 2012, and stock-based comp will be approximately $5.5 million. So net income is expected to be around $39 million, and we expect CapEx this year to be in the $6 million to $7 million range, down slightly from 2011.

So looking at the first quarter, we anticipate revenues of $46 million, EBITDA of $16.5 million or 36% of revenue, and net income of about $7 million.

We just finished a pretty great year for the Company and are continuing to invest to drive our opportunities. As always, we will be very proactive in managing our business to deal with these uneven conditions. We will continue to deploy our cash to create more market opportunity via acquisitions and to return shareholders capital.

So, with that, I will turn it back to Scot.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Thank you, Mike. As you can see, 2011 was a very successful year for our Company. We grew our customer base and professional communities around the world. We upgraded our services, launching new content areas, mobile applications, and we delivered record revenue and profitability. So, as Mike mentioned, what can you expect from us in 2012?

And first we will remain focused on penetrating the customer opportunity in our core technology and financial recruiting businesses. We will continue to invest in our products, adding more content, social features and functionality, and we will continue to expand our global energy business.

It is going to be another great year for our Company. So thank you all for listening, and let's open up the call for some questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Craig Huber, Huber Research Partners.

Craig Huber - *Huber Research Partners - Analyst*

A question for you first. I'm not being critical here at all. Some of your other peers have a very difficult time forecasting their own outlook. You guys have done a very nice job historically. You have generally been pretty conservative.

One thing, a year ago I do recall your product development outlook for your cost was to double it in 2011. And, as we have talked about in the past, it looked like it was up, when the year was all said and done, about 53%. So you guys were overly conservative. Could you talk a little bit about that?

But along the same lines more importantly for the cost for 2012, your guidance you guys just briefly gave, talk a little bit more about that, where your comfort level is and what your cost outlook is for 2012? I'm trying to get a sense if you think there is a lot of wiggle room there? Are you being overly conservative there? Thank you.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

So I think first on the product development over the past year, what you are really seeing as we now enter 2012 is a continuation of what we started to do in 2011. You are right in what you mentioned about we did not get to all the projects, we did not get all the things done that we wanted to do. We got quite a few done. We got the talent community is finished, we got the new Blog Network up, we got the mobile apps done, we got the refresh on Dice, we got a new backend infrastructure for eFC. So there is a lot of accomplishment in there, but, quite frankly, there were a few other things we wanted to get to. We are getting to them this year, and we are pretty excited about what it is going to be. So probably more to come on that in future quarters.

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Yes, I think just to add to that, we said last year that we would initiate a bunch of things, and timing would be somewhat of a driver of where we ended up on a year-over-year basis. So you are right. We are up about 53%. We would expect roughly the same this year. Some of them started later and have rolled into 2012, and we have some other new initiatives, including in Energy and some other projects we are working on.

I think from where we see the cost structure, we have always been flexible up or down. We continue to view it the same way. But the nature of our business is we think we have opportunity and we continue to pursue it.

Craig Huber - *Huber Research Partners - Analyst*

And you could talk further, if you would, about the sales and marketing line for 2012. You mentioned you thought it would be up 33% of revenue in 2011. Can you put a little more meat on the bones, if you will, for 2012. How much higher than 33%? Are we talking about 34% or meaningful higher than that?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

No, I would say it is in the range of 34% or 35%. If you remember, our historical average used to be 35% to 40%, and we started to shift some dollars away from marketing -- this is a general statement -- marketing towards product development because we thought we could generate activity levels on the site through product development, and I think that has been the case. So I would not see us back in the 35% to 40% range, other than maybe touching 35%. So it is incrementally higher than the 33%.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

And I think the only thing I would add there is I think you know that historically what we have done -- and we did this at the end of 2009, beginning of 2010 -- is we said, look, we saw opportunity in the market, so we are going to spend to go after that opportunity. When you look at sales and marketing going into 2012, we are hiring salespeople. We are expanding that sales group around the world, especially in some of our development businesses like energy and healthcare.

Operator

Jim Janesky, Avondale.

Jim Janesky - *Avondale Partners - Analyst*

Scot and Mike, in the past you have talked about where -- at different points in the cycle where you spend your sales and marketing dollars. Sometimes it is on the seeker. Sometimes it is on -- and you pulled back on that during a time when unemployment within the tech space, for example, was very high and even in finance and accounting. Where are we in the cycle with incremental dollars, if we could dig into that a little bit more in 2012?

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Well, I think it varies based on which of our businesses you are talking about. When you take -- let's take a look at Energy, for example. We are really building out that business globally. The marketing spend there is really to build up that user base on a global basis.

I mentioned in my comments that we have made great progress with Rigzone with unique visitors up 50% and a huge increase in that global resume days for talent pool. So that business has tremendous opportunity for us.

So it is not really a cyclical thing that we are investing. We are investing now to really just go after that business.

When you take a look at Dice for a second, we have a tight labor market. This is not a situation where -- we are not sitting here today saying that we think tech is trailing off. In fact, just the opposite. We think we have got a very strong tech market.

What is interesting about that tech market, though, is that the turnover has not really started. And so part of what we are spending on is to activate the base that we have today to really have great results for the increase in recruiting activity we see coming in 2012. So it is not again sort of like a cyclical spend or anything like that.

And then in eFinancialCareers, you have a little bit less recruiting activity going on there, I think as everybody knows and realizes. We are spending there in a lot of our smaller markets especially in development markets because we see the opportunity to continue to build that brand in this uncertain time. So all the spend here is really in anticipation of future growth rather than playing the cycle, if you will.

Jim Janesky - *Avondale Partners - Analyst*

Okay. Mike, as a follow-up question to your comment about this was a very difficult year to give guidance, I can appreciate that. So but you have pretty good visibility, of course, one quarter out. Can you tell us what -- how you approach the second, third and fourth quarter combined to come up with annual guidance?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Yes, we go through the same process we always go through, which is look at customer acquisition opportunity, renewal rates and other metrics that we use internally for each of the businesses, and they vary slightly across the businesses, and we did the same thing we always do.

I think the emphasis on how difficult it is is because it is varied, as I pointed out when I gave the view across each of the segments. In times when it is really poor, I think a lot of people like to say they cannot give guidance because it is too hard. I think we have always felt we can give guidance. We just give our best estimate. This one is tough because it varies across the segments for the first time since I have been here.

Jim Janesky - *Avondale Partners - Analyst*

Okay. But do I read into that that you are not expecting significant improvement in the ones especially that were weak such as eFinancialCareers as the year progresses? It is more status quo. Would that be accurate?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Yeah, I think, Jim, the answer to that is I think we expect what is reflected in what we said, and when it changes, we will let everybody know. I don't think that is any different than any other time. We have been always quite crystal-clear in saying this is what we expect now that it. It could be better; it could be worse. I think it reflects what we think today in a pattern that we have done for years from a prep standpoint.

Operator

Tim McHugh, William Blair.

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

First, maybe on the product side, can you give us some more details on maybe some of the things you are spending on, and is it focused on any individual's verticals more so than others?

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Sure. So where a lot of the product development spend, as I mentioned earlier, it is a continuation of what we really started in 2011. It is going to go really to three different areas.

The first is better search and match. So fundamentally that technology is something that we want to improve on a regular basis because if we can make that search and match better across all of our sites, we are going to have more productivity and more satisfaction amongst our users. And so the way that manifests itself is basically in better search results and better metrics for our business.

The second area is really content and services. I mentioned earlier that part of our strategic goal here is to make our services much more meaningful and useful in our users day-to-day work lives. We have done a great job -- or I should say Rigzone and the Energy group have done a great job in getting far down that path. We are bringing the other services to that same goal, and you can see it in the Blog Network on Dice, you can see it in the content on eFC, and now you can see it in the talent communities that we just launched on Dice. So more content, more interaction with the community that creates value for them on a day-to-day basis.

And then finally, you will see more social features. We added some social features this year. The talent networks start to have more social interaction, the cleared network on ClearanceJobs the same thing. What you will see is an expansion of those types of features this year.

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

The only thing I would add back on Energy, and Scot mentioned this earlier, we literally just finished the cut over from WorldwideWorker to combine it to Rigzone last week. We spent a lot of time in Energy trying to put those two together. We have now accomplished it in Phase 1.

One of the things we have learned from that process is that there's all kinds of opportunities for us to pursue in the Energy business domestically and worldwide. And so Phase 2 and Phase 3 are going to be pretty significant initiatives for us, and we are really looking forward to getting them started.

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

Okay. And then, I guess, just following up on the search improvements, is this reorganizing the data? Are you going down a significant process of changing the algorithms, if you will, and underlying thought process? I'm just trying to get a sense relative to maybe what Monster has gone through in the last few years and how you maybe compare competitively with what you are trying to change.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Sure. As you know, if we take Dice, for example, we have -- one of the advantages we have had in our service all along is that we have profile information given to us by the users, which allows us to have a much more detailed search and set of search results.

What we have started to do this year -- and you actually can see it if you go in and search for jobs on Dice -- is we have started to -- it's essentially better parsing and categorization of a lot of our data that sits behind both the job descriptions and the people's resumes. And so if you go search, we can be much more suggestive to our users in terms of if they see one thing that they like, we can suggest other things. And then the search itself is much more tighter. So you are going to see better relevancy along the way.

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

Okay. And then, I guess, just to follow-up on the question -- it was an earlier question on what you are assuming across the years. Mike, it seems like the financial services segment, the guidance implies Q1 is a low point for revenue across the year. Is that just based on the normal seasonal activity, or is that assuming better sales across the rest of the year?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

That is the normal seasonal pattern. We do renew a number of our bigger accounts in January and February, which we have started to do, and that is reflected in the guidance. Also, there is a small assumption that some of the newer markets continue to grow off a relatively small base, but that is embedded in there, too.

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

Okay. And I guess one last one, just getting back to the product changes, given the competitive questions that are always out there, can you address how much of this is feedback from customers in the sense is it a response to opportunities, or is it kind of a competitive threat and more of a defensive move? It sounds like it is more of the opportunity, but just talk about that if you can.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

It is really two things. It is making our services just in and of themselves much more productive. And so we have great -- we have very nice sized communities. They are growing. We want to make sure that the experience that they have is the best possible experience.

So a lot of the better search and match is targeted towards that. The rest is opportunistic. Technology continues to move along, and as you know, there is a lot more information out there about people, and recruiting is taking advantage of that information that is publicly available. And so that is an opportunity for us to add more value to our services.

So what we see is we see an opportunity to add another layer of value onto our services, and that is where we are headed.

Operator

[Bill Sullivan], [Norland Capital].

Bill Sullivan - *[Norland Capital] - Analyst*

Mike, you mentioned you are going to be doing additional work on Rigzone and the combined site. Can you talk a little bit more about that and then maybe what the mix of business for the energy site might look like as we get towards the end of this year and into next year?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Sure. So there are some features and functionality that we think can improve the Rigzone experience across the board. So we want to make improvements in the data services business, RigLogix. So that is one area. We want to increase the ability to deliver content and have various forms of content, which right now the site is limited in terms of the types of content that we can host and deliver.

One of the things that we plan to do is regionalize Rigzone across the world and have a number of different regional editions. While we do a decent job of covering news and information around the world, it is delivered as one site, as you know from looking at it.

And, on the Career Center, it is now part of a group that has four other businesses, and we want to deploy the best ideas that Dice, eFinancialCareers and the other sites have, and we expect to do that. So there are a number of things that we want to do, and we have been heads down over the last four to six months or so solely focused on integrating the two sites.

From what the business will look like, we expect the Career Center to continue to grow. So today it is slightly more than 50% of the business is Career Center. Roughly a quarter of the business is advertising, and then the events business and the data services businesses are roughly 10% using rounded numbers. I would expect Career Center will continue to grow at a higher rate than the others. Our expectation is advertising and various forms of media will -- (technical difficulty) maybe not in the short term because we need to get the regional sites up, we need to get the other delivery methods up and the other types of content up in order to drive usage.

But I would expect as we exit 2012 and 2013 that Career Center will be some number of points higher. Events by their nature are limited, but we are doing some other things in terms of unique events this year, later this year. So I would say advertising will stay roughly the same. Career Center will grow, and the others will be slightly lower, smaller.

Bill Sullivan - *[Norland Capital] - Analyst*

Thanks for the color. The other question I had was pricing, particularly the eFinancial markets and how that is looking as you go into renewals as well as new sales?

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Well, as you know, eFinancialCareers is a premium price product both through our other services that we offer, as well as to other competitive services that are in the market.

No change in the pricing of eFinancialCareers. As you know, any time we have ever faced a slower demand environment we have always been I think very disciplined in our pricing. And the reason is that when these services, when there is a need for the service, the service delivers very high value, and so that value should be reflected in the price. So there would be no reason for us really to change.

Operator

John Blackledge, Credit Suisse.

Jennifer Bewley - *Dice Holdings, Inc. - VP, IR & Corporate Communications*

Can we take the next question and circle back and find John?

Operator

Youssef Squali, Jefferies.

Youssef Squali - *Jefferies & Co. - Analyst*

A couple of questions, please. Mike, the first question is really just a clarification on something you referred to during your prepared remarks. I think you said the Company has more customers today than back in September. So that basically means that you have already added about 150 recruiting package customers so far in January?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Yes, we have added more than 150.

Youssef Squali - *Jefferies & Co. - Analyst*

Okay. And I guess Q1 EBITDA margin of 36%, we literally had to go back to like Q1 of 2007 to get to a 36%, 37% level. In fact, even during the 2009 recession when the revs were down, your margin still held up pretty nicely. So I'm just trying to get a sense of what is causing the big drop. Maybe if you can just quantify the investments because you have spoken about a number of initiatives there, and is any of the cost front-end loaded, and is that what is causing it?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

I would say two things. I will address the second piece first, and I will come back to where we are.

Some of it is front-end loaded. I think it speaks to the fact that we continue on a path of investing in each of the brands and we are not scaling back. So initiatives we started early in 2011 or later in 2011 continue on. So some of that is timing. Certainly marketing, we do less in Q4 and we do more in Q1. That has been our historical pattern.

So I would not say it is front-end loaded as much as it -- some of it just happens in Q1, but it is a continuation of where we were.

I think 36% is lower. I think last year or the year before was 37%. So, in context on $40 million plus of revenue, it's a couple of hundred thousand dollars that swings. So it is certainly not a significant or material variation from what we have done before.

Youssef Squali - *Jefferies & Co. - Analyst*

Is it possible to separate the increased investment versus maybe just the impact of negative leverage, meaning just not having as much revenues in Q1 as you had may of thought you would just maybe three or six months ago?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

I don't think so. I could try, but I don't think so. We have a series of initiatives, and we pursue them. I am not sure there is a bright line that separates those two.

Youssef Squali - *Jefferies & Co. - Analyst*

Okay. And Scot, I was wondering if maybe you can just talk broadly about the competitive environment and maybe the level of promotional activity that you have seen the last quarter. Is it more, is it less, and what is baked into your expectations for the rest of the year, not just for eFC but just mostly for the Tech sector actually?

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Sure. So competitively the environment really has not changed. We continue to see some of the large horizontals duke it out with one another for their market share within customers, and I think that is probably the biggest thing that is really going on competitively.

As far as promotional activity, there is a little bit more I would say promotional activity out of some of the players in the market, but certainly it is not at the level that we saw in 2009 and coming into 2010.

So really not much of a change there, and that is true actually across all of our verticals.

Operator

Doug Arthur, Evercore.

Doug Arthur - *Evercore Partners - Analyst*

Mike, just a clarification on the outlook for finance, and I realize things can change quickly. But, in terms of the low point for the business, based on the numbers you are giving out on projections, it looks like on a year-over-year basis you look for in you have some tough comps for year-over-year

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deteriorated until about the third quarter and then some leveling out in the fourth quarter. I realize it is foggy right now, but is that fair? Things will deteriorate for a couple of quarters before perhaps getting a little bit better?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Yes, I think that might be fair. There might be a degree of specificity in the assumptions that maybe goes deeper than guidance. So what we do is we give a revenue number and then give a percentage to guide people to where we might be.

There are some things that happen in that business. We publish a periodical, Careers in Financial Markets, and other assorted titles in the third quarter, which has an impact, a seasonal impact. There are some other seasonal changes. I honestly would not think too much about the distinction between Q3 and Q4.

What I said earlier was we do renew a number of our larger customers in the January and February timeframe, and a number of those have been renewed already, although there is a good number of them still left to happen in February. And so we have a pretty decent view of their needs. We do have a pattern over the last 12 months leading into this year on some of the newer markets.

Again, they are very small, but they do have an impact in growth when the rest of the business is steady, and we expect them to perform at higher levels later this year.

So I'm not sure right now I have actually addressed specifically what your question was, but I think there is a level of specificity in Q3 and Q4 that we have not really guided to.

Doug Arthur - *Evercore Partners - Analyst*

Yes, I think the main thing I am getting at is that obviously you had some momentum in the sector going into year-end. That is obviously flattening out and turning negative. But the negative year-over-year comps look like they will worsen early in the year, and then we will see what happens in the second half?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

Yes, that I think is fair.

Doug Arthur - *Evercore Partners - Analyst*

Okay. Thanks.

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

And that does reflect, as we said several times, late 2010. The second half of 2010, first half of 2011 were really strong for that business. In July we said we thought it would ebb, it did, and then it got worse as it did for a lot of people. So I think from a pure comp standpoint I think you are right.

Operator

Jordan Rohan, Stifel.

Jennifer Bewley - *Dice Holdings, Inc. - VP, IR & Corporate Communications*

Why don't we see if we have any more questions and circle back for Jordan.

Operator

(Operator Instructions). Craig Huber, Huber Research Partners.

Craig Huber - *Huber Research Partners - Analyst*

Follow-up questions here, please. Your guidance for 2012 is a revenue guidance of 10%. What are you thinking right now that the overall market will grow in the US also on a global basis? And I have a follow-up, too.

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

So, on a global basis, I think we are probably looking at mid to higher single-digit growth this year. It is a little difficult because of some of the uncertainty in some of the markets, but that is probably a guess that we are operating under. And then in the US, sort of mid-single-digit growth.

Craig Huber - *Huber Research Partners - Analyst*

Okay and then just kind of a marketing promotion question. Just talk a little bit further about that, if you would, for what you plan on doing there on that spend in the first quarter.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

I'm sorry, this is on the marketing side?

Craig Huber - *Huber Research Partners - Analyst*

Yes, exactly, yes.

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Normally, in the first quarter, as Mike mentioned a little bit earlier, we do spend more in marketing in the first quarter because customers are in buying mode again. And so what you will see is you will see more online advertising from us, more direct-mail, more direct e-mail. Also, it tends to be a quarter where we tend to experiment with some new marketing that we might be trying. We might be doing radio. We might be doing some other new things that we're going with.

So essentially it is really just a little bit more marketing on the customer side and a little bit more marketing on the seeker side because everyone is coming back essentially from vacation, and they are in active mode again, and we want to grab them while they are active.

Craig Huber - *Huber Research Partners - Analyst*

On a year-over-year basis, you are expecting a significant ramp-up in the first quarter, much more so than the back three quarters of the year for sales and marketing?

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

I think the first quarter definitely has a bump in it.

Craig Huber - *Huber Research Partners - Analyst*

On a year-over-year basis more so than the other quarters you are saying?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

(multiple speakers) Probably not, not too different.

Craig Huber - *Huber Research Partners - Analyst*

Okay. And then lastly, just a housekeeping question. What were the basic shares outstanding at the end of the quarter, please?

Michael Durney - *Dice Holdings, Inc. - SVP, Finance and CFO*

65 million.

Operator

Tim McHugh, William Blair.

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

I just had one follow-up. I was going to ask, just last quarter you gave the commentary partly in response to comments one of your competitors made about seeing a big slowdown late in Q3 in September and October. I think your commentary was that you did not see what they were describing, but you had seen a little bit of a slowdown in activity. I guess maybe just contrasting where you are at today. Has that continued? Did it get better? Did it get worse, I guess, at a high-level, if you can compare today to what you were saying three months ago?

Scot Melland - *Dice Holdings, Inc. - President, CEO and Chairman*

Sure. So I think it is really the best way to look at that question is, again, by business or by sector. So if we take the Energy business, it continues to be very strong, very strong globally. It may have even moved up a notch, if you will, in terms of market environment. If you look at the eFinancialCareers business or financial services, it has been a continuing moderation there. And I think if you look at what has happened in financial services over the last quarter, probably not a lot of mystery there that the companies involved and recruiters involved have slowed their activity.

And then if you look at tech, tech basically the same. I think what we mentioned last quarter was the change that we saw in tech was it is still not -- I mean this is still a very active recruiting market. I mean just talk to anybody who is involved in it, a very active recruiting market.

What has happened is that it is much more of a metro area by metro area story in that some areas are very hot, very tough to recruit in, very strong, and others are sort of less strong. And that is just a different environment to sell into than what we had in early 2011.

So, again, to bring you from last quarter up to this quarter, really no change in that environment.

Operator

At this time there are no further questions in queue.

Jennifer Bewley - *Dice Holdings, Inc. - VP, IR & Corporate Communications*

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

Operator

Ladies and gentlemen, that concludes today's conference. Thank you for your participation. You may now disconnect. Have a wonderful day.