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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the fourth quarter 2013 Dice Holdings, Incorporated earnings conference call. My name is Shaquana and I will be your coordinator for today. At this time, all participants are in a listen-only mode. We will facilitate a question and answer session towards the end of this conference.

(Operator Instructions) I will now like to turn the presentation over to your host for today's call, Ms. Jennifer Bewley, investor relations and corporate communications. Please proceed, ma'am.

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

Thank you and good morning, everyone. With me on the call today is Mike Durney, President and CEO of Dice Holdings, along with John Roberts, our Chief Financial Officer.

This morning we issued a press release describing the Company's results for the fourth quarter of 2013. A copy of that release can be viewed on the Company's website at DiceHoldingsInc.com.

Before I hand the call over to Mike, I would like to note that today's call includes certain forward-looking statements, particularly statements regarding the future financial and operating results of the Company and its businesses. 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 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 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 Mike.

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Great. Thanks, Jennifer. Let me welcome you all to the Dice Holdings fourth-quarter earnings results conference call. First, I will turn the call over to John. He will give you an update on our financial performance.

Then I will cover our strategic plan for 2014 and share the important products and strategic milestones from Q4, including an update on our Open Web products. In addition, I will spend a few minutes discussing our acquisition of On Target Jobs in November that expands our market opportunity in healthcare and hospitality.

Finally, we will open it up to questions. So with that brief summary, I will turn it over to John.

John Roberts - *Dice Holdings, Inc. - CFO*

Thanks, Mike. And thank you to everyone for taking the time today to focus on our fourth quarter and full year results. Revenues totaled $58.4 million for the quarter. This includes $4.5 million related to our On Target Jobs acquisition in November.

On a year-over-year basis, revenues grew 11% in Q4, due primarily to businesses acquired within the past 12 months. Adjusted EBITDA was $19.2 million in the fourth quarter or 33% of revenues. This includes the positive contribution from On Target Jobs of $1.3 million, offset by costs related to the acquisition of $2.2 million.

We have provided a supplemental table in our press release for ease and understanding the impact of the On Target Jobs acquisition on our Q4 financial results. Overall recruitment activity was fairly consistent in tech, energy, and healthcare, while financial services recruitment improved in Europe and Asia. We have also seen strong demand in our new hospitality vertical.

As with several recent quarters, we have seen continued weakness in our Clearance Jobs brand, driven by the ongoing adjustments in the defense and government sectors. With that overview, let's jump into the segments.

We have recast the segments to reflect our expansion into health care and hospitality online recruiting. On the last page of the press release, there are definitions of the new segments as well as historical results recast for the past three years on our website in the investor relations section for download.

I will be discussing our results based on our new segmentation. In tech and clearance, revenues increased 4% year-over-year, including $2.1 million from our acquisition of the IT Job Board. For Dice.com, revenues declined 2% year-over-year. Average recruitment package customers declined 3% year-over-year.

The December 31 annual customer count is 7525 or 93% of our 8100 recruitment package customers. Average monthly revenue per customer increased 3%, hitting a record of $1012 per month.

In Q4, the renewal rate on the annual contracts was 66% by customer count, with slightly more than 1900 customers up for renewal. As is typical, the retention rate by contract value is higher.

Finally, in tech and clearance, while just 4% of our overall revenues, Clearance Jobs revenues declined 9% year-over-year.

Moving on to our finance segment, which is unchanged in the recast of the segments, revenues declined 1% year-over-year to $9.1 million. However, that is a sequential increase of 6% with noted improvement in Europe and Asia markets.

In the UK, revenues decreased 1% year-over-year, but increased 5% sequentially in sterling. In the Asia-Pacific region, revenues increased 4% year-over-year and 3% sequentially in Singapore dollars, with stronger performance in Asia, partially offset by continued softness in Australia.

In Continental Europe and the Middle East, revenues increased 5% year-over-year and 9% sequentially in euros, and in the US it was down 15% year-over-year and 5% sequentially.

In our energy segment, RigZone's revenues were up 9% to $6 million in the fourth quarter with double-digit year-over-year gains in our career center and data services businesses. In late September, the core service offering from our data services business, RigLogix, was updated with additional reporting capabilities and we have seen good response from customers and prospects.

In our new healthcare segment, revenues totaled $3.7 million, with $3.1 million from the On Target Jobs acquisition. That includes the negative impact of $0.5 million for the fair value adjustment to deferred revenue related to purchase accounting for the acquisition.

We owned Healthy Careers for about two months in the fourth quarter.

Our new hospitality segment consists of Hcareers from the On Target Jobs acquisition. Revenues were $1.4 million after a reduction of $600,000 for purchase accounting.

Finally, on to corporate and other, this segment contains Slashdot Media, Work Digital, and our corporate related costs. Slashdot Media revenues declined 13% year-over-year to $4.1 million. Our corporate related costs in Q4 were $4.7 million, including $1.2 million of deal costs related to On Target Jobs.

Corporate costs used to be reported as part of the tech and clearance segment.

To wrap up the segments, we had better than expected performance during Q4, driven primarily by the results in our finance segment. Q4 billings by segment with tech and clearance were down 1% year-over-year, including the IT Job Board, finance billings were up 4% and energy billings increased 3% year-over-year.

On the expense side, operating expenses increased year-over-year for two primary reasons. First, nearly $12 million of the increase is due to the inclusion of On Target Jobs and the IT Job Board in this year's results, including $2.2 million of cash acquisition related costs -- $1.2 million for the deal costs and approximately $1 million of severance.

Secondly, we took a pretax, non-cash impairment charge of $15 million to write down the goodwill at Slashdot Media and Health Callings as well as intangible assets at Slashdot. Based on our projection of expected cash flows, which is in part based on no anticipated improvement in Slashdot Media, and on Health Callings being combined into Healthy Careers, we determined that we needed to record the charge.

The Company posted a net loss in Q4 of $5.9 million, resulting in $0.11 loss per diluted share, excluding the write-down of goodwill as well as intangible and fixed assets. We would have recorded net income of $4.5 million or $0.08 EPS.

Deferred revenue totaled $77.4 million at December 31, up 12% from September 30. The $8 million sequential increase was driven by increases of $6.4 million at On Target Jobs, $800,000 at Dice, and $900,000 from the IT Job Board.

Dice Holdings ended the quarter with $39.4 million in cash and cash equivalents, and $119 million of debt outstanding. A few notable uses of cash in the quarter were, first, $46.3 million for the On Target Jobs acquisition, net of cash required. And, second, the Company purchased 2.6 million shares of its common stock on the open market at an average cost of $7.84 per share, for a total cost of approximately $20.5 million.

At the end of the fourth quarter, we had about $48.8 million left on our current authorization, which the Board of Directors authorized in December 2013 for $50 million, upon the completion of our previous plan.

Before we discuss 2014 guidance, I want to take a minute to reconcile our Q4 performance to the outlook we provided in October, since that outlook did not include a forecast for the On Target Jobs Acquisition. In October, we expected revenues of $52.9 million for Q4. On an apples to apples basis, we achieved $53.9 million or $1 million more than anticipated.

On the adjusted EBITDA line, the forecast was for $18.9 million. We achieved $20 million of adjusted EBITDA from the performance of the businesses owned before the On Target Jobs acquisition.

Finally on 2013, we expect to file our Form 10-K with the SEC the week of February 10.

For 2014 guidance, we have opted to give a range for both the year and the quarter to reflect the recent changes in the makeup of our businesses, including the inclusion of the On Target Jobs, which Health Callings will merge into. So for 2014, we anticipate revenues in the range of $242 million to $250 million and adjusted EBITDA of $72.5 million to $75 million, or 30% of revenues. In Q1, we expect revenues of $60 million to $61 million and adjusted EBITDA of $18 million to $18.5 million, also 30% of revenues.

For more on the investments we're making and our 2014 strategy, let me turn the call back over to Mike.

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Great. Thanks, John. When I took over a few months ago, I said any changes to our strategy would be more evolution than revolution. Today I want to talk about our key initiatives for the Company, which will deliver growth, initially stemming mainly from our acquisitions, and will position the Company to capture more organic growth in the future, specifically in our tech and clearance segments.

There will be two principal initiatives in 2014 which require some level of incremental investment. The first is dice.com product development and sales, and the second is technology and support for additional products built within our Work Digital team, who developed the service as the foundation of Open Web.

While we have several initiatives across each of our brands, these two key areas are imperative for us to build the overall business and we believe firmly that there is ample opportunity in each of those areas. The focus of all of our investments is on expanding our relevance to professionals throughout their careers and, thereby, increasing our engagement with them more routinely, and on delivering access to the best talent efficiently to hiring managers and recruiters in order to make them as effective as possible. That is our mission and our guiding principle.

In addition to the two specific areas of focus for us in 2014, we have three key strategic priorities. One, leverage the power of data and analytics to maximize value of the targeted nature of our brands. Two, build robust mobile applications and mobile-enabled sites to deliver our services anywhere. And, three, continue building a culture of high performance within the Company to leverage innovation across all of our sites.

Fundamentally, when the year is over, we expect you will see more valuable features and functionality across our brands in a more diverse product lineup, which will equate to new additional revenue streams.

Let's move on to talking about the fourth quarter, and you will see how the product milestones tie back to our three key strategic priorities. When I took over at the beginning of Q4, I wanted us to rally around the few concepts I thought were really important.

One of the most important things we have done as a Company is Open Web. Open Web is a big data recruiting service that sources publicly available information and creates professional profiles of individuals that are optimized for recruiting. I wanted us to push the Open Web product out of beta to ensure it continued to gain traction. So in December, we took Dice's Open Web out of beta.

Open Web is now a separate product available through dice.com. In order to access Open Web profiles, hiring managers must purchase the service, either as part of their dice.com recruitment package or they can buy standalone access to Open Web, which is still accessible only through dice.com.

More than 100 Open Web subscriptions have been sold through January, the majority of which have been sold as additional product with a dice.com subscription. One of the encouraging signs is the diversity of clients who opted to add Open Web to their recruitment package and endorsed the product. They are small and large clients, recruiters, and direct hiring companies, focused on the tech industry and not.

The breadth of interest confirms Open Web as a product that drive sourcing efficiencies for many different types of hiring managers and recruiters. You can see some of the success stories at dice.com/openweb.

Another encouraging sign is the receptivity to Open Web as a standalone service. We are getting some customers that we would not have had at all, and having the product is opening doors to more discussion with customer prospects than we would have had without it. All in all, a good start for Open Web as a commercial product.

While Open Web is geared specifically to sourcing, advertising and employment branding are key components of hiring managers' success in finding actionable candidates. In the quarter, we launched a new experience on Twitter, which enables us to attach richer information for our clients to their everyday tweets of Dice job posting on Twitter's mobile experience.

Outside of email, Twitter is the most used medium of communication today. We believe recruiters are under-utilizing the platform and we can lead in recruiting through a social network that allows for instantaneous connections. After all, we are the most efficient recruiting service for tech professionals and will continue to leverage our advantage here with new products and features.

Finally, Dice is the only brand with key Q4 product enhancements. eFinancialCareers launched a new site, including fresh branding. This was the final piece of work in a broader upgrade plan to give us better search, greater flexibility, and allows us to move towards delivering effectively through mobile devices.

Our second key strategic priority is mobile. This is a major platform shift that we aren't fully participating in with a cohesive and focused strategy across our brands. The good news, we don't think anybody has one recruiting and mobile environment.

The opportunity is still open and we are working on taking the lead. We recently launched a new version of a Dice mobile app as a starting point for bigger mobile upgrades to come later this year.

There is much more to come in 2014 from a product perspective. The products we develop will be mobile-ready and focused, in part, on utilizing our own data power. As a specialist with unique expertise, we have to have the best information, the best data, and the most efficient way to deliver.

You will see much more transparency in our data, which, in turn, will drive the insights customers want to make better workforce planning and recruiting decisions, and help professionals make better career choices. The content available from the data we have is a vital part of our strategy to engage professionals more routinely throughout their career.

RigZone is a good example of using content effectively. In Q4, its traffic was up 44% year-over-year. Registered users jumped 23% year-over-year and career center customers were up 17% year-over-year. It is the comprehensive solutions that RigZone could offer that makes it a standout in this market.

In terms of market opportunity, we have expanded our addressable market with the acquisitions in tech recruiting in Europe and healthcare and hospitality recruiting in the US. Our recent acquisition of Healthy Careers gives us a stronger position in online healthcare recruitment market.

The combination of Health Callings, which we have owned since 2009, and Healthy Careers create a complete solution for hiring mangers with a deep array of healthcare talent and a product suite that ranges from single classified postings to a full-service sourcing product. We now have the leading position in online healthcare recruiting and we intend to leverage our scale to grow in the market.

We are working now on the integration plan to combine the two sites and we have brought back the founder of Healthy Careers to oversee that integration and invigorate the business for growth.

And to the acquisition of On Target Jobs, we have added the hospitality vertical, Hcareers. This has been an interesting find for us and reinforces how important voluntary turnover is to recruitment activity. The Hcareers team has done a really good job exploiting the high level of turnover in their industry and created an almost $15 million business with more potential out there, especially internationally.

For the Company, we now have key positions in six recruiting verticals. The integration of those new acquisitions is underway. In addition to getting us into new verticals, we have also taken on some new senior-level people from On Target Jobs who will help us in many ways fulfill on our initiatives.

One of those areas is technology infrastructure, where we are working on leveraging the best of all of our platforms, including the new ones, to create a more efficient tech organization and allow us to develop more cross-brand product initiatives. More to come on that in the future.

Finally, we have undergone a fair amount of change in the last six months. I was intent on having the senior leadership team in place and the various teams realigned to start 2014. And we have accomplished a lot of that, with the goal of having a more responsive organization across the board for our customers and professionals.

We are feeling very good about the changes we have made in our product, engineering, data, and design teams. Our sales teams, especially the dice.com team, have more energy than I have seen in my tenure at the Company, and we are making progress on working together as one organization for the betterment of the professional who use the services and the employers who use us to find the talent.

I realize that energy has to result in billings and revenue growth, but I am thrilled with the level of focus throughout the whole organization and the desire to succeed and build the business. Our goals for this year are clear: continue to build the dice.com product, invest in Work Digital, and focus our efforts on enhancing data, developing mobile-enabled sites and apps, and expanding the culture of innovation and efficiency.

This year sets the path with more new innovative products, using data to better engage with and provide more value to professionals and employers, embracing and owning mobile recruiting, and broadening our revenue streams. All while we grow our revenues and leverage the additional verticals that we acquired in 2013.

Thank you and let's open it up for questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Tim McHugh, William Blair.

Stephen Sheldon - *William Blair - Analyst*

This is actually Stephen Sheldon in for Tim this morning. So thanks for taking my questions. First, I just want to get some more commentary about what you are seeing regarding the Open Web product.

You talked about starting to charge customers for the product in two different ways. So how did clients respond to this change? And I know it's very recent, but how should we think about the financial impact, both in the fourth quarter and moving forward?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Sure. So we -- Open Web has been available in beta to all customers during 2013 through the end of November, as an additional service that they could try in order to promote engagement of the service. So starting in December, for any client that wished to renew their service, if they wanted access to Open Web, they had to buy Open Web separately and pay for it separately.

So there is a discounted price for the Open Web service if you are a dice.com customer. If you decide to buy Open Web without a dice.com subscription, you still access it through Dice, but you have to pay the full rate for Open Web.

So it is still getting started. We're still going through that cycle. As I mentioned earlier, we have over 100 customers so far that have bought the Open Web service, either as an additional part of their dice.com subscription or as a standalone product.

Stephen Sheldon - *William Blair - Analyst*

Okay. That's helpful. It looks like you took a charge for the Slashdot assets this quarter. So I'm just curious to get your commentary how we should think about that business on an ongoing basis.

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Yes. It's a good question. So, if you go back to why we bought it originally, we bought Slashdot Media for three reasons. First and foremost, it was to get access to the users of Slashdot and SourceForge in order to promote engagement in our tech business. And that has happened.

There is still more to do and more engagement and more direct engagement, and we will work on that in 2014. But strategically, that is the primary reason we bought it and that has happened to some extent.

The second reason we bought it was we thought internationally we could grow that business, and that hasn't happened. The third reason is we like the tech advertising business when we bought it. And that business has fallen off generally, and certainly specifically, for us.

So we look at it from a purely financial standpoint. The expected cash flows in the business don't support the carrying value that we had and we took a write-down for that. Strategically, though, we are still continuing to work on that integration with Dice and promoting that user engagement between the two, and that hasn't changed.

Stephen Sheldon - *William Blair - Analyst*

Okay. Then, lastly, for the forward-looking guidance for the healthcare segment, is there any kind of deferred revenue impact included in that guidance?

John Roberts - *Dice Holdings, Inc. - CFO*

Yes. This is John. There is. There is about $2 million of deferred revenue that is baked into that, so the fair value adjustment that is still sitting there is about $2 million still to work through.

Operator

Michael Purcell, Stifel Nicolas.

Michael Purcell - *Stifel Nicolaus & Company - Analyst*

A couple things. One, I was wondering if you could just, first off, John, just give us an idea of what your outlook is ex- the acquisition so we can kind of get a look of the organic growth, if you will, for 2014 and the outlook.

And then, secondly, Mike, specifically, it is nice to hear that the European market is looking at little bit better for you. I was wondering if you could give us some thoughts on Europe and US and then within your verticals in the US, the tech and energy and then, specifically, healthcare, which is new to you. Thanks.

John Roberts - *Dice Holdings, Inc. - CFO*

Sure. So on 2014, we have given the guidance, obviously, with all the businesses working together. I mean, one of the things that I said is, given the number of different and new parts within the business in 2014, along healthcare and hospitality, that is really why we have given a range.

And the range accounts for both the variability in the new businesses that we bought in healthcare and hospitality as well as some of the investment that we are making that Mike was describing in the Dice and Work Digital businesses, and the investments in terms of when they will result in future revenue growth. So that is really the reason to give the range that we talked about for 2014.

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

So, on Europe, I think our outlook across the different verticals was -- eFinancialCareers, I think generally the outlook is better. We have said for a while we are starting to see signs of some stabilization and it seems like it was getting stable. Now, I think that stabilization is here.

I think we have made some improvements to the product, upgraded the organization and prepared the organization for penetrating the market. So I think across the board eFinancialCareers, I think we're going to start to see a turn.

North America is still tough. That is where we have the toughest competitive environment in financial services. And so I think that will be a longer road, but I think overall eFinancialCareers will be pretty good this year.

When you look at tech in North America, I think the outlook for tech is -- continues to be good. There is pockets that are really good; there are pockets that aren't very good. But generally speaking, I think in North America the outlook for tech is good.

Europe, it is better across the board, certainly better in Continental Europe so far than the UK, but I think for us we have a pretty good plan for penetrating the market.

Healthcare is interesting in that, last year, in the year where we should have seen strong healthcare, I think there were a lot of things that impacted recruitment in healthcare, generally. Certainly sequestration and budget concerns and the stopping and starting of what the government is doing, and the significant impact that government reimbursement has on healthcare and healthcare recruiting, I think people felt it.

Generally, we feel a little bit better about it. This year, although will say we are subject to what goes on from a government posturing standpoint, but I think healthcare looks to be stronger. It seemed stronger at the end of the year. And we think it will be stronger this coming year. (multiple speakers).

Michael Purcell - *Stifel Nicolaus & Company - Analyst*

And then, just (multiple speakers), if I may on the renewal rates for the tech and clearance, I think you said 66%. That was quarter end, I believe. Has there been any change since the beginning of the first quarter?

John Roberts - *Dice Holdings, Inc. - CFO*

No. There has been no change. That was for the quarter. Correct.

Operator

Youssef Squali, Cantor Fitzgerald.

Youssef Squali - *Cantor Fitzgerald - Analyst*

A few questions. First, how much of that 12% increase in deferred revenues was from acquisitions versus core. I think core last quarter saw deferred plus 3%.

John Roberts - *Dice Holdings, Inc. - CFO*

So, of the $8 million sequential increase, $6.4 million was related to On Target Jobs for the acquisition.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Okay. So $1.6 million is the balance for core?

John Roberts - *Dice Holdings, Inc. - CFO*

So $800,000 was Dice and about $900,000 was IT Job Boards.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Okay. And then, can you remind us again what was the purchase price for Slashdot, and just to put it in perspective with that $15 million impairment charge?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Yes. So the cash purchase price for that business was $20 million.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Okay.

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

So we have written off the total carrying value.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Right. That is what it looks like. Okay. All right. And then, I guess looking at the -- well, actually, what impact did the rework of the sales team have on Q4 results, if any?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

I would say on Q4 itself, very little because that reorganization happened towards the end of Q4, really to set us up for the beginning of 2014. So, as you know, the new head of Dice has been with us slightly less than a year. The new head of sales for Dice has been with us for six months, and the planning that went into the reorganization kind of manifested itself at the end of Q4, so none.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Yes. Okay. So, lastly, on margins, so margins continue to show some weakness just from maybe lack of leverage. How low would you guys let margins get to as you invest in the business? Is there a trough level in your mind that you don't think you will fall underneath or below?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

I think, generally, there is some level. I don't think we have identified what it is because we believe strongly that we have to continue to make investments in the business. And we are trying now not to determine those investments purely based on revenue.

So I think there is a little ways to go, but there is a level where we have a number of levers that we can pull that would improve the margins. We are just not at that point yet.

Youssef Squali - *Cantor Fitzgerald - Analyst*

Would you say that the [30%] you are guiding to for 2014 may be a trough or there's just not enough visibility to call that out yet?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

I would say it's near the trough. I wouldn't say it is the trough, because we do believe that we need to make investments to turn the business. And making those investments in a down revenue period will impact margins, obviously.

But we are going to do it sensibly and we are not just going to spend for the sake of spending. So I think we will probably near the trough, but I wouldn't say it is the trough.

Operator

Craig Huber, Huber Research Partners.

Greg Stein - *Huber Research Partners - Analyst*

This is Greg Stein for Craig. Thank you for taking the question. I'm actually curious just about your acquisition appetite.

You put on some leverage I guess the first time really you have had some sense of -- you acquired the eFinancialCareers seven or so years ago. And I was wondering, are you still in an acquirer? I know you're using obviously a lot of your free cash flow to buy back stock as well.

John Roberts - *Dice Holdings, Inc. - CFO*

This is John. I don't think anything has dramatically changed in our acquisition strategy or approach. So we continue to look at a pipeline of opportunities. We continue to evaluate opportunities. And, if there are opportunities available to us that we think may make good acquisition targets, based on the strategy that we have laid out, we will continue on that path. So I don't think we have necessarily pulled back or accelerated the acquisition strategy based on the current profile of the business.

Greg Stein - *Huber Research Partners - Analyst*

Do you have a maximum leverage target? And high how would you be willing to go?

John Roberts - *Dice Holdings, Inc. - CFO*

I think, historically, we have talked about it as being very comfortable at a ratio of 2.5 times the EBITDA, which obviously we have plenty of room in based on where we are right now. So I think there is still plenty of room available based on our comfort level of what we said historically.

Greg Stein - *Huber Research Partners - Analyst*

Okay. I also calculated just excluding the IT Job Board business that the tech and clearance is down about 2% to 3% in the latest quarter. Job postings that you tend to send on Dice have shown it has been down in the 4% range.

So I was really wondering, when -- how long do you think this weakness will continue? And do you think -- do you see maybe a turning point where it will start trending positive sometime this year?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Yes. The math is right. I think, as was laid out from a strategic standpoint, first and foremost is to continue to invest in and build the dice.com product and build on interaction engagement with professionals and customers.

I am optimistic that we have done the right thing so far, but there is more to be done. My view is, it will start to change during 2014, but we have a lot of work to do to get there.

Greg Stein - *Huber Research Partners - Analyst*

Okay. And then, finally, could you go a little bit more into detail just about the pricing? You obviously talked to that in Open Web -- this is on Open Web that you could do an add-on to Dice or a standalone. So could you just talk a little bit more about that, please?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Sure. So the Open Web product standalone through Dice today is about $5000 for a year. If you buy it as part of the dice.com-based subscription, you get a discount from the rack rate. In December we discounted that even further as a promotional tool to drive engagement with customers who are renewing their in December. So that gives you some flavor. It is about $5000 for the Open Web products.

Greg Stein - *Huber Research Partners - Analyst*

For Open Web plus Dice, you have mentioned dice.com is about $6400, $6500. How much would it be combined between the two?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

It is about $10,000.

Operator

(Operator Instructions) Randy Reece, Avondale Partners.

Randy Reece - *Avondale Partners - Analyst*

I was trying to get a better understanding of how you got to the big operating margin in the core business or EBITDA margin. If we exclude the On Target Jobs acquisition, you have the pro forma numbers, almost $54 million in revenue and $20 million in EBITDA. Were there any big changes in the expense margins that helped you get to that number?

John Roberts - *Dice Holdings, Inc. - CFO*

I think the only thing, if you look -- there is nothing specific. And, historically, we have spent less in Q4 in marketing and that is certainly the case this year. So if you look at our margins over the last few years, even back to the downturn, Q4 tends to be higher because we spend less in marketing.

Randy Reece - *Avondale Partners - Analyst*

The change in recruitment package customers was pretty much in line with what I expected. And was that true for you? And how long do you think practically it will take you to make some headway in renewal rates, given the kinds of changes that you are making and what it takes to implement them?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

Yes. So the customer count -- I will go first and then maybe John wants to supplement this. The customer count was about in line what we thought. There is a number of factors this year where we always have the dip at the end of the year, and customers don't renew their contracts pre-December 31. And then they come back in January, and that is happening this year as it usually does.

I think, during 2014, we will have made some headway in a number of areas that should have a positive impact on the renewal rates, because I think the product will be better. And I think that will happen sometime this year, but I am not going to predict at what point, specifically.

John Roberts - *Dice Holdings, Inc. - CFO*

The only thing I would add to that is the renewal rate is certainly one step that we talk about. I think the other thing is the retention rate, which is the contract value, is, as it has been historically, higher than 66% as well.

Randy Reece - *Avondale Partners - Analyst*

When you go to broadening your recruiting solution beyond recruitment advertising, is there any need to sell to different parts of the organization? Are there different people -- do you have to start talking to people who buy HR tech as opposed to advertising?

Mike Durney - *Dice Holdings, Inc. - Director, President, and CEO*

I think in some cases that is true. It depends on the organization and the size of the organization. Generally, for what we are selling, the answer is no.

We are dealing with either the head of recruiting or the head of tech recruiting. And in places where we are offering a service that goes outside their responsibility, the goal of the sales organization is to work collaboratively with our contacts to expand the relationship within the organization, not just purely try to call somebody different. And so that is one of the mandates of the way the sales organization is structured now, is to make sure that we are forming partnerships with our contacts, so that we have that easy entry and referral within the organizations.

But back to the core of the question, generally, the answer is no. We are dealing with the same people we have dealt with.

Operator

At this time, I would like to turn the call back over to Ms. Jennifer Bewley for closing remarks.

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

Great. Thank you, and thank you, everyone, for joining us this morning and your interest in Dice Holdings. We 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

Thank you for your participation in today's conference. This concludes the presentation. You may now disconnect and have a great day.
