FINAL TRANSCRIPT

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DHX - Q4 2007 Dice Holdings, Inc Earnings Conference Call

Event Date/Time: Feb. 06. 2008 / 5:00PM ET

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the fourth quarter 2007 Dice Holdings, Incorporated Earnings Conference Call. My name is Danielle and I will be your coordinator for today. At this time, all participants are in listen-only mode and we will conduct a question and answer session toward the end of this conference.

(OPERATOR INSTRUCTIONS)

As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation over to Mr. Mike Durney, Senior Vice President of Finance and Chief Financial Officer. Please proceed, sir.

Mike Durney - *Dice Holdings, Inc. - SVP - Finance, CFO*

Thanks, Danielle. Before we start officially today I wanted to formally introduce you all to Jennifer Bewley, who joined us as Director of Investor Relations in December. And we're quite happy to have her with us. So, Jennifer, you ready to start?

Jennifer Bewley - *Dice Holdings, Inc. - Director - IR*

Thanks, Mike, and good evening. I look forward to working with each of you in the future. Along with Mike and I, on the call today is Scott Melland, Chairman, President, and Chief Executive Officer of Dice Holdings.

Please note that after the market closed this afternoon we issued a press release describing the Company's results for fourth quarter and full-year 2007. A copy of that release can be viewed on the Company's website at diceholdingsinc.com.

Before we begin, I'd 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 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 registration statement on Form S-1 as amended in the sections entitled Risk Factors, Forward-Looking Statements, and Management's Discussion and Analysis of Financial Condition and Results of Operation and in our quarterly statements filed on Form 10-Q. 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 reconciliation's 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. With that out of the way, I will turn it over to Scott.

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

Thank you, Jennifer. First let me welcome all of you to the Dice Holdings fourth quarter and year-end 2007 conference call. I'll start today by discussing our fourth quarter results. Then I'll hand it over to Mike Durney, our CFO, to take you through our financial performance in greater detail and to give you our specific guidance for 2008. After Mike, I'll make few closing statements and then we'll open up the call for questions.

Dice Holdings, as many of you know, is the leading provider of specialty career sites for professionals. We operate career sites in four distinct communities and in 14 markets across the world. Our career sites or job boards bring together talented professionals in the IT and engineering, capital markets, finance and accounting, and security clearance communities with the employers and the recruiters that are trying to reach them. We've been in business for over 17 years and believe that our vertical approach gives us a distinct advantage in the marketplace.

Now let me say a few words about our performance. The fourth quarter provided a solid finish to a terrific year. For the full-year 2007 revenues across all of our businesses grew 38%. Adjusted EBITDA grew 68%. We generated free cash flow of almost $56 million. And achieved industry leading margins with adjusted EBITDA margins for the year of 43.5%, not a bad year.

In Q4 we again experienced significant organic growth in each of our business segments, achieving revenue growth of 34% year-over-year and adjusted EBITDA growth of 56% year-over-year. Overall, sales performance was solid despite a more challenging market environment both here in the U.S. and to a lesser extent internationally.

Domestically, DCS Online revenue is up 20% year-over-year driven by growth in the number of recruitment package customers and higher revenue per customer. It's really difficult to pinpoint how much the current economic conditions are impacting our business given our growth rates. However, we know that it's impacting us because we continue to see customers taking longer to make buying decisions. And we experienced a larger seasonal slowdown in the business in December as we ended the year with 8,700 recruitment package customers, down 3% from the end of the third quarter.

Every year we see short-term recruitment activity falloff in December. However, the falloff this year was larger than expected and I believe was the direct result of the economic conditions. But we should see the customer count for what it is. It's a measure at a point in time, and as of the end of January the Dice customer count had bounced back over 9,000 recruitment package customers.

Moving overseas, sales performance was again outstanding. With revenues for the eFinancialCareers segment growing 82% year-over-year on a constant currency basis. And that was the highest growth rate of the year. Performance was driven primarily by customer growth in Europe and the Asia-Pacific region along with increasing yield per customer.

Despite the turmoil in the financial services industry, our financial services customers and prospects continue to recruit and to renew our services. We mentioned on our last call that Q1 is an important renewal period for eFinancialCareers as many of our large staffing agency customers agreements come up for renewal. In January we renewed all but one of the agency contracts that were up for renewal. And in the aggregate those customers renewed at slightly higher amounts.

This was better than expected. However, I need to add that we are hearing more frequently from our eFinancialCareers customers that they are concerned about the state of the markets and business uncertainty. So the uncertainty in the financial services industry has not had a significant impact on our eFinancialCareers business to date. But could potentially do so in 2008.

Job seeker traffic and usage also continued to increase across our career sites during the quarter. For the full-year 2007 unique visitors to Dice.com increased 16% year-over-year with job applications increasing at an even greater rate.

At eFinancialCareers, unique visitors to the global network of sites grew 65% year-over-year, driven by user growth in the UK and the U.S. as well as the addition of new users from many of our newer country sites. Total job applications also grew proportionately.

In January of this year we exited our Indian joint venture, CyberMedia Dice. This should not be seen as a change in our long-term strategy because it's not. We believe that there is significant opportunity in Asia and India. However, we determined that the joint venture approach was not the most effective way for us to participate in that market long-term.

We originally sought out a local venture partner four years ago because we didn't have the international experience or infrastructure within our Company at the time. But now with the eFC team in place, we believe that we have the wherewithal to grow our business in Asia in a more consistent and effective way. Overall, I think it's fair to say that Q4 was a strong end to a very successful year.

Now let me briefly take you through our perspective on 2008. It's clear that market conditions will continue to be challenging in 2008. We expect the slower economic growth and general uncertainty that we experienced in the second half of 2007 to continue throughout all of 2008. We also expect that these conditions will continue to impact our customers' recruiting activities and their buying decisions, causing customers to take longer to make purchase decisions or in some cases to curtail their service levels, thereby impacting our business growth.

However, that being said, we also believe that we have yet to fully penetrate the market opportunity for our services both here in the U.S. and abroad. And we fully expect to be able to grow each of our core services in 2008 as we continue to execute on our strategic plans. Now let me turn it over to Mike Durney to take you through our fourth quarter and year-end financial performance.

Mike Durney - *Dice Holdings, Inc. - SVP - Finance, CFO*

Okay. Thanks, Scott. And thanks to everybody to listening today, we appreciate you taking the time and the afternoon as we scheduled the call around the events to coincide with our ringing of the bell tomorrow morning at the New York Stock Exchange. As we've done in previous quarters, I'll give you a brief overview of our consolidated Q4 results on a GAAP basis and then discuss our segment performance on a pro forma basis.

But before we get into the details I want to mention that as Scott said a few minutes ago, we've transferred our ownership interest in the CyberMedia Dice joint venture in January and therefore have recast our historical financial statements to reflect that as a discontinued operation. In the schedules to the earnings release, we provide a significant amount of historical quarterly information. All of that has been adjusted to remove the operating impact of Indian joint venture.

Consolidated revenues for the fourth quarter of '07 grew 49% to $39.5 million. Of the $12.9 million increase, eFinancialCareers segment generated the largest impact both from its significant growth in its operations and the effect of having owned it for only two months in '06. DCS Online, which includes Dice and clearance jobs grew 4.5 million year-over-year.

Total revenues on a pro forma basis for the fourth quarter of '06 if Dice had owned eFinancialCareers for the entire period would have been $28.6 million. Operating income grew 76% to $9.4 million from $5.3 million in the year ago period. There are two key components impacting that increase, aside from the significant revenue growth.

The first is sales and marketing expense, which increased $2.7 million over '06 and was 33% of revenue in the quarter as compared to 35% in Q3 and approximately 38% in Q4 of '06. In October we believed that we would spend in the range of 37% to 39% of revenue. And that difference versus our belief in October results from a handful of small things so let me lay those out with marketing first and then sales.

First, the exclusion of the India operations has an approximate 80 basis points impact on the total Company spend in marketing versus what we thought the percentage would be when we still owned India. Second, we ended up spending less in the U.S. on marketing professionals in part because the marketing partners that we were using in Q4 either didn't deliver enough traffic to meet our estimated usage, or opted to take advertising from other non-employment related advertisers.

Third, we chose not to extend some of the new advertising programs we were testing during Q3 and into Q4 that we discussed on the last call. And we had factored into our estimate as a possibility. And last, we had assumed that we would continue to dial-up marketing spend on jobs and the money in Q4. And we didn't do it as much as we thought we would.

On the sales side, selling costs were slightly lower than we projected due to first with customers deferring their decisions on renewing into '08, we recognized less sales time costs, since we recognize the cost at the time of billing. And second, to a lesser extent, it took us longer to hire new salespeople. The majority of those people are now in place. Looking forward, we don't expect these low levels of sales and marketing spend to continue. And view these as relatively small, unique items.

The seasonal peak in sales and marketing spend as it relates to revenues occurs in the first quarter as we spend more as a share of revenue to capture those professionals who are ready to make a career change. And to reach new customers whose recruiting budgets are being released, or who had expressed an interest in using our services during the previous year but had already expended all of their budgeted funds for recruiting.

Next, amortization expense was $4.4 million for the quarter, roughly flat with the year-ago period. In addition to amortization, we recognized a non-cash impairment charge of $2.9 million related to the acquired intangible assets, JobsintheMoney.

In the fourth quarter we completed our first annual impairment test related to the valuation of the various assets we acquired in the eFinancialCareers transaction, which included JobsintheMoney. Based on our current projection of cash flow to that business, which is in part based on the lack of clarity about financial success of the new initiatives, we determined that we cannot support the valuation allocated to JobsintheMoney.

It's important to note, this reflects an accounting view and not necessarily how we view the long-term value of the business, which we will continue to invest in. It goes without saying, but I'll say it anyway, that the amounts allocated to eFinancialCareers businesses, the international and domestic pieces individually, continue to be carried at their historical cost bases.

Income from operations grew 60% to $3.7 million, a gain of $1.4 million versus the same quarter last year. The comparison of income from operations between the two periods is impacted quite a bit not only by the eFinancialCareers transaction, but also by the capital structure of the Company.

GAAP EPS was $0.06. This reflects not only the impact of the non-cash stock-based comp and amortization of acquired intangibles, but also reflects the $0.03 impact net of tax of the write-down of the JobsintheMoney intangible assets. And this brings us to adjusted EBITDA, which grew significantly in the fourth quarter to $18.6 million, an increase of $6.7 million from a year ago. Adjusted EBITDA margin for the fourth quarter was 47.2%, a 2.5 percentage point increase from Q3.

The fourth quarter is traditionally the highest margin rate period of the year. And last year's Q4 rate was about 45% on an actual basis, excluding India, but the pro forma was lower due to some one-time pre-acquisition charges at eFinancialCareers. With that total Company overview over, let's move to the business segments.

Remember, when we talk about the segments, we refer to their performance including the deferred revenue added back that we had written off in the acquisitions. There was no effect in the current period but it does impact the 2006 period for eFinancialCareers. And all this is clearly detailed in our earnings release.

DCS Online represents about 69% of revenue and grew 20% year-over-year in the fourth quarter despite the overall challenging economic environment that Scott referred to.

While the year-end customer count of 8,700 was lower than September 30 count, we had a 17% year-over-year increase in the average number of recruitment package customers served by Dice during the quarter, and a 5% increase in the average revenue per recruitment package customer to $852 per month per customer. These two components together accounted for the recruitment package customer revenue, which is about 90% of Dice revenue.

In addition, the average length of contract was almost 11 months at December 31, '07, up from 10.3 months at the end of the third quarter. And 82% of those contracts were annual agreements at December 31, '07. So despite a seasonal drop in total count, annual contracts were higher at December 31st than they were at September 30th.

Next segment is eFinancialCareers, which represents about 24.5% of revenue and is comprised solely of the eFinancialCareers operations outside the U.S. Revenue nearly doubled year-over-year to $9.7 million up from $4.9 million. This 97% increase in dollar terms continues the trend of accelerating growth compared to the 81% in Q3, 70% in Q2, and 67% in the first quarter.

Normalizing for exchange rate variances, eFinancialCareers growth in the fourth quarter was about 82%, which is also the fourth consecutive quarter of our ownership with accelerating revenue growth. eFC's performance was driven by increased customer yield and new customer growth in several regions including the new markets in Asia-Pacific and the Middle East. The UK represented 60% of eFC revenues in Q4 versus about 75% of eFC revenues in Q4 '06. But the revenues for the UK were up 43% year-over-year in constant currency.

One final note on eFinancialCareers, when we purchased this business EBITDA margin was in the 10% to 15% range. In a little over a year the margin now approaches the overall Company average. And for the second half of '07 was just short of 40% even while we're ramping up investment in new markets.

Other represented 7% of total revenue and now consists of eFinancialCareers in the U.S., JobsintheMoney and targeted job fairs. And its revenue totaled $2.8 million versus $2.1 million in the '06 period. The gain was larger resulting from U.S. operations of eFinancialCareers.

So in total on an apples-to-apples basis, revenue growth for the quarter was 34% compared to 38% in Q3 and in Q2. Domestic revenue was slightly more than 75% and grew 21% year-over-year. And international was about 24.5% and grew 97% in dollar terms and 82% in constant currency. For the full-year '07 on the same basis, revenues grew 38% and EBITDA totaled $62.5 million or 43.5% of revenue.

Moving on to the balance sheet, deferred revenue at 12/31 was $46.2 million up 34% from December 31, '06. On a sequential basis deferred revenue grew $2.4 million primarily driven by an increase at Dice.com.

As we mentioned previously, there are two factors you need to consider when analyzing our deferred revenue changes. The first is seasonality. Normally we have the largest increases in the first and fourth quarters due to renewal activity and new business in the first quarter. Historically the second and third quarters have been relatively flat.

Second, the billing terms are different for eFinancialCareers internationally compared to the U.S. operations. On the international side the majority of the contracts are billed over the term of the contract no matter what the length is, which naturally lowers the amount of deferred revenue we generate. Therefore, you cannot depend primarily on deferred revenue as an indicator of future growth. And while eFinancialCareers grows at a faster rate than the U.S. business, the change in deferred revenue will not match the growth rate of total revenues.

Net debt is at $66.7 million at the end of the year with total debt at $124.4 million and cash and marketable securities is $57.7 million. Net debt decreased by $14.5 million sequentially. Our current leverage ratio is about 1.1 to 1 at December 31, and based on the cash we've collected in January of 2008 our leverage ratio now is less than 1 times.

In early December we entered into a fixed rate swap agreement covering $60 million of our term-loan, which locks in our interest rate to two years at 7.39%. And last week entered into a three-year swap agreement on $20 million of borrowings, locking in the rate of 6.37%.

Moving on to cash flow, we generated $16.5 million in cash from operating activities in the fourth quarter, a 55% increase versus the previous year. And before we look at 2008 and the first quarter, one housekeeping item, earlier this week we filed an 8-K disclosing that we have entered into an amendment with the eFinancialCareers shareholders removing certain limitations on how much stock those shareholders were permitted to sell.

The eFG shareholders hold about 5% of the Company's outstanding shares. The largest of which owns about 1%. This amendment was entered into to address recently enacted changes to the capital gains tax rates in the UK, where a majority of our eFG shareholders are based. This change will have a negative tax impact on those holders if they sell after the tax law changes.

As part of the amendment, we did impose a requirement that any sell of the shares into the market by an eFG shareholder be made through a broker designated by the Company to ensure an orderly process for such sales.

And while the amendment becomes effective next week, those shareholders have had the right to sell up to 25% of their holdings since the lock-up expired in mid-January. We've not had anyone contact us yet to sell the shares. And the few we've spoken to have said that even though there's a substantial tax benefit to selling before the law changes, they have no interest in selling based on the Company's current valuation.

So with that out of the way, let's look at '08. Scott gave you some background on what we're seeing in our markets. And with that background in mind here's our view of '08 and Q1.

For the full-year we now anticipate revenues in the range of $161 million to $173 million, an increase of 12% to 20% versus '07. The breakdown of the ranges by segment is outlined in the release, but we expect the distribution of revenue to be approximately 68% for DCS Online compared to 71% in '07; 24% for eFinancialCareers compared to 21% in '07; and the remaining 8% from other, which is the same as '07.

One thing that's important to note in terms of growth at eFinancialCareers, some of the initiatives we have put in place in early '07 including for instance charging for the resume database, have borne significant fruit in '07. And the growth rate comps in '08 will become slightly harder.

In absolute dollars our sales and marketing expense will grow to $63 million to $65 million or 38% to 39% of revenues compared to 37.5% in '07. And we anticipate full-year adjusted EBITDA in the range of $68 million to $76 million, which results in a margin rate of 42% to 44%.

We said from a long-term guidance standpoint that our EBITDA margin across the collection of businesses we own would be at the low end, 40%, and up to the low-40s, which would allow us to continue to invest in new situations. Now that the India results have been removed, for the current businesses we own you can assume the margin would be about 100 basis point higher. So 2008, while in an uncertain climate, fits in that range.

CapEx for the full-year we expect to be about $5 million up from $3.5 million in '07. And we expect our net interest expense to be $9 million to $10 million and a blended tax rate of 41%. Note that at some point in '08 we expect to become a cash taxpayer. And from a cash flow perspective, based on our range of views today, we would expect to have somewhere between $100 million and $115 million of cash at year-end '08 with no change in overall capital structure.

And finally we expect our diluted share count to be around 67 million to 70 million. We currently have 62 million shares outstanding and 8 million options. And while we don't expect any change in the share count, we do expect to make an annual option grant in the 2.5% to 3% range.

As for the first quarter, we expect revenues in the range of $39 million to $40.5 million, an increase of 25% to 30% over the year ago period. And EBITDA in the range of $15.5 to $16.5 million, reflecting an increase in sales and marketing expense to $16 million to $16.5 million, all of that resulting in an EBITDA margin of 40% to 41%.

In terms of visibility, as of December 31, '07 we had booked 66% of the U.S. business at the mid-point of the range. That's the highest we've ever had at that point. And we had booked around 60% of the eFinancialCareers first quarter estimate. And as of January 31st, we booked approximately 84% of the U.S. business and approximately 90% of the international estimate. So overall I think what you should take away from this is our current view is optimistic about our overall business prospects. That optimism is partially offset by various degrees of uncertainty.

Uncertainty about the overall market, the levels of recruitment activity of our customers and prospects, and the timing of decision making by our customers and prospects, but not uncertainty about the value proposition of our services and certainly not about our ability to generate significant levels of EBITDA and cash in an uncertain climate. And so with that I'll turn it back to Scott.

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

Thanks, Mike. Let me wrap up our formal presentation with a few closing thoughts. As Mike and I mentioned earlier, despite market conditions that we view today, we fully expect to grow each of our core services in 2008 with double-digit revenue growth overall and EBITDA margins north of 40%. We'll do that by continuing to execute on our growth strategy.

So as we enter 2008 you can expect us to approach the year with the same strategy, the same focus, the same execution that led to our great results this past year. Specifically you can expect us first to continue to focus on penetrating our customer opportunity in the U.S. and abroad. For the Dice service our focus will be on selling and servicing a greater share of direct hiring companies. This will include increased investment in sales and marketing as well as product development to better serve this important customer segment.

For eFinancialCareers, our focus will be on building out our presence in our newer markets and regions around the globe. This also will be accomplished through increased investment in sales, marketing, and product development with a particular focus though on building the eFC brand and local traffic in our new markets.

Second, we will expand our operations internationally or outside the U.S. This will largely but potentially not exclusively be accomplished through the expansion of our eFinancialCareers service into new countries. In 2008 we expect to open two or more new country markets for the service. We will also continue to explore ways to expand our tech recruiting service worldwide. And finally, we will pursue acquisitions when they are the right deal for our shareholders.

Our success with the acquisitions of clearance jobs, targeted job fairs, and now eFinancialCareers has generated significant value for our shareholders while furthering our strategic goals. We will continue to pursue opportunities where we can add value and will take a disciplined approach to evaluating and integrating those acquisitions.

Overall, 2008 is going to be an exciting year for Dice as we continue to move forward aggressively with our growth plans. I'd like to thank all of our employees around the globe for their ongoing hard work and dedication. You are the people that make it happen everyday. And we never forget that. Thank you for listening. And now let me open up the call for questions.

QUESTIONS AND ANSWERS

Operator

(OPERATOR INSTRUCTIONS). And your first question will come the line of John Janedis with Wachovia. Please proceed.

John Janedis - *Wachovia Securities - Analyst*

Hi, thank you very much. Can you talk a little bit more about the outlook? Meaning that you're forecasting something like 30% growth in the first quarter but close to high teens for the year. And I'm just wondering how much of that deceleration is based on the comment about the database versus maybe economic uncertainty and some of the comments you're hearing from customers. Thanks.

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

Well. I think, hi, John. I think what you're seeing is basically the big message of what we have to say about 2008 is that there's a lot of uncertainty or at least more uncertainty than what we experienced in 2007. And so it's natural for I think you to see there to be a pretty good growth rate in the first quarter because we have the most visibility into the first quarter. And then to have that visibility trail off as we move further into the year.

Mike Durney - *Dice Holdings, Inc. - SVP - Finance, CFO*

Yes, and I think John the other piece is there was some growth in eFinancialCareers, growth rates this year, which make the comps harder as I mentioned before. And I think that's part of what you're alluding to. There is exchange rate assumptions we've made, which will have an impact on the dollar basis. So I think it's a combination of those things.

John Janedis - *Wachovia Securities - Analyst*

Okay, thanks. And just a follow-up, of the 300 or so increase in recruitment package customers to date in the first quarter, were they for the most part some of those monthlies that pulled back in December or new annual customers?

Mike Durney - *Dice Holdings, Inc. - SVP - Finance, CFO*

I would say broadly speaking, because we're talking about it on a net basis, it's a combination of those. It's customers who left us at the end of the December, decided to leave for a short period of time around the holidays, and then come back at some point in January, either annual agreements or monthlies. And it's some that didn't renew their months, one month agreements in December and then came back either on a short-term or long-term basis in January. It's a combination of those.

John Janedis - *Wachovia Securities - Analyst*

Thank you very much.

Operator

Your next question will come from the line of Tobey Sommer with SunTrust Robinson Humphrey. Please proceed.

Mike Jacobson - *SunTrust Robinson Humphrey - Analyst*

Yes, this is actually [Mike Jacobson] for Tobey. Can you give us some color on the small and large business buying patterns in the quarter?

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

Sure, sure. I think a backdrop to this would be that if you look at our customer base. We have large customers. We have small customers. But most of our small customers tend to be recruiters rather than what people normally think of what we call direct buying, direct hiring companies who are sort of normal companies. So most of our small customers are recruiters. If you look at the buying patterns, it's really fairly consistent that we've seen uncertainty come into the sales process. It manifests itself through a lengthening of the sales cycle.

I probably would say that there's probably a little bit more sensitivity and uncertainty about outlook amongst smaller and medium sized customers because they tend to maybe not. Their needs are smaller and they maybe not tend to not plan out as far in advance in terms of their hiring needs as the larger corporations. And certainly the recruiters and staffers do. So by and large the smaller guys have a little bit more sensitivity to what's going on out there.

Mike Jacobson - *SunTrust Robinson Humphrey - Analyst*

Okay. Thank you very much.

Operator

Your next question will come from the line of Hagit Reindel with Jefferies and Company. Please proceed.

Hagit Reindel - *Jefferies & Co. - Analyst*

Hi, thanks. This is Hagit Reindel calling for Youssef Squali who's actually on another call this evening. First just again on guidance, could you talk a little bit about what your assumptions are in terms of pricing versus customer additions? Do you think that there is any leverage in pricing in '08 given the uncertainty?

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

I think in general when you talk about pricing it's the general assumption in our guidance is that the pricing will continue to be what it is today. I would point you to back in the summer we did raise the price of our starter product or our core product, the one-month recruitment package service.

So we already have a price increase, if you will, built into '07 that kind of rolls into '08. But no additional assumption about additional price increases in '08.

Hagit Reindel - *Jefferies & Co. - Analyst*

Thanks, and just another question about your strategy in Asia now that you've exited the joint venture. I guess your comment about margin being higher with that joint venture out of the business assumes that you're not going to make any other investments in that region. Is that how you're looking at it? And if you do not need to spend any more money there, what's kind of the go to market strategy?

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

I think just to go back to the margin aspect, if you look at the financial performance of the joint venture, which is now apparent given the fact that we've removed it from our historical financial segment.

You're talking about a business that had roughly $500,000 of revenue and had an EBITDA loss somewhere between $1.2 million and $1.3 million because we were investing quite significantly as compared to its size.

I think overall the strategy of growing in Asia will begin to be clearer through the rest of this year. But if you look at what we've done with eFinancialCareers, the financial performance of our start-ups in the Asia market, or the Middle East for that matter, we don't have near the investment. And while the tech environment may be different from across from a recruiting standpoint, I think you'll see us invest in the Asia market more broadly without that same level of investment.

Hagit Reindel - *Jefferies & Co. - Analyst*

Okay, and then thanks maybe just one more question on sales and marketing.

The increase that you're planning for '08 from the current levels, can you just talk about what kind of channels or what kind of additional efforts you'll be making? Is it more kind of broadening your keyword spending, more partners that you'll be reaching out to, TV advertising? I don't know, what kind of efforts are you planning?

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

Well it's actually an expansion of spending along a few different fronts. First on the pure sales side we have expanded our sales team and will continue to expand our sales team in areas where we think we don't have the type of coverage that we need to have in those areas. A lot of that, I think Mike mentioned earlier, a lot of that has been happening through the fourth quarter and into the first quarter.

So increasing the size of the sales teams. The larger part of the spending increase though is definitely in the marketing spend. And that's both on what we call the job seeker side as well as the customer side. Both will go up in 2008.

On the seeker side a lot of our spending will be increased, online spending and some experiments in offline vehicles. I don't think you can, you don't have to worry about us running Super Bowl commercials. We may not run television but we're going to run other more traditional types of advertising in select markets in 2008. But the majority of it will be online. The majority of it will be expansion of partnerships.

And then on the customer side just an expansion of the amount of direct marketing that we do and actually an expansion of the direct marketing philosophy into the international markets.

Hagit Reindel - *Jefferies & Co. - Analyst*

Thank you.

Operator

(OPERATOR INSTRUCTIONS). And your next question comes from the line of Heath Terry with Credit Suisse. Please proceed.

Heath Terry - *Credit Suisse - Analyst*

Great, thank you. I was wondering if you could give us an idea of what kind of metrics you're seeing from your customers beyond just subscriptions? Have you seen any real change in the number of jobs being listed on an individual basis outside of just the obvious subscriber metric that's so important?

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

We're not and have not released publicly sort of individual job numbers by customer or segment of customer. In general what you see is that as we add more new customers, a lot of those new customers are smaller in nature. So I mentioned in my comments that a big part of 2008 for the Dice business is to go after direct hiring companies.

We have many of the Fortune 1,000 direct hiring companies today as customers. So a lot of where we're going to is to the tier below the Fortune 1,000. And in general they will post fewer jobs because they're smaller organizations, fewer jobs than what you'd see in some of the larger customers. So as a trend, the number of jobs per new customer is typically lower than what we've experienced historically.

Mike Durney - *Dice Holdings, Inc. - SVP - Finance, CFO*

But, Heath, for the customers, the long-term customers, we haven't seen any demonstrable change in terms of number of jobs. A few here and there go up and a few here and there go down. One of the great things I think about a having a slot model is that customers can choose to rotate their jobs through and use it to their benefit no matter what the hiring environment is.

And I think we've seen that actually in the last couple of weeks or months where they continue to fully utilize the number of slots they have and not worry about how many job postings they're paying for under a listing model.

Heath Terry - *Credit Suisse - Analyst*

Got you. If we look at the eFinancialCareers business, can you talk about where you are at the moment in terms of or what kind of success you're seeing in expanding that into the U.S. and getting traction with customers here? And to what extent the position that you've got in Europe is helping you with multinational companies that you would target for job listings in the U.S.?

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

You know the great part of the, I say one of the great parts of the eFinancialCareers business is that in serving financial services companies, many of them are global in nature and do hiring and movement of people across nations and across regions of the world.

And so having the strength that we have in the UK and Europe has definitely been a benefit to first establishing and then growing the businesses in Asia-Pacific, the business here in the U.S., and also the new effort in the Middle East, because a lot of that has crossed border recruiting and pulling talented people in from various parts of the world.

Specifically with the U.S., the U.S. has been a tremendous success. It's actually one of the fastest growing parts of eFC. So as we reported, it is in the other segment of our public reporting. But the growth in the U.S. is something that we're pretty happy about.

Heath Terry - *Credit Suisse - Analyst*

Great. Thank you.

Operator

And your next question will come from the line of Doug Anmuth with Lehman Brothers. Please proceed.

Doug Anmuth - *Lehman Brothers - Analyst*

Thank you for taking my question. Just wanted to ask if you could clarify your comments regarding customers taking longer to make buying decisions. And perhaps if you could actually quantify it a little bit. What was the environment like before in terms of the average sales cycle? And then what you would say that it is at the current time? Thank you.

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

Sure. Essentially if you roll the tape back, let's say let's roll the tape back a year or 12 to 18 months before everything started happening with the economy and the financial services crises.

Essentially when you had a conversation with customers they had a definite need. They sort of knew what their need was; they knew what their plans were. They would evaluate your service. If let's say this were a new customer, they would evaluate your service versus other services and prices. And you'd be able to close a new sale or a new agreement with a couple of phone calls, if you will.

Today what we're seeing is that the need is there, the recruiting is there. It's a little bit, especially in the smaller segment, a little bit more tenuous about their long-term need. So they're evaluating the products a bit more. They're looking for more demonstration. Maybe there's some promotional pricing in the market from some of our competitors that they have to then stop and evaluate and look at.

And so you've gone from a couple of quick phone calls and a good demo to now having five, six type phone calls over a longer period of time. And it really, I wish I could give you a clear statistic here but it really does vary quite a bit.

But the general sense is that we're trying to convey is that customers still are recruiting, they still have need. It's just that there's a whole bunch more that they're considering before they make final purchase decisions than they did before. And the result of that is sales that used to be completed in a few days are now taking a few weeks.

Doug Anmuth - *Lehman Brothers - Analyst*

Okay. And, Mike, if I could just follow-up, can you talk about the vehicles in 4Q in terms of online advertising where you mentioned that you didn't get the traffic that you wanted in certain cases. Or you actually didn't get the inventory placement. What kind of vehicles or sites or industries are changing going forward? Thanks.

Mike Durney - *Dice Holdings, Inc. - SVP - Finance, CFO*

I think broadly speaking without naming names, I don't think that helps us, is a handful of tech related sites that for whatever reason chose to use some of their inventory for other methods. I specifically said other non-employment advertisers cause I didn't want anybody to think that we got bumped for other employment related advertising.

They just made some decisions on who was paying what. We use a fair amount of remnant type pricing in the fourth quarter because we don't spend a lot. And so we do it selectively.

What I attempted to do earlier was lay out a handful of reasons that would reconcile between what we thought in October and what ended up happening. I don't want to overstate the impact of that because it really wasn't very much. But it's one of the four or five factors on the marketing side that caused us to spend less than we had said we would. But it really wasn't that, it wasn't a huge amount.

Doug Anmuth - *Lehman Brothers - Analyst*

But, okay. Great. Thank you.

Operator

Your next question comes from the line of Imran Khan with JP Morgan. Please proceed.

Imran Khan - *JPMorgan - Analyst*

Yes, hi. Thank you for taking my question. I'm sorry I joined the call a little late. So I apologize if somebody asked that question already. Two key questions. First of all I was wondering I think that some customers who see what's happening in Q1. Can you give us some color? Like what kind of renewal rate you're seeing on that?

And secondly can you give us some update? What are you seeing in the international market in terms of the customer growth rate? Thank you.

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

I think on the renewal side a big part of when we talked about renewals in the past it's usually in the context of eFinancialCareers. And I think we've mentioned that eFinancialCareers in the first quarter has a number of large staffing agency customers who have contracts up for renewal in January and February, primarily the first quarter.

And I mentioned earlier in my comments that out of the staffing agencies, the big staffing agency renewals that were up or the contracts that were up for renewal in January, eFinancialCareers renewed all but one. So the renewal performance was very good. And that collective renewal was done at slightly more revenue, if you will, for those contracts. So that renewal performance was very good for eFinancialCareers.

In terms of international customer growth, it was a terrific quarter internationally almost by every measure. It's pretty exceptional what's going on out there right now. We saw terrific customer growth across all the regions. I would say that some of our regions, as you know, are fairly small. So on a percentage basis you have absolutely huge customer growth. But we saw customer growth in every region in which eFC participates.

Imran Khan - *JPMorgan - Analyst*

Great.

Scott Melland - *Dice Holdings, Inc. - Chairman, President, CEO*

And Imran, just on the Dice side, because I think you asked broadly. In the fourth quarter on the renewal rates as we measure them for annual contracts, we've said historically it's around 75%, and it's ranged from 72% to 78%. And in Q4 it was 71.5%, so it was right under the bottom of our historical range, which is reflected in the customer count. And some of those have now come back in January, as we articulated before.

So the renewal rate was at the low end or slightly below the historical low end. But certainly not a significant drop-off as some might have expected. So the renewal rates kind of are right around the range they've been.

Imran Khan - *JPMorgan - Analyst*

Great, thank you. That's helpful.

Operator

At this time there are no more questions in the queue. I would now like to turn the call back over to Ms. Jennifer Bewley for any closing remarks.

Jennifer Bewley - *Dice Holdings, Inc. - Director - IR*

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

Operator

Ladies and gentlemen, this concludes your presentation. You may now disconnect and have a great day.
