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Conference Call Transcript

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TRANSCRIPT

Editor

Good day, ladies and gentlemen, and welcome to the third quarter 2010 Dice Holdings earnings conference call. (Operator Instructions). As a reminder, this conference is being recorded for replay purposes. I would now like to turn the conference over to Ms. Jennifer Bewley, Director of Investor Relations. Please proceed.

Jennifer Bewley - ***Dice Holdings - IR***

Thanks and good morning, everyone. With me on the call today is Scot Melland, Chairman, President and Chief Executive Officer of Dice Holdings, along with Mike 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 third quarter of 2010. 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 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 the results of the 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 law.

Today's call also includes certain non-GAAP financial measures, including adjusted EBITDA, adjusted EBITDA margin and free cash flow. For details on these measures, including why we use them, and reconciliations to the most comparable GAAP measures, please refer to our earnings release 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 - Chairman, President and CEO***

Thank you, Jennifer. Good morning and welcome to the Dice Holdings third quarter 2010 conference call. I will start today by providing a brief overview of our third quarter, including the improving conditions in our vertical markets. Then I will hand it over to Mike Durney, our CFO, to take it to our financial performance in greater detail. After Mike, I'll make a few closing remarks and then we'll open up the call for some questions.

Now for the third quarter, throughout the quarter we saw a steady improvement in the recruitment of skilled professionals both here in North America as well as in Europe and Asia Pacific region. These improving market conditions combined with our sales and service execution led to a very strong quarter of performance for our Company.

In Q3, worldwide revenues grew 29% year-over-year to $34.4 million. This includes the contribution from our recent energy acquisitions. On an organic basis, revenues were up a respectable 25% year-over-year.

Customer billings grew even faster, increasing 44% year on year, and if we include our new energy segment, billings grew nearly 50%; not bad performance. Each of our major brands delivered year-over-year billings growth in excess of 40%, which demonstrates both the recovery in our recruitment verticals as well as the value recruiters and HR professionals find in our services.

Profitability also improved and we achieved an adjusted EBITDA margin of 40%.

Now reviewing the results of our major brands. At Dice, we set a record for new business signed during the third quarter. Tightness in the tech labor market is beginning to create shortages of talent in certain metro areas and skill sets. This along with higher turnover is generating greater need for recruiting and we are certainly benefiting from that, with many customers returning to our services and others increasing their service levels with us.

As you'd expect, recruiting activity on the site grew during the quarter. Job postings on Dice.com were up 40% year-over-year, with resume database searches up even higher.

During the quarter, we launched the Dice Talent Network and we now have more than 700 companies participating and over 5000 technology professionals following those companies. Even though we are early in its adoption, the Dice Talent Network has proven to be a useful branding tool for companies, having generated hundreds of thousands of company profile views since its launch in late July.

Overall, with technology unemployment in the United States at 4.3%, and turnover growing in all of the professional segments, we expect there to be a healthy tech recruiting market well into next year.

At eFinancialCareers, business was also strong with each of our regions posting at least 20% year on year revenue growth. Despite some negative press reports on the industry, recruitment in the financial services industry worldwide remains strong, driven by staff building and turnover adjustments. That said, we do expect front-office hiring to slow in the fourth-quarter, which is the normal seasonal pattern in this business.

Recruitment activity on EFC grew throughout the quarter, as evidenced by the growth in our job postings globally, which are up 45% year-over-year.

The Asia-Pacific region continues to look -- to deliver outstanding growth for our Company. In fact, during Q3 we surpassed our previous peak in the region for both job postings and revenue. This is the first of our regions to do that. We expect others to follow. Needless to say, Asia will be a key market for us going forward.

So overall, Q3 was another strong quarter for Dice Holdings. Recruitment market continues to improve, especially in our professional verticals. We executed well, growing our customer base, our billings and our revenue. We completed the Rigzone acquisition, making us the leading player in the energy segment. All of this positions us very well for the future.

Now let me turn it over to Mike for more on the financials.

Mike Durney *- Dice Holdings - SVP of Finance and CFO*

Great. Thanks, Scot, and thanks to everyone for taking the time to join our call today.

We built on a strong first half of the year with an even better third quarter, highlighted by continued growth in revenue, billings, deferred revenue and the highest cash flow quarter of the year. In addition, we expanded our position in energy by acquiring the premier upstream oil and gas information website in the US, and refinanced our credit agreement, which has lowered our borrowing costs. All in all, a very productive third quarter.

First, revenues grew 29% year-over-year to $34.4 million. When you adjust for the energy acquisitions, the negative impact of currency and the shutdown of JobsintheMoney, revenues grew 25% year-over-year on an apples-to-apples basis.

Worldwide billings grew 49% from the third quarter of 2009. Without the two new energy businesses, billings grew 44%. So let's get to the segment details.

As a reminder, with the acquisition of Rigzone, the segments have been recast as disclosed at our September 30 investor day. For full historical information and changes to the segment reporting, please visit our website's online investor kit for the downloadable segment filing.

Revenues and technology and clearance segment, which was formerly known as DCS Online, increased 18% year-over-year to $23 million. High teens growth at Dice, as well as continued growth at ClearanceJobs, which grew 20% year-over-year, contributed to the result.

Dice had a record third quarter for new business and continued strong renewal rates on annual contracts. On September 30, recruitment package customers stood at 7050, up 300 from June 30. Of the total customer base, about 5900 recruitment package customers are under annual agreement. And the renewal rate on annual contracts was 75% and continues to sit inside our historic range of 72% to 78%.

Average revenue per customer per month was $839 for the third quarter, up from $825 in the second quarter and $815 in the first quarter. This represents a 3% growth year-over-year and is largely being driven by service level upgrades.

As many of you know, in September we did put into place our first price increase in the Dice service in more than three years. We raised the price on the one-month base level contract to [$995 from $895.] While this doesn't revisit Internet as amount of additional revenue by itself, it does provide the foundation for overall pricing on annual contracts. It represents the strength of our value proposition to customers.

For the finance segment, which now includes North America, revenues in the third quarter grew 37% to $9.1 million and represents strong results from our eFinancialCareers brand worldwide. On the top line, currency translation from pounds sterling to US dollars negatively impacted revenues by $0.5 million for the third quarter versus 2009. Excluding that impact, segment revenues GREW 43% year-over-year.

For each of the geographies I will discuss the results in the base currencies -- pounds sterling for the UK and the rest of Europe, Singapore dollar for Asia and US dollar in North America, because these are the best representative of the underlying trends.

In the UK, which is our largest market, revenues grew 39% year-over-year, with strong performance from both financial services organizations and the recruiters and staffing agencies that service the industry. For continental Europe and the Middle East, revenues increased 20% in pounds sterling, with more consistency across the markets on the continent, especially France, while the Middle East and Benelux are still a little bit slower.

And in Asia, revenues grew 62% year-over-year in Singapore dollars. Recruitment activity continues with customers indicating that recruitment has begun to slow to a more manageable pace from the first half of the year. But we continue to have encouraging conversations with clients with regard to next year, and we'll continue to invest in this region.

Finally, North American region posted its fastest growth of the year with third-quarter revenues up 54% year-over-year. Sell-side recruitment activity has been consistent with the buy side starting to do more recruiting.

And now on to our energy segment, which contains WorldwideWorker and Rigzone since the dates of their acquisitions, those two businesses contributed $1.5 million in revenue, which reflects the negative impact of the deferred revenue written off due to purchase accounting. The two businesses continue to operate separately, but the cooperation between the two brands and the integration of both into the Dice Holdings infrastructure has been going well, and we have been focusing on coordinating sales efforts where feasible to maximize the opportunity for the two brands.

We continue to see solid trends related to recruitment and in the advertising and data businesses at Rigzone. With oil prices staying in the $70 to $80 range, that will bode well for recruitment needs.

So, to wrap up the segments, our US businesses grew 20% excluding the impact of Rigzone. Our international revenues grew 34% measured in dollars, excluding the results of WorldwideWorker.

Billings growth year-over-year in both domestic and international was approximately the same, 49% in each including the acquisitions and 44% in each excluding acquisitions. Each of Dice, ClearanceJobs and eFinancialCareers had year-over-year increases in billings greater than 40%. It was a very strong quarter across the board.

So moving on to expenses, total operating expenses increased 23% year-over-year. However, cash operating expenses increased 37%, mainly driven by higher compensation expense earned on higher billings on the overall performance of the Company, and due to increases in spending on product development. About 20% of the increase in cash expenses year-over-year reflects the inclusion of the energy segment.

So, adjusted EBITDA totaled $13.9 million or 40% of revenues, which puts us back in our normal run rate of 40%, a bit ahead of where we expected. System items below EBITDA that we need to point out, as a result of the financing of our credit facility, we wrote off the remaining deferred financing costs on the old facility totaling $1.4 million. The new credit agreement consists of a revolving credit facility of $70 million and a term loan of $20 million, with effective interest rates currently at about 3%, which is roughly half the rate of the previous facility.

On the income tax line, we had lower income tax expense due to a change in estimates associated with uncertain tax positions related to the outcome of federal tax examination and to the expiration of the statute of limitations covering certain positions. So net income for the quarter doubled to $6.2 million from the $3 million earned in the third quarter of 2009. Diluted earnings per share were $0.09 for the quarter and the impact of the tax item was $0.02 per share.

So let's move on to the balance sheet and cash flow. At the end of September, we had $57 million outstanding under our credit facility. We borrowed $36 million to finance a portion of the Rigzone acquisition, of which we repaid $9 million through September 30. And in October, we repaid another $3 million, resulting in the current balance of $54 million.

We will continue to use our cash flow to repay debt as well as to invest in our current brands and expand geographically.

We generated $12.5 million in cash from operations this quarter, more than double the $5.4 million we generated in the comparable quarter last year. While the first quarter is typically the largest period for cash flow generation, this is the highest quarterly total since mid 2008. The largest contributor to the increase was the generation of deferred revenue, which grew 9% sequentially to $44.7 million, including a $2.2 million contribution from the Rigzone acquisition.

For the first nine months of the year, cash flow from operations totaled nearly $35 million, while free cash flow totaled $31.2 million, so this was just a terrific quarter. Our sales performance and cash flow generation reached new highs for this recovery. We are excited about our position with our energy properties and look forward to continuing to deliver for our shareholders.

So let's talk about guidance. At investor day we gave an updated look for the full year. Our guidance for the fourth quarter essentially reflects what we said in September. [For] the fourth quarter, we expect revenues to be approximately $36.5 million and adjusted EBITDA of approximately $16 million or 44% of revenue. At that revenue target, our growth year-over-year would be 37% or about 27% without energy.

We anticipate spending $11.5 million in sales and marketing expense, which is a bit off the usual pattern of fourth-quarter sales and marketing expenses declining. As we said at the beginning of the year there would be more parity between the quarters for marketing this year and we'll continue to expect solid sales performance in the quarter. As for the full year, revenues are anticipated to be $127.6 million, with adjusted EBITDA margins of 40% or $51.1 million of EBITDA.

And so with that, I will turn it back to Scot.

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

Great. Thank you, Mike. Let me conclude today by reiterating that we are the clear leader in online recruiting in technology, financial services, energy and security clearance. And we have a small but growing presence in healthcare. Even though the labor markets overall continue to be challenging, with high employment and slow job growth, we are performing well due to the attractiveness of our verticals and the strength of our services.

We are delivering substantial revenue growth, as you just heard, with strong profitability. In addition, we have expanded our footprint into energy, a sector that we are very excited about, where we can leverage our recruiting expertise and our global platform. The bottom line is that our services work both for our customers and for our users, and that gives me optimism about our future performance.

So I want to thank you all for listening today and let's open up the call for some questions.

QUESTION AND ANSWER

Operator

(Operator Instructions). Jordan Rohan, Stifel Nicolaus.

Jordan Rohan - ***Stifel Nicolaus - Analyst***

Great quarter. Quick couple of questions. Looks like -- I think if I heard you correctly, $2.2 million of the increase in deferreds came from the acquisition. That means only a couple million or $1.5 million or something like that came from organic growth on everything else.

Is there a certain seasonality to the third quarter because the summer is slow in terms of bookings? And do you expect that the growth in deferreds on an organic basis will return to the $3 million to $4 million per quarter pace that we have seen recently?

And the second question I have is on tax rate. Looks like you guys beat it by a couple of pennies in earnings because of the lower tax rate, if I am doing things correctly. What caused that? And can we expect a reversion to a normal tax rate in the next few quarters? Thanks.

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

If you look at deferred revenue, the history of deferred revenue changes for us is, we typically have an increase in Q4 because we have a fair number of renewals in the fourth quarter, including customers renewing for the fall and calendar year. We typically have an increase in Q1 because we have a lot of new business.

Q2 and Q3 are typically relatively flat. That was not the case in Q2. It turned out not to be the case in Q3. There were slight increases. But I expect that you will continue to see the pattern of bigger increases in Q4 and Q1 and relatively flat in Q2 and Q3 as we go out of this year and into next year.

On the tax rate, yes, we did have the reversal of a provision for certain positions we've taken, both for the expiration of the statute of limitations and because we just included an examination of our 2007 tax returns, which means we don't need those provisions anymore. And we reversed those, which did have an impact of about $0.02 per share. Going forward, yes, I would expect them to go back into the 35% to 37% range.

Operator

Tim McHugh, William Blair.

Tim McHugh - ***William Blair - Analyst***

First I wanted to just -- a bigger picture. You kind of touched on the financial services space and then seasonally how the hiring likely will slow in the fourth quarter just because of the normal pattern. Can you give a little more color as you talk to clients about how you separate the seasonal impact from some of the headlines that have suggested hiring can slow in there? Just what gives you comfort or how are they behaving or what are they saying that gives you comfort it's just a seasonal trend that you might see?

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

Sure. Seasonally, the reason you usually see that slowdown in the fourth quarter is that some of the individuals that -- there's still the desire to recruit, but some of the people that you would actually go after, they become quite expensive to buy out at the end of the year because usually are having to buy out their -- whatever bonuses they may be on track to get. So typically you see that slowdown just for practical reasons. But the recruiting demand is still there.

When we talk to our customers, both on the staffing agency side as well as on the direct side of financial services, we continue to hear that they're interested in building their staffs. And we are increasingly hearing that they are expecting turnover. It's happening today, but they're actually expecting and planning for more turnover in the future.

I think -- you know, I mention the press reports in my comments. Some of these press reports, the line on them is typically that financial services profitability is down. Therefore, many companies are going to adjust their employee base to cut costs to keep profits up; a very logical argument.

What those reports typically ignore is they ignore turnover. They ignore some of the required new positions that these banks and financial institutions are recruiting for today so that they can be in compliance with new regulatory guidelines. So there's actually drivers of recruiting that are above and beyond sort of what's going on financially with these institutions.

Tim McHugh - ***William Blair - Analyst***

Okay, great. And then I was wondering, I know you usually don't talk too much about [what] the [trends since] the quarter end, but I know this call is a week later than normal. So if you can talk all about momentum in the business as you have kind of gone through the quarter particularly, since it's been a very important renewal sales period for you guys.

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

We haven't seen anything in October that takes us off track from what we had indicated.

Tim McHugh - ***William Blair - Analyst***

Okay. Thank you.

Operator

John Janedis, UBS.

John Janedis - ***UBS - Analyst***

Mike, you mentioned revenue per recruitment package customer being up by 2% sequentially and about 3% year-over-year. How much of that is a function of maybe a lessening of competitive pricing relative to the recent price increase and/or increase in service levels?

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

The impact of the price increase on the one month has a slight impact, but it's very slight and it was only for one month averaged into the period. The biggest driver is increase in service levels, which generate more revenue per customer. To the extent that the pricing environment has gotten slightly better, I think has some impact. But the real driver is service levels.

John Janedis - ***UBS - Analyst***

And as we move forward and as the price increase rolls through, should we be thinking about a couple of points of sequential increase now for the next year? Or what is your view on that?

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

I think in the short term, you should assume that there will be slight increases sequentially. Keep in mind that it's a calculation of the revenue across all of our customers and certainly is impacted by when people are up for renewal and what they do on renewal. So it will always be somewhat muted. But I think you can expect in the near term there will be slight increases sequentially.

John Janedis - ***UBS - Analyst***

Okay, thanks. Then Scot, at your investor day a few weeks ago, you talked about your expectation of 20% plus growth or so over the next few years for Dice as a Company. Has your view changed at all, though, on overall industry growth over that period?

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

My view really hasn't changed in terms of the overall growth. I think what we have been surprised about, really after hearing some recent reports out there, is we are surprised at how healthy the broader market for recruiting has been. So it's possible that we -- the other part of what we did on the investor day is we put up some estimates for 2010 market size in North America. It's possible that we are a little conservative on the market side, that the growth is actually coming back a little faster. But I think long-term, we haven't changed our stance.

John Janedis - ***UBS - Analyst***

Okay. One last quick question for Mike. How many more markets do you plan to enter in Asia for the EFC brand next year?

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

We are looking at a handful of markets around the world, but I think in Asia you'll see somewhat more organic growth from the base that we have today. So we have done that in China as an example. We now serve China essentially from our Singapore operation. So, I wouldn't look for very many markets in Asia. And if there are, it would be from the base we have there.

John Janedis - ***UBS - Analyst***

Thanks a lot.

Operator

Youssef Squali, Jefferies & Company.

Youssef Squali - ***Jefferies & Company - Analyst***

Thank you very much and congratulations, guys. Just two quick questions. One, I just want to go back to a question that was asked earlier about EFC in particular and about the UK.

So, there are increasing press reports again talking about signs of weakness in that particular market in [the city]. So I was wondering if -- again, how much of that is typical Q4 seasonality versus maybe over hiring that we may have seen in the last kind of six months and having to readjust? Just is that -- does that worry you? Is that part of just normal course of business as far as you are concerned?

And then as you look at the business holistically, you have moved into energy. Since IPO, you have moved into a number of categories. As you look at the business say in the next 12 to 24 months, will you be using the next period of time to effectively just digest what you have and try to optimize it? Or do you see yourself as being ready and willing to extend into at least another category?

And as a corollary to that, how does your balance sheet kind of keep up with that? Thank you.

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

First, on the UK, the UK is one of the best performing markets we have right now for eFinancialCareers. What we are hearing when we talk to the direct companies and the staffing agencies, which are very -- a large part of that, of that recruiting market in the UK, is that they continue to see a very strong recruiting market. A lot of it is turnover driven, but you still have companies rebuilding staff and I guess rejiggering staffs, if you will, from a lot of the cuts that they made back 18 to 24 months ago.

Interestingly enough, on the agency side we continue to hear about the agencies adding consultants. And so I think that is a good indicator that the agencies are sort of one step closer in many cases the long-term plans of their clients. They would only add consultants if they believe that there is recruiting activity that is going to take place 12 to 18 months out. So I think you never have perfect visibility into the future, but I think we see a pretty strong UK market overall.

On the question of the Company today holistically, we are very excited about the two entries we have made over the last year and a half, both healthcare and energy, energy obviously being the larger one of the two. We are going to continue to look at acquisitions and ways to expand the business.

We have a few areas that we continue to be interested in. But we are only going to do those deals and enter those markets if it is a really good deal, if they are really good deals for the business long-term and for our shareholders. So I think you can expect that we are going to do a lot of digestion over the next 12 months or so, 12 to 18 months. But if the right opportunity comes along, we'll definitely take it.

In terms of the balance sheet, as Mike mentioned earlier, with a new credit facility, we definitely have the wherewithal to move forward with some acquisitions if the opportunity arises.

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

The other thing I would add to that from an acquisition strategy, as we said before, when we look around at other opportunities that would interest us, they are more likely than not to be relatively small. Rigzone was not necessarily bigger than other opportunities we could look at, but was at the higher end.

If you look just the balance sheet, aspect, nine months from the end of the year, we've made two acquisitions in energy and our net debt -- net cash position is not terribly different than it was at the beginning of the year. So given how much cash we generate, we are more than comfortable in our ability to fund acquisitions.

Youssef Squali - ***Jefferies & Company - Analyst***

Okay, that's helpful. Thank you.

Operator

Craig Huber, Access 342.

Craig Huber - ***Access 342 - Analyst***

I know it's a little bit early perhaps to tell about 2011, but I will try here anyhow.

If hypothetically your top line grew 20%, 25% next year, I would be curious to know what your thoughts would be, your sales and marketing line. How much would the growth there potentially lag a 20% or 25% increase on the top line? Do you feel like you have to spend an enormous amount of money next year incrementally on sales and marketing versus what you are spending this year?

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

Well, first our expectations are actually to grow more than 20% to 25% next year. So we are thinking the growth will probably be in the 30% range.

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

Yes, and I think we expect to continue to invest, as we have said all along, in marketing, some in sales and certainly in product -- in each of the products that we now own. And if you look at 30% growth, and a 40% margin, it allows for what we believe is a reasonable amount of investment in our business.

Craig Huber - ***Access 342 - Analyst***

Does that mean, though, if your top line grew 30%-plus, that you have to spend 20% more on sales and marketing? Is that sort of what you're saying?

Mike Durney - ***Dice Holdings - SVP of Finance and CFO***

I don't know that we would have to. We might choose to do that based on what's going on the market and what we think the opportunity is.

Craig Huber - ***Access 342 - Analyst***

Okay. And then also, if we could just -- this was sort of touched on before -- back on the question I asked you guys at year analyst day over a month ago. This goal of 20%-plus growth for each of the next three years on average, I was asking a question, what do you think the market is going to grow? I think you said up low single-digits on average per year.

You hit on this a little bit today. But can you just elaborate? Do you feel now the overall market would grow better than, say, 1% to 3% over each of the next three years? If you were able to grow 20% or so each year?

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

Well, I think let's look short-term versus long-term. I think we have been surprised, really, over the last month and then what's happened, some of what we saw earlier in Q3, by how quickly the recruitment market seems to be coming back generally. We know our segment is hopefully pretty well, but we are starting to see the rest of the segments start to take off, which is very encouraging overall for the economy and for labor markets overall.

So I think we're probably looking at market growth that's higher than the single digits in the short-term. But long-term, I think I would still stay with high single digits longer-term market growth.

Craig Huber - ***Access 342 - Analyst***

Okay. And I guess lastly, can you just elaborate on the pricing environment out there from your larger competitors? Are you seeing any incremental changes there?

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

Well, I think what's interesting about the pricing environment is that now that the overall environment is better, I think we are seeing less promotional pricing. We still see it from time to time, but the pricing pressure, if you will, has eased up a little bit. And so it's a better pricing environment.

I think what that reflects is that when you are having conversations with customers who are actively recruiting and time is of the essence, the pricing becomes less of an issue in those discussions.

Craig Huber - ***Access 342 - Analyst***

Great. Thank you very much.

Operator

John Blackledge, Credit Suisse.

John Blackledge - ***Credit Suisse - Analyst***

Thanks for taking the questions. First, on the secular concerns that are talked about, the secular challenges from the social networks don't appear to be materializing just given your strong growth in the quarter, expectations for the fourth quarter, and then as you referred to 30%-plus growth in 2011, and then strong longer-term growth as you guys talked about at your analyst day. So could you just talk about the social networks, if you are seeing them in your segments and what you would expect going forward? And then I just have a follow-up. Thanks.

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

Sure. When we look at the social networks, we are basically talking about LinkedIn being used as a sourcing tool across all the different segments of recruiting. And then also, there is advertising that is being done today by large corporate customers and some others that touch facebook and some of the other facilities out there. But you're really talking about LinkedIn as being the biggest player in the social networking recruiting space today.

What we said back at investor day is still very true. And that is that LinkedIn is a competitor out there. They are being used by customers as a sourcing tool.

What we have seen now, after having effectively competed with them for many years now, is that customer behavior is that they will buy LinkedIn and then they will also buy other services. And the reason is that LinkedIn is good at certain things and other services like ours are good at certain things. And so that has been the behavior.

So, I think maybe the investment community saw the social networks as more of a winner-take-all, game over type of situation, when it's certainly not that at all. These customers buy specific services for specific needs.

John Blackledge - ***Credit Suisse - Analyst***

Right. That's fair. Thanks. And then just follow up on the M&A front, would you guys look to add another segment or look to build around existing segments, say in the next 12 to 24 months? Thank you.

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

Well, we actually would consider both. If the right -- as you saw with what we have done in energy, we are taking two players that are both strong in particular skill areas and regions of the world and we are effectively putting them together. We would be looking at, if the right other -- if the right opportunity came along to fold in and improve some of our other brands, that we certainly would do that.

So we are essentially looking at those, what I would call fold in acquisitions as well as new verticals and new regions of the world type acquisitions.

John Blackledge *- Credit Suisse - Analyst*

Great. Thank you.

Operator

(Operator Instructions). Imran Khan, JPMorgan.

Imran Khan *- JPMorgan - Analyst*

Thank you very much for taking my questions. You talked about how you changed your prices for the one month product. Could you give us some sense like what's your thinking process about raising prices for other products for Dice.com?

And also, you talk about how this was the first price change in three years for Dice. Can you give us some sense of some of your other products in the energy vertical and the finance vertical, when the last price changes were made and what kind of opportunities you see? Thank you.

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

So let me start off with Dice here. I think as Mike mentioned in his notes, we typically raise the one-month price, and actually the classified price as well, as a way of testing market to see what the receptivity is of a price increase, and also to encourage customers to buy our services longer-term. Because we think that customers overall have a much better experience if they are using us over a period of time, whether that period is three months or six months or 12 months. It leads to a better experience.

So we obviously are looking at pricing today. I think what we will do is look to see what happens over the next 12 months, and maybe we will make an adjustment with some of the discounts, maybe we won't. It's really dependent upon what's happening in the market.

As far as some of our other brands, we have done some selective package adjustments. It's really a combination of both changing the pricing as well as changing what is contained in the package. We've done that with eFinancialCareers in certain markets.

And then for energy, I'm sure there's been price changes over the years. Mike, I don't know if you have anymore color on that.

Mike Durney *- Dice Holdings - SVP of Finance and CFO*

Yes, I think on energy, we are now spending time looking at the two brands and how we price the two of them together. We have not changed the pricing on WorldwideWorker other than to institute some structure around how we pursue staffing and recruiting potential customers, because that is not an area that WorldwideWorker pursued pre-acquisition because they were in that business.

On Rigzone, we have actually increased the price recently. Pricing on Rigzone actually to a great extent follows the pricing on Dice, or mirrors the pricing on Dice, although there is less of a discount for longer-term contracts. But we have changed the pricing recently on Rigzone.

Imran Khan *- JPMorgan - Analyst*

Got it. Will you also maybe give a sense? You talked about that you will consider based on what kind of market condition and receptiveness you see from your price changes. What is the first month reaction from customers in terms of the one-month price changes?

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

Well, I think the pricing is sticking. Most of the customers that are purchasing one-month agreements, they tend to be new customers to the service. So that is the price that they are introduced to. That is the price that they become used to. So it really works from that perspective, so the price is sticking.

Imran Khan - ***JPMorgan - Analyst***

Great. Thank you.

Operator

(Operator Instructions). Ladies and gentlemen, with no further questions in queue, I would now like to turn the call over to Ms. Jennifer Bewley for closing remarks.

Jennifer Bewley - ***Dice Holdings - IR***

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

Operator

Thank you for joining today's conference. That concludes the presentation. You may now disconnect, and have a great day.