FINAL TRANSCRIPT

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PRESENTATION

Operator

Hey, very good day to you ladies and gentlemen and welcome to your Q1 2011 Dice Holdings, Inc. Earnings Conference Call hosted by Jennifer Bewley, Director of Investor Relations and Corporate Communications.

My name is Chris and I'll be your conference coordinator for today. Throughout today's conference your lines will remain on listen-only until the question-and-answer session begins. (Operator Instructions) I would just like to remind all parties, this conference is being recorded for today.

And now I'd like to hand the conference over to Jennifer Bewley to begin. Please go ahead.

Okay, ladies and gentlemen, it does appear that we have just lost Jennifer Bewley momentarily. Please remain on the line whilst we reconnect her.

Thank you. Jennifer, you are now live into the call. Please continue.

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

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

Please note, this morning we issued a press release describing the Company's results for the first quarter of 2011. A copy of that release can be viewed on the Company's website at diceholdingsinc.com. In fact, we post all material information to our website and would encourage all investors to visit the site for more information on the Company.

Before we begin, I'd like to note that today's call includes certain forward-looking statements, particularly statements regarding 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 have been furnished to the SEC, both of which are available on our website.

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

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

Thank you, Jennifer. First let me welcome all of you to the Dice Holdings first quarter 2011 conference call. I'll start today by providing a brief overview of our first quarter performance, including a closer look at our key verticals, then I'll hand it over to Mike Durney, our CFO, to take you through the details of our financial performance. After Mike, I'll make a few closing remarks and then we'll open up the call for some questions.

So now for the quarter. We are very pleased with the financial and operating results we achieved in Q1, including a new record for quarterly billings. The Company is performing well, reflecting the continued gradual recovery in recruitment activity and the growth we are seeing in our core technology, finance and energy verticals.

In Q1, worldwide revenues grew 49% year-over-year to just over $40 million, including the contribution from our two recent energy acquisitions. On an organic basis, our revenues increased 38% year-over-year.

Once again, customer billings outpaced revenues, increasing 58% year-on-year or 43% on an organic basis. Adjusted EBITDA grew 60% year-over-year to just about $16 million, even with the increased investments we have made in marketing and product development. And we generated nearly $15 million in cash flow from operations. So it was a terrific quarter of performance all around.

I mentioned on our last call that in 2011 we expected to see a slow steady improvement in the labor markets along with increasing employee turnover. Through April, the market environment has been close to what we expected and our business has responded well and we continue to benefit from increasing recruitment activity in our major verticals and good response to our marketing and sales initiatives.

Let's take a look at some of our key verticals. At Dice.com, we are seeing increased demand for technology professionals in almost all metropolitan areas and skill sets, driven by a steady flow of technology projects and higher turnover. In Q1, we bounced back quickly from the year-end holiday recruitment slowdown and grew both our customer count and yield per customer.

The customers we added were a nice mix of new and returning customers, with many of the new customers being small to medium-sized direct hiring companies. This customer segment buys recruitment packages, but they also purchased packages of classifieds and our Premium Post product. As a result, our classified products are growing even faster than our recruitment packages. The higher yield or revenue per customer was the result of both higher service levels, as many of our larger customers are buying more service from us this year and better overall pricing.

So with tech unemployment at about 4%, skills shortages in some of the major tech centers around the country and increasing turnover, we believe that technology recruiting will be tight for some time to come.

Shifting on to finance, eFinancialCareers had a very strong quarter with revenues up 48% year-over-year, driven by strong staffing agency renewals, as well as growth in our banking customers and contracts.

Recruitment activity is up in each of our geographic markets with global job posting surpassing 10,000 in April of this year, a level we haven't seen since the fall of 2008. Asia continues to be our fastest-growing region with revenues up 64% year-on-year in the first quarter, as many financial institutions continue to build their presence in the region.

The recovery in financial services and the new regulatory schemes in place in many regions around the world are now driving demand for professionals in back-office roles like operations, compliance, risk management, and IT. However, eFinancialCareers' core sectors continue to account for most of the growth in recruitment.

For example, investment banking and capital markets postings more than doubled year-over-year in Q1 and asset management postings were up 78% year-on-year. So despite concerns about banking profitability, the eurozone debt crisis and political unrest around the world, we continue to see healthy financial services recruiting in all of our regions.

Our new Energy vertical also had a very strong quarter, driven primarily by better-than-expected renewal performance at WorldwideWorker and strong customer growth at Rigzone. Higher commodity prices are leading to more exploration and production around the world, which in turn is driving demand for skilled workers. Some of our customers are telling us that they're struggling to find skilled workers for their projects and some are even beefing up retention programs to hold on to their key talent.

Rigzone and WorldwideWorker are doing a good job of capturing that increased demand, as evidenced by the growth in our energy job postings, which were up more than 50% year-over-year in the first quarter.

So overall, the first quarter was a terrific start to the year. As I mentioned earlier, we are benefiting from increased recruiting activity in our major verticals. Our sales and marketing initiatives are working and our products are performing well for our customers and the professionals who use them. It's going to be an exciting year.

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

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

Great. Thanks, Scot, and thanks to everyone for taking the time today to join our call. We exited 2010 with some pretty good momentum and the first quarter of 2011 has continued that theme enabling the Company to deliver several milestones.

Overall, revenues increased 49% year-over-year to just over $40 million and if you exclude the impact from the two energy acquisitions, revenues grew 38%. Adjusted EBITDA grew by 60% to $15.9 million. As Scot mentioned, billings grew even faster than revenues at 58% year-over-year or 43% organically. Typically, the first and fourth quarters deliver the highest sales levels each year. As such, the billing results in the first quarter are the highest ever for the Company.

In reaching organic growth rate of 43%, each of the segments posted growth of over 40%. There are several reasons for our performance. First, we are in terrific sectors that are performing well in today's overall employment environment. Second, we are very focused on delivering value to our customers and more and more customers understand that value. And finally, the energy acquisitions have added to our addressable market.

Reflecting the billings growth, deferred revenue now stands at $59 million at March 31, 20% higher than at the end of 2010 and 53% higher than a year ago.

To sum it up, it was a terrific first quarter, which gives us the potential to deliver our best-ever annual financial performance. And so with that overview let's get to the segments.

Revenues in the Technology & Clearance segment increased 35% year-over-year to $25.7 million. Dice grew 35%, while ClearanceJobs posted 28% growth. The number of average recruitment package customers at Dice was 7,300 during the first quarter, up 18% year-over-year.

As of March 31, we ended the quarter with 7,600 customers, of which about 6,500 were under annual contract. For the first quarter, recruitment package customers generated on average $900 per month, the first time we've hit the $900 level. The 4% sequential increase from $867 in the fourth quarter was ahead of our expectations. And there are a handful of things driving that.

First, service-level upgrades continue to be the biggest driver. Companies adding job slots in their database access for more recruiters. Second, the slight price increase we implemented on annual contracts in the fourth quarter has helped lift the impact from base-level service contracts.

Third, coming out of the recession, we've seen the impact of using fewer [entrant] centers, for instance, having added a month of service to an annual contract in the downturn. Eliminating that pulled up the average. Fourth, for the handful of customers that have some sort of pay-per-use arrangement, the usage was higher, which raises the average overall. And finally in Q1, we have slightly more short-term contracts, which increases the average, although that impact is relatively small.

This level of change quarter to quarter is not something we expect to continue, especially now as we come up on the anniversary of the beginning of the service-level upgrades in earnest. I would expect going forward, we'll be back at the 1% to 2% growth sequentially for the remainder of this year.

In the first quarter, the renewal rate on annual contracts was 71.5% just below our historical average of 72% to 78%. This renewal rate is measured by customers who renew in the month their contract is up for renewal. So what we experienced in the first quarter and in the back half of 2010 as well was that our pricing changes and customers' anticipated larger equipment needs did impact the time to close a deal, particularly on some of the bigger agreements.

And on some of the small agreements, where the customers may have had an extra incentive in their prior agreement, the renewal process can take a little longer. However, the rate at which we have renewed those customers in subsequent months has been strong. About 20% of those in the first quarter non-renewal bucket subsequently have renewed through mid-April.

Moving on to the Finance segment, the revenues increased 48% year-over-year to $10.6 million. Currency translation added slightly to the year-over-year performance, so excluding that impact revenues grew 44%. For the eFinancialCareers geographies I'll discuss their results in their base currencies.

In the UK, our largest market, revenues grew 36% year-over-year in sterling. Post-bonus season we've seen recruitment agencies become more active, but sentiment remains unchanged and most banks and recruitment agencies are expecting consistent needs.

In Continental Europe and the Middle East, revenues grew 44% in euros. We continue to see solid improvements in France, Benelux and Germany. The general consensus is that recruiting continues to improve and some financial institutions who are not recruiting are coming back strongly. However, in the Middle East that has been soft as you might expect given the level of unrest in the region, but it is a small piece of the overall eFinancialCareers business.

In Asia, revenues increased 64% in sing dollars, still our fastest-growing region. Banks and recruiters started the year with confidence in hiring plans and bracing for higher-than-normal post-bonus turnover, both of which are positively impacting our results in the region.

In North America, revenues increased 42%. We continue to see improving trends from the buy side and recruiters and we have seen a greater level of interest in direct sourcing from financial institutions, resulting in more interest in using our resume database.

Moving to the Energy segment, the revenues were $3.1 million. In terms of recruitment, both Rigzone and WorldwideWorker had strong quarters. The customer retention experience at both properties has been quite good and the advertising side of the business is strong at Rigzone as well. Continued high energy prices, together with the loosening of the restriction on granting permits in the Gulf of Mexico, have aided the business thus far.

So to wrap up our segments, our US business grew 48% or 35% excluding Rigzone. Internationally we grew 55% or 49% excluding WorldwideWorker. Each of the businesses helped drive this performance.

Moving to cash operating expenses, they totaled $24.1 million, up $7.3 million or 43% year-over-year. The primary drivers are the inclusion of our energy businesses, which is $1.9 million or about a quarter of the increase, increased marketing spend to drive traffic and activity levels, higher sales compensation due to higher billings, and increased investments in product development, including editorial content.

As I mentioned on our call in February, we weren't sure that we would get to all the initiatives that were planned for the quarter. That was the case yielding lower spending than anticipated, some of these will now happen in the second quarter. Adjusted EBITDA grew 60% to $15.9 million, which resulted in adjusted EDITDA margin of 40%.

Net income for the quarter doubled to $6.6 million or $0.09 per diluted share. Included in net income is a pre-tax charge of $655,000 for an increase in acquisition-related contingencies, as we now expect the financial and operating metrics for Rigzone and WorldwideWorker that are used in the deferred purchase price calculations to be higher than we anticipated at the end of December.

Moving on to cash generation, cash from operations was $14.8 million, an increase of 28% year-over-year. The largest contributor to the increase was the increase in deferred revenue of $9.5 million. The change in accounts receivable resulted in a use of cash in the quarter because the level of billings in March was so high. Those will be collected -- or have been collected in April. Cash flow from operations was impacted in the quarter by year-end performance-based compensation payments, which were made in the first quarter based on the terrific 2010 performance.

Our net cash position was $26.5 million at March 31, with total debt outstanding of $21 million after having repaid $20 million during the quarter. We also repaid the remaining $3 million outstanding under the revolving credit facility in April. So today, the only debt outstanding is $18 million drawn under the term loan. Our $70 million revolving credit facility is currently undrawn.

So to conclude, we had a terrific first quarter, aided by continued strong recruiting markets in technology and financial services and the ongoing growth opportunities in energy. We delivered record billings and at Dice.com record revenue per customer. We continue to leverage recovery and are optimistic about our opportunities in the market.

And so, with that let's move on to guidance. First, I'll give an updated view on the full year and then provide initial expectation for Q2.

For the full year, we are increasing our revenue expectation by $5 million to $177 million or 37% growth year-over-year. We anticipate cash operating expenses of $103 million, an increase of $2 million from our previous guidance, the majority of which is an increase in the sales and marketing expense line. Our adjusted EBITDA is now expected to be $74 million, $3 million higher than previous, yielding a 42% adjusted EBITDA margin.

For the second quarter, we expect revenues of $43.5 million or 45% growth year-over-year, which is 35% organic growth. We anticipate total cash operating expenses to be $26.5 million and adjusted EBITDA of $17 million for a margin of 39%.

We anticipate spending more in the second quarter for sales and marketing, as some of the first quarter initiatives have now slipped into the second quarter. In addition, there will be up-ticks from the first quarter on a dollar basis in cost of revenue and product development, although as a percentage of revenue we expect those to be relatively unchanged, and we anticipate G&A will be relatively flat.

So with that, I'm going to turn it back over to Scot.

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

Great. Thanks, Mike. As you can see, Q1 was a great start to the year for us. As I mentioned earlier, the market environment has been close to what we expected and our sales and marketing initiatives are working quite well.

As we move further into the year, we will continue to focus on our strategic priorities, including customer acquisition to take advantage of the improving market conditions, expansion into new regions and metro areas, especially building out our presence in some of our newer, faster-growing markets.

Investment in marketing, sales, and product development to support that growth and building out our energy business, which we believe is truly a global opportunity for us. And of course, it's always a priority to deliver earnings and cash flow for our shareholders.

So with that, thank you all for listening today. Let's open up the call for some questions.

QUESTIONS AND ANSWERS

Operator

Thank you very much. Okay. So ladies and gentlemen, your question-and-answer session will now begin. (Operator Instructions) Jim Janesky, Avondale Partners.

Jim Janesky - *Avondale Partners, LLC - Analyst*

Good morning, everyone. Two questions. First is, you mentioned about shorter-term contracts. With that in mind, I mean what are you expecting and what are you hearing from your customers with respect to off-cycle purchasing? I mean could that increase if the employment market, especially within your verticals, continues to recover?

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

Well, I think, Jim, the -- part of what's going on here is, we did have a large increase in the quarter in new customers. And typically when we bring on new customers, they try us initially with a smaller contract size or a shorter-term deal. And so that's part of what's driving us.

In terms of the overall -- and so, if we're successful and they truly have long-term needs, we hope to upsell them into longer-term agreements over time. As far as off-cycle upgrades, we are experiencing off-cycle upgrades and it's been fairly consistent -- or within contract, what we would call within contract upgrades it's been fairly consistent for the last couple of quarters across our major product lines.

Jim Janesky - *Avondale Partners, LLC - Analyst*

Okay. And the second question is, the classified advertising that you're selling, what's the margin profile? Is that higher margin in your base business same or less, how would you qualify that?

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

Yes. I think the margin of a classified customer and a recruitment package customer are roughly the same.

Jim Janesky - *Avondale Partners, LLC - Analyst*

Okay. All right. Thank you.

Operator

Youssef Squali, Jefferies.

Youssef Squali - *Jefferies & Company - Analyst*

Thank you very much. Hi, guys. Couple of questions, please. On the margin front, we had anticipated that Q1 will be kind of a significant trough as you go through all the increased spending that you talked about in the prior call. Yet it seems like it actually held up very, very nicely. Are we still talking about Q1 being the low watermark or is Q2 now going to be that?

I think your guidance implies maybe margins of about 39% and you also talked about some increased investment that you were planning on doing in Q1 that now slipped into Q2. Maybe you could talk a little bit about that. And then in the release you talked about how eFC growth was driven in part by improved customer yield. Can you expand on how you did that and is there more room for that to go up? Thanks.

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

Sure, Youssef. On the first question, so we had anticipated that we would increase some areas of marketing spend in the first quarter, which we certainly did. We originally had anticipated we would get to it faster, which we didn't, so now some of those roll out of Q1 and into Q2. It's one of the reasons why we try not to spend too much time looking at specific quarters, because some of the incremental spending can fall on one period or another.

So we had expected that Q1 would be lower from a margin standpoint, but the revenue outperformance certainly pulls up the margin and then some of that spending rolling into Q2 will make Q2's margin slightly lower, we're talking about 40% or 39%.

Youssef Squali - *Jefferies & Company - Analyst*

Okay. So Q2 becomes the low watermark and then we move back up from there?

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

Yes, for this year.

Youssef Squali - *Jefferies & Company - Analyst*

Yes. Okay.

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

On the question of customer yield, what we're really seeing both in Dice and in eFinancialCareers is that, as the market has come back now, we're seeing much more usage by our major customers. So some of the large staffing agencies at eFC, some of the large staffing firms and recruiting firms that use us in the US with Dice are increasing their consultant staff and as a result are increasing the number of database users that they have with us and the number of job slots and job postings they have with us. So that's really -- I think, as Mike mentioned in his comments, service level is really accounting for most of that yield increase. There's a little bit of pricing though in there.

Youssef Squali - *Jefferies & Company - Analyst*

How do you reconcile increase in usage with renewal rate being slightly down sequentially?

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

So the renewal rate is purely based on the count of the customers and for those customers that are new or that we retain, their usage levels are higher, either more job slots or more database access licenses or both.

Youssef Squali - *Jefferies & Company - Analyst*

Okay, great. Thanks.

Operator

Tim McHugh, William Blair & Company.

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Tim McHugh - *William Blair & Company - Analyst*

Yes, thanks. You've talked about this in a couple of different ways, but maybe from just a high level, can you talk to us about the job posting trends, [if you're watching], for Dice and eFC are still very strong, but are starting to decelerate somewhat. Your sales activity bookings or billings is accelerating. I mean the story there of the classified advertising in the pricing, is that the right way to think about that and the differential between those two trends?

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

Well, when you look at job postings versus customer growth and revenue growth, job postings can be a good indicator, as we've mentioned before a good indicator over time. As we add new customers, some of those new customers are going to be at smaller usage levels than some of the existing customers. And so, you may see the job postings not grow as quickly as we grow that new customer -- as the growth from the customer base.

But I wouldn't read anything in particular into that in terms of the pace of the business. I know we referred a lot in our comments this time to job postings, we were doing that primarily to give -- hopefully give everyone a better feel for what's happening inside of the business in terms of the recruiting trends, but overall it is difficult to go from job postings to what's happening specifically on the customer and revenue side.

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

Yes, Tim, just to add. I wouldn't underestimate the impact of the higher yield per customer, which is based on for the most part recruitment packages, which is a combination of database access and job posting slots and changes in job postings for some of our bigger customers, literally jobs posted on the site has little or no impact on revenue, but it impacted the trend of the job posting count growth. And we talk about that quite a bit. We try to reinforce it, but the overall package concept and the increasing yield per package is the driver of the business.

Tim McHugh - *William Blair & Company - Analyst*

Okay. All right. And then, Mike, I want to ask you this, the free cash flow was very strong this year or this quarter. Do you have an (inaudible) updated view on the full year what you might be expecting?

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

Nothing different than what we've said before. We believe that we'll have continued increases in free cash flow for this year. Typically the first quarter is high. This year it's muted a little bit for the reasons I said earlier. So we would expect some benefit later in the year, but no substantial change to what we said.

Tim McHugh - *William Blair & Company - Analyst*

All right. And the delayed expenses, was it purely on the sales and marketing lines? Could you get the product development and those sorts of things accomplished that you wanted to do? Or is there any reason to see a more meaningful increase in those expenses later this year or next year?

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

Yes, I think it is product development and sales and marketing, but the biggest piece is marketing. Product development, we've increased as you can tell and we'll continue to increase spend there. But from an expectation of first quarter rolling into the second quarter or later, the majority of it's in the marketing line.

Tim McHugh - *William Blair & Company - Analyst*

Well, thank you.

Operator

Craig Huber, Access 342.

Greg Stein - *Access 342 - Analyst*

Hi, this is Greg Stein on behalf of Craig Huber. I have a few questions. Just on pricing in the marketplace versus your two largest competitors, Monster and CareerBuilder, what are you seeing? And then just a follow-up on product development, do you still expect it to double this year, considering you only spent about $2.5 million in the first quarter? Thank you.

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

Well, on the pricing question, overall, I think as you can tell pricing for our services is improving. And I think that's a reflection of some actions that we've taken, as well as just overall in the market, with the market environment being better and recruitment being up, overall there is slightly better pricing across all the competitors because there is less time effectively to negotiate some of the larger deals.

So it is a better pricing environment, but I think when you look at us it's a reflection of that plus some of the actions that we've taken. On the product development side, if you look at the first quarter we're up more than double our product development spend and we expect to continue on that path as we go through the year.

Greg Stein - *Access 342 - Analyst*

So is about $13 million, $14 million a fair run rate for the year still?

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

Yes.

Greg Stein - *Access 342 - Analyst*

Okay. And then just finally, I guess, competitors in the marketplace, who do you worry about the most right now and I'd also just like to hear your view on, I guess, this potential LinkedIn IPO? Thank you.

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

I think we look at and I guess worry about all the competitors in the market. I think that if we look at which competitors are having the greatest impact today on what customers are doing and the greatest impact on customers' budgets, I think you have to look at what's happening with social recruiting, which really includes LinkedIn.

And so, we're watching how customers are experimenting with social recruiting or watching how they're using LinkedIn in particular and what are the valuable aspects of LinkedIn and what are the aspects of social recruiting that we want to incorporate in our own products. So I think from a competitive standpoint, that's probably the biggest impact on the market today.

Greg Stein - *Access 342 - Analyst*

All right. Thank you very much.

Operator

Jordan Rohan, Stifel Nicolaus.

Jordan Rohan - *Stifel Nicolaus - Analyst*

I have a couple of questions, but if I'm understanding the trends that you've identified with revenues up 35% for Tech and I think you said a 17% increase in customers. It sounds like the rest could be divided into two parts, which is the mix between short-term and longer-term or 12-months contracts and also a price increase for the base 12-month contract.

Am I getting that correctly? If that's correct, how much is the base increase for the 12-month contract? Are we still at the same levels? There was a little bit of added pricing leverage on that metric?

And the second question, the data business in the Energy vertical is something that I've expected to just one day start to materialize at a greater level, particularly the data related to the rigs. Are we seeing that yet and what's the process or plan to have that business ramp even further? Thank you.

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

So on the -- the premise of the first part of the first question is correct. So Tech grew 35%, the customer growth -- recruitment package customer growth, the average number of them year-over-year is roughly half of that. Price increase plays a part in the base level of service. It's a relatively small part, because the increase was relatively small.

The biggest driver again is increases in service level, either at renewal or in mid-contract, as Scot referred to earlier, so that is by far the biggest driver. On top of that, there is -- we do have slightly more classified-type customers, shorter-term customers on top of the recruitment package customer growth.

So those two things, service-level upgrades and having slightly more revenue, slightly higher percentage of revenue from non-recruitment package customers, which are the metrics we talk about, drives the increase in the Tech business over and above the increase in recruitment package customer growth.

On the data business, data business is growing. It's still a relatively small part of the Rigzone business. So if Rigzone is three-quarters to 80% of the Energy business, the data services business is 15% of that roughly. So it is growing. We expect it to grow over time, but it hasn't gone to a level of maturity yet.

Jordan Rohan - *Stifel Nicolaus - Analyst*

Thank you very much. Nice quarter.

Operator

John Blackledge, Credit Suisse.

John Blackledge - *Credit Suisse - Analyst*

Thanks. Two questions. Just wondering, from the macro environment [percent], do you think the macro environment is better now than or do you think it's going to accelerate versus when you started the year and as you did the budget at the start of the year? And then secondly, the growth has been excellent overall and across segments. Is that a factor of you guys taking share or an increase in customer budgets or both? Thanks.

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

Sure. On the macro question, I think the macro environment is definitely better today when it was when we did our planning months ago, however it's -- I'm sorry from where it was at the beginning of the year. But it's really following the path that we expected. We expected kind of slow steady improvement.

If you look at what's happened with the macro labor numbers, they've been nice steady improvements really for the last few months. And we've seen steady increases in turnover. So the market seems to be -- or the environment seems to be unfolding pretty much as we expected. As far as our performance, I think we're taking share. I mean definitely customer budgets are up, but I don't think you can -- I don't think customer budgets are up by 30%, 40%, 50%. So I think we're definitely taking share in the market.

John Blackledge - *Credit Suisse - Analyst*

Thank you.

Operator

Jeff Bernstein, AH Lisanti. Please go ahead.

Jeff Bernstein - *AH Lisanti - Analyst*

Hi, nice quarter guys. Couple of questions. Just on renewal rate, can you remind us what sort of normalized renewal rate was in better times and give us some feeling for what the vector is to getting back there?

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

Sure. So as long as we've tracked it best a good number of years, the range has always been roughly 72% to 78% except in the roughly four quarters of the downturn when it went down into the low-50s and then came right back up in somewhat of a V shape.

So even in the very best of times of '05 and '06 and into '07, it never exceeded 78%. And as a reminder, that percentage is the monthly rates measuring customers renewing their annual contracts in the month that they were up for renewal. So we always have gotten subsequent renewals over time, measured over time. We get about half of that roughly 22% to 28% that don't renew in the month that they were up for renewal, we get them back over some period of time.

We've gotten 20% back roughly through the middle of April of the January, February and March annual renewals that didn't renew at the time they were up for renewal. So we're there. We're at 71.5%, we're right at the bottom of the 72% to 78% range.

It is, we believe, impacted slightly by service-level upgrades and customers taking more time to decide on service-level upgrades in the renewal process and customers evaluating the slight price increase that we put in place in the fourth quarter, but 20% coming back in a relatively short period of time demonstrates that some of it is just purely timing.

Jeff Bernstein - *AH Lisanti - Analyst*

Okay. And then in terms or Rigzone and WorldwideWorker, are those businesses at this point unconstrained by sales bandwidth or are we still in the process of building up the sales capability?

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

Yes, we've added to the sales capability. We're adding to the marketing and lead generation capability. I would say that that's a work in progress, but progress has been made.

Jeff Bernstein - *AH Lisanti - Analyst*

That's great. Thanks a lot.

Operator

Thank you very much for your questions. We don't have any further questions at this time. (Operator Instructions) Thank you.

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

Thanks, Chris. It appears that there are no more questions. Thanks to everyone for your time this morning and interest in Dice Holdings. Management will be available to answer any follow-up questions that you have. Please call Investor Relations at 212-448-4181 to be placed in the queue. Have a good day.

Operator

Thank you very much. Okay. So, ladies and gentlemen, that does now conclude your call for today and you may now disconnect your lines. Have a great day. Thank you very much for joining.
